

**RUSK COUNTY, WISCONSIN**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2017**

**RUSK COUNTY, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2017**

<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS</b>	
STATEMENT OF NET POSITION	15
STATEMENT OF ACTIVITIES	16
BALANCE SHEET – GOVERNMENTAL FUNDS	17
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES	18
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	19
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	20
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	21
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	22
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	23
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	25
NOTES TO BASIC FINANCIAL STATEMENTS	26
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULES</b>	
1 – BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	57
2 – BUDGETARY COMPARISON SCHEDULE – HEALTH AND HUMAN SERVICES FUND	62
3 – BUDGETARY COMPARISON SCHEDULE – HOUSING FUND	63
4 - SCHEDULE OF PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN ASSET/LIABILITY – LAST TEN FISCAL YEARS	64
5 - SCHEDULE OF CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM PENSION PLAN – LAST TEN FISCAL YEARS	65
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	66

**RUSK COUNTY, WISCONSIN  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2017**

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**SCHEDULES**

**NONMAJOR GOVERNMENTAL FUNDS**

A-1 – COMBINING BALANCE SHEET 67

A-2 – COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES 69

**DEBT SERVICE FUND**

B-1 – DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE 71

**INTERNAL SERVICE FUNDS**

C-1 – COMBINING STATEMENT OF NET POSITION 72

C-2 – COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION 73

C-3 – COMBINING STATEMENT OF CASH FLOWS 74

**AGENCY FUNDS**

D-1 – COMBINING BALANCE SHEET 75

**GENERAL FUND**

E-1 – STATEMENT OF CHANGES IN FUND BALANCE 76



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

The County Board  
Rusk County, Wisconsin

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rusk County, (the County) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Rusk County Memorial Hospital, an enterprise fund of the County, which represents 100% of assets, net position and revenues of the business-type activities. Those statements were audited by other auditors whose report thereon, has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Rusk County Memorial Hospital, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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, based on our audit and the report of other auditors, 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 Rusk 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 conformity 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 management's discussion and analysis, budgetary comparison information, and pension plan schedules, as referenced 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 the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The individual and combining fund statements have 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 by us and other auditors. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The County Board  
Rusk County

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



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
September 24, 2018

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

As management of Rusk County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Rusk County for the year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 15 following this narrative.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended December 31, 2017 include the following:

- The assets and deferred outflows of resources of Rusk County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$81,209,614 (net position). Of this amount, \$53,950,903 represented the County's net investment in capital assets, \$5,208,839 was held for restricted purposes, and \$22,049,872 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position decreased by \$2,014,215. Net position related to the governmental activities of the County increased \$230,387 and net position related to business-type activities decreased \$2,244,602.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$13,621,486, a decrease of \$1,366,726 from the previous year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,976,716 or 36.7% of total general fund expenditures.
- At the end of the year, total outstanding general obligation debt was \$11,483,486, approximately 19% of the County's legal debt limit of \$60,894,720.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Rusk County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The two government-wide financial statements are designed to provide readers with a broad overview of Rusk County's finances, in a manner similar to a private-sector business.

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

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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

Both of the government-wide financial statements distinguish functions of Rusk County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the County consist of the Rusk County Memorial Hospital.

The government-wide financial statements can be found beginning on page 15 of this report.

**Fund Financial Statements**

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

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

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

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

Rusk County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the health and human services fund, the housing fund, the debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**Proprietary Funds.** Rusk County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for transactions relating to its hospital facility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Rusk County uses internal service funds to account for its highway department operations, its fleet of vehicles, its central duplication and postage use, and health reimbursement account employee benefit plan. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information relating to the hospital, which is considered a major fund. Conversely, the three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found beginning on page 21 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statements can be found on page 25 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 26 of this report.

### **Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund and major special revenue fund budgets. Required supplementary information can be found beginning on page 57 of this report. The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information on the general fund budget. Combining and individual fund statements and schedules can be found beginning on page 67 of this report.

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Rusk County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$81,209,614 at the close of the most recent fiscal year. The largest portion of Rusk County's net position (66.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a summary of the County's statement of net position:

**Condensed Statement of Net Position  
December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 30,981,087	\$ 32,209,360	\$ 8,381,092	\$ 10,009,272	\$ 39,362,179	\$ 42,218,632
Capital Assets	58,791,803	56,275,884	5,074,128	5,208,210	63,865,931	61,484,094
Total Assets	<u>89,772,890</u>	<u>88,485,244</u>	<u>13,455,220</u>	<u>15,217,482</u>	<u>103,228,110</u>	<u>103,702,726</u>
Deferred Outflows of Resources	3,515,473	4,928,165	3,857,957	5,347,287	7,373,430	10,275,452
Long-Term Debt	11,762,861	11,761,775	-	-	11,762,861	11,761,775
Other Long-Term Obligations	608,350	689,088	606,781	503,429	1,215,131	1,192,517
Other Liabilities	3,592,999	4,003,364	2,311,341	2,982,347	5,904,340	6,985,711
Total Liabilities	<u>15,964,210</u>	<u>16,454,227</u>	<u>2,918,122</u>	<u>3,485,776</u>	<u>18,882,332</u>	<u>19,940,003</u>
Deferred Inflows of Resources	8,967,945	8,833,361	1,541,649	1,980,985	10,509,594	10,814,346
Net Position:						
Net Investment in						
Capital Assets	49,483,556	49,130,344	4,467,347	4,704,781	53,950,903	53,835,125
Restricted	5,208,839	7,224,354	-	-	5,208,839	7,224,354
Unrestricted	13,663,813	11,771,123	8,386,059	10,393,227	22,049,872	22,164,350
Total Net Position	<u>\$ 68,356,208</u>	<u>\$ 68,125,821</u>	<u>\$ 12,853,406</u>	<u>\$ 15,098,008</u>	<u>\$ 81,209,614</u>	<u>\$ 83,223,829</u>

An additional portion of Rusk County's net position (6.4%) represents resources that are subject to other restrictions on how they may be used. The remaining \$22,049,872 of total net position (27.2%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$8,386,059 of these unrestricted net position are related to the County's business-type activities. Consequently, they generally may not be used to fund governmental activities.

At the end of 2017, Rusk County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The County's net position decreased by \$2,014,215 during the current fiscal year. The decrease consisted of an increase in net position related to governmental activities in the amount of \$230,387 and a decrease in net position related to business-type activities in the amount of \$2,244,602.

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

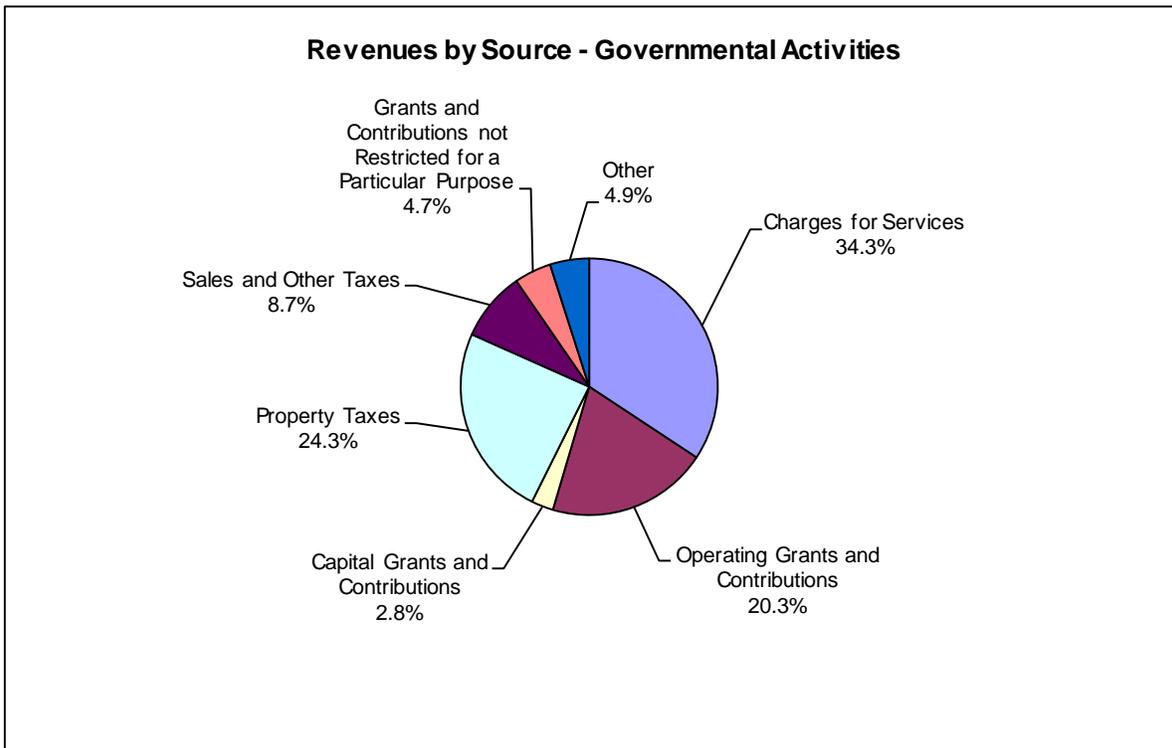
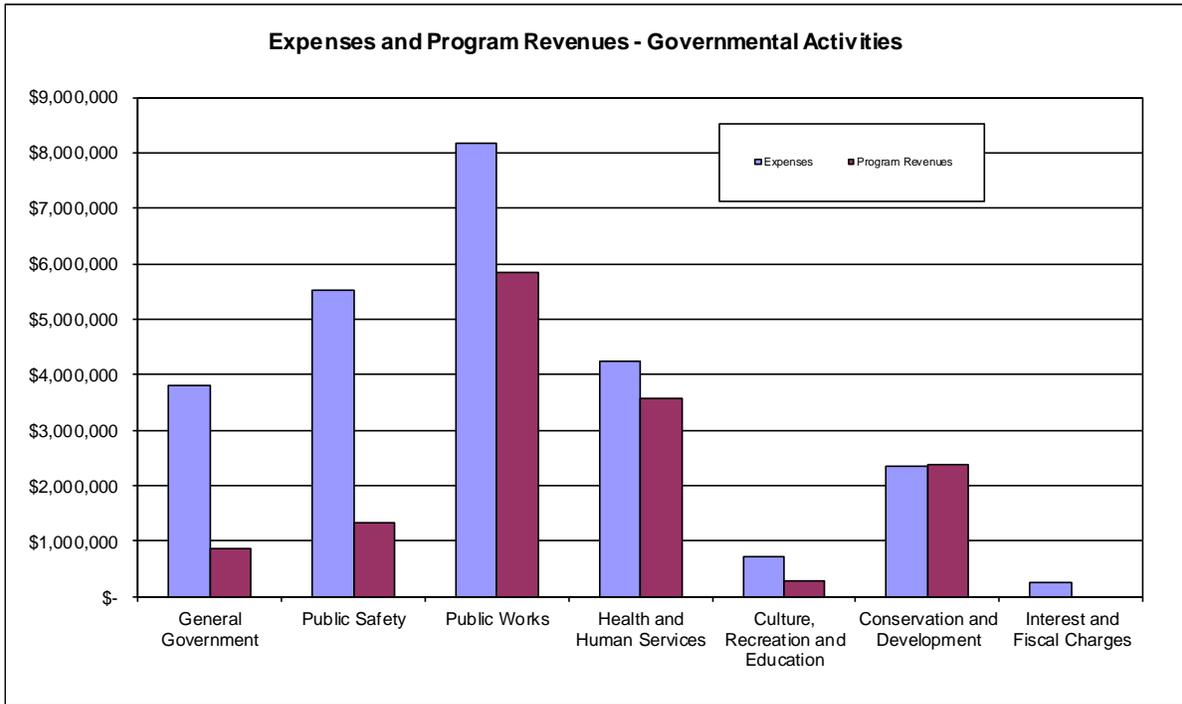
The following is a summary of the changes in the County's net position for the years ended December 31, 2017 and 2016:

**Condensed Statement of Changes in Net Position  
Years Ended December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 8,516,852	\$ 8,335,766	\$ 23,286,662	\$ 23,219,418	\$ 31,803,514	\$ 31,555,184
Operating Grants and Contributions	5,035,332	4,928,165	7,763	17,919	5,043,095	4,946,084
Capital Grants and Contributions	689,161	759,112	-	-	689,161	759,112
General Revenues:						
Property Taxes	7,057,658	7,309,809	-	-	7,057,658	7,309,809
Sales/Other Taxes	1,155,360	1,144,476	-	-	1,155,360	1,144,476
State and Federal Aids Not Restricted to Specific Programs	1,157,137	1,146,427	-	-	1,157,137	1,146,427
Gains from Property Sales	1,606	-	-	-	1,606	-
Other	1,217,849	1,290,264	36,932	46,292	1,254,781	1,336,556
Total Revenues	<u>24,830,955</u>	<u>24,914,019</u>	<u>23,331,357</u>	<u>23,283,629</u>	<u>48,162,312</u>	<u>48,197,648</u>
<b>Expenses:</b>						
General Government	3,804,785	3,525,772	-	-	3,804,785	3,525,772
Public Safety	5,515,455	5,148,505	-	-	5,515,455	5,148,505
Public Works	8,159,478	6,578,096	-	-	8,159,478	6,578,096
Health and Human Services	4,232,405	4,680,644	-	-	4,232,405	4,680,644
Culture, Recreation and Education	735,084	397,041	-	-	735,084	397,041
Conservation and Development	2,349,945	2,005,215	-	-	2,349,945	2,005,215
Interest and Fiscal Charges	256,412	240,436	-	-	256,412	240,436
Hospital	-	-	25,122,963	23,434,218	25,122,963	23,434,218
Total Expenses	<u>25,053,564</u>	<u>22,575,709</u>	<u>25,122,963</u>	<u>23,434,218</u>	<u>50,176,527</u>	<u>46,009,927</u>
Change in Net Position Before Transfers	(222,609)	2,338,310	(1,791,606)	(150,589)	(2,014,215)	2,187,721
Transfers	452,996	-	(452,996)	-	-	-
<b>Change in Net Position</b>	<u>\$ 230,387</u>	<u>\$ 2,338,310</u>	<u>\$ (2,244,602)</u>	<u>\$ (150,589)</u>	<u>\$ (2,014,215)</u>	<u>\$ 2,187,721</u>

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

A review of the statement of activities can provide a concise picture of how the various functions/programs of Rusk County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are property taxes (24.3%), operating grants/contributions (20.3%), and charges for services (34.3%).



**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

**FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

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

**Governmental Funds**

The focus of the County's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing Rusk County's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$13,621,486, a decrease of \$1,366,726 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at: December 31, 2017					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 1,328,455	\$ 87,777	\$ -	\$ 3,759,026	\$ 4,976,716	\$ 10,151,974	\$ 1,022,360
Health and Human Services Fund	-	-	-	406,941	-	406,941	(11,267)
Housing Fund	287,861	15,416	-	-	-	303,277	(14,771)
Debt Service Fund	-	-	-	66,162	-	66,162	(378,908)
Capital Projects Fund	-	2,122,133	-	-	-	2,122,133	(2,080,350)
Nonmajor Funds:							
Special Revenue Funds	275	3,532	504,189	63,003	-	570,999	96,210
	<u>\$ 1,616,591</u>	<u>\$ 2,228,858</u>	<u>\$ 504,189</u>	<u>\$ 4,295,132</u>	<u>\$ 4,976,716</u>	<u>\$ 13,621,486</u>	<u>\$ (1,366,726)</u>

Restricted fund balance represents amounts available for appropriation but intended for a specific purpose, and legally restricted by outside parties. Committed fund balance represents constraints on spending that the governmental imposes upon itself by high-level action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the County's general fund and included all spendable amounts not contained in the other classifications.

The general fund is the primary operating fund used to account for the governmental operations of Rusk County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 74.8% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 36.7% of the same amount.

The general fund's total fund balance increased \$1,022,360 during the year; while the unassigned portion of the fund increased \$376,720. The primary factor in the increase in fund balance was the positive variance between the budgeted and actual expenditures in the current year.

The County's health and human services fund decreased \$11,267 during the year and had a balance of \$406,941 at year end, which was assigned by the County for financing future human services program expenditures.

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

The housing fund balance decreased \$14,771 during the year and had a balance of \$303,277 at year end. This balance, together with the outstanding receivables totaling \$2,697,120 at that date, are restricted for financing future housing rehabilitation loans in accordance with the original grant agreements.

The debt service fund balance at December 31, 2017 totaled \$66,162 which is assigned for financing future principal and interest requirements on outstanding debt issues.

The capital projects fund consists of funds held for construction of County highway projects. The County issued debt during 2015 to fund various highway projects and the balance in this fund consists of unspent debt proceeds that are restricted for this purpose.

The aggregated other governmental funds include various special revenue funds. The accumulated fund balances of these funds increased \$96,210 during 2017. These funds are individually detailed in the supplementary information section of this report.

**Proprietary Funds**

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

As of December 31, 2017 the County's hospital fund reported net position of \$12,853,406, a decrease of \$2,244,602 from the previous year. Of this balance, \$4,467,347 consisted of the net investment in capital assets, leaving a balance of \$8,386,059 in unrestricted net position.

The County had four internal service funds during 2017. Net position of the funds at year end and changes thereto during the year were as follows:

<u>Fund</u>	<u>Net Position at Year End</u>			<u>Change During Year</u>
	<u>Total</u>	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	
Highway Department	\$ 5,347,459	\$ 3,223,515	\$ 2,123,944	\$ 465,485
Central Duplication Fund	74,701	(7,894)	82,595	(8,548)
Car Pool Fund	81,683	21,280	60,403	1,297
HRA Fund	1,487,217	-	1,487,217	(60,064)
Totals	<u>\$ 6,991,060</u>	<u>\$ 3,236,901</u>	<u>\$ 3,754,159</u>	<u>\$ 398,170</u>

The County uses the highway department fund to account for road maintenance and construction and related services provided to the County and to the State of Wisconsin and local governmental units. The car pool and central duplication funds are used to account for its fleet of vehicles, and its central duplication and postage use. The HRA fund is used to account for the County's health reimbursement account employee benefit plan.

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2017 general fund budget was different than the original budget adopted by the County Board, primarily due to the appropriation of unbudgeted grant funds and their inclusion of continuing appropriations from 2016 not included in the original budget. The County ended the year with a positive budget variance for revenues and a positive budget variance for expenditures, mainly due to better than expected county forest stumpage and unexpended continuing appropriations.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2017 and 2016 was \$63,865,931 and \$61,484,094, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net increase in the governmental activities capital assets was \$2,515,919. The net decrease in the business-type activities capital assets was \$134,082.

**Capital Assets (Net of Accumulated Depreciation)  
December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land and Land Rights	\$ 3,675,894	\$ 3,633,889	\$ 12,300	\$ 12,300	\$ 3,688,194	\$ 3,646,189
Construction Work in Progress	764,025	613,102	40,918	1,213,987	804,943	1,827,089
Gravel Pits and Quarries	62,171	62,711	-	-	62,171	62,711
Land Improvements	4,883,992	4,774,797	65,277	75,530	4,949,269	4,850,327
Buildings and Improvements	10,577,758	9,809,653	1,836	2,415	10,579,594	9,812,068
Equipment and Vehicles	3,631,363	3,153,841	3,515,937	3,875,173	7,147,300	7,029,014
Intangible Assets	-	-	1,437,860	28,805	1,437,860	28,805
Highway Infrastructure	35,196,600	34,227,891	-	-	35,196,600	34,227,891
Total	<u>\$ 58,791,803</u>	<u>\$ 56,275,884</u>	<u>\$ 5,074,128</u>	<u>\$ 5,208,210</u>	<u>\$ 63,865,931</u>	<u>\$ 61,484,094</u>

Major capital asset events during the current fiscal year included the following:

- Construction began for new Animal Shelter building.
- Acquired Gustafson Road building from City of Ladysmith.
- Purchased land for future recreational use.
- Purchased vehicles and other equipment during the year.

Additional information related to the County's capital assets is reported in Note 2.C following the financial statements.

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

**Long-Term Obligations**

At December 31, 2017, Rusk County had outstanding \$12,977,992 of long-term debt and other long-term liabilities. A summary detail of this amount, together with the percent change from the previous year, is shown below:

**Outstanding Long-Term Obligations  
December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals Outstanding		% Change
	2017	2016	2017	2016	2017	2016	
General Obligation Debt:							
Bonds	\$ 2,070,000	\$ 2,220,000	\$ -	\$ -	\$ 2,070,000	\$ 2,220,000	-6.8%
Notes	9,413,486	9,192,421	-	-	9,413,486	9,192,421	2.4
Unamortized Debt Premium	279,375	349,354	-	-	279,375	349,354	-20.0
Subtotal	11,762,861	11,761,775	-	-	11,762,861	11,761,775	0.0
Other Long-Term Obligations:							
Capital Leases	62,644	93,102	606,781	503,429	669,425	596,531	12.2
Estimated Employee Leave	545,706	595,986	-	-	545,706	595,986	-8.4
Total	\$ 12,371,211	\$ 12,450,863	\$ 606,781	\$ 503,429	\$ 12,977,992	\$ 12,954,292	

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a county may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Rusk County outstanding at December 31, 2017 totaled \$11,483,486, approximately 19% of the maximum legal limit of \$60,894,720. Additional information on Rusk County's long-term debt is reported in Note 2.E following the financial statements.

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

- The annual unemployment rate for the County of Rusk for 2017 was 4.4%, which is higher than the annual rate of 4.1% in 2016. The annual state rate for 2017 was 3.3%, which is lower than the annual rate of 4.1% in 2016.
- An estimated 1.5 million square feet of manufacturing space still exists in the County with an approximate occupancy rate of 85%.
- New commercial construction was valued at \$404,700 in 2017, an increase of \$112,100 from the previous year. New residential construction in 2017 was \$6,832,100. New residential construction in 2017 totaled \$292,600 which was an increase of \$112,100 from the previous year. Manufacturing construction was 31,700 versus \$2,152,000 in 2016. Other construction not listed was 1,197,300 in 2017 versus \$940,000 in 2016.
- The County Board approved a tax levy of \$7,563,153 for the 2018 budget compared to \$7,007,647 for 2017. The 2018 budget includes tax levies of \$300,930 for library purposes, \$1,191,668 for highway, \$1,558,130 for debt service.

**RUSK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Rusk County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Rusk County Finance Department, 311 East Miner Avenue, Suite L330, Ladysmith, Wisconsin, 54848.

**RUSK COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 15,230,604	\$ 2,739,546	\$ 17,970,150
Taxes Receivable	8,433,418	-	8,433,418
Accounts Receivable	621,052	4,756,327	5,377,379
Due from Other Governments	2,024,484	-	2,024,484
Due from Fiduciary Funds	17,031	-	17,031
Long-Term Receivables	3,231,444	-	3,231,444
Inventory	759,614	710,744	1,470,358
Prepaid Expenses	663,440	174,475	837,915
Capital Assets:			
Capital Assets Not Being Depreciated	4,439,919	53,218	4,493,137
Capital Assets Being Depreciated	109,147,839	20,861,106	130,008,945
Accumulated Depreciation	(54,795,955)	(15,840,196)	(70,636,151)
Total Assets	<u>89,772,890</u>	<u>13,455,220</u>	<u>103,228,110</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Wisconsin Retirement System Pension Related	3,515,473	3,857,957	7,373,430
<b>LIABILITIES</b>			
Vouchers and Accounts Payable	1,406,504	706,647	2,113,151
Accrued Liabilities	826,805	1,103,343	1,930,148
Accrued Interest Payable	133,758	-	133,758
Due to Other Governments	351,093	-	351,093
Unearned Revenues	235,141	12,282	247,423
Special Deposits	194,045	-	194,045
Long-Term Liabilities:			
Wisconsin Retirement System Net Pension Liability	445,653	489,069	934,722
Amounts Due Within One Year	1,594,501	162,291	1,756,792
Amounts Due in More Than One Year	10,776,710	444,490	11,221,200
Total Liabilities	<u>15,964,210</u>	<u>2,918,122</u>	<u>18,882,332</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Subsequent Year's Property Taxes	7,563,153	-	7,563,153
Wisconsin Retirement System Pension Related	1,404,792	1,541,649	2,946,441
Total Deferred Inflows of Resources	<u>8,967,945</u>	<u>1,541,649</u>	<u>10,509,594</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	49,483,556	4,467,347	53,950,903
Restricted for:			
Housing/Business Loan Programs	3,000,397	-	3,000,397
Capital Projects	2,117,133	-	2,117,133
Other	91,309	-	91,309
Unrestricted	13,663,813	8,386,059	22,049,872
Total Net Position	<u>\$ 68,356,208</u>	<u>\$ 12,853,406</u>	<u>\$ 81,209,614</u>

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017**

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 3,804,785	\$ 526,034	\$ 340,818	\$ -	\$ (2,937,933)	\$ -	\$ (2,937,933)
Public Safety	5,515,455	1,037,934	215,526	68,922	(4,193,073)	-	(4,193,073)
Public Works	8,159,478	4,371,184	839,983	620,239	(2,328,072)	-	(2,328,072)
Health and Human Services	4,232,405	658,674	2,904,773	-	(668,958)	-	(668,958)
Culture, Recreation and Education	735,084	134,767	152,356	-	(447,961)	-	(447,961)
Conservation and Development	2,349,945	1,788,259	581,876	-	20,190	-	20,190
Interest and Fiscal Charges	256,412	-	-	-	(256,412)	-	(256,412)
Total Governmental Activities	<u>25,053,564</u>	<u>8,516,852</u>	<u>5,035,332</u>	<u>689,161</u>	<u>(10,812,219)</u>	<u>-</u>	<u>(10,812,219)</u>
Business-Type Activities:							
Memorial Hospital	25,122,963	23,286,662	7,763	-	-	(1,828,538)	(1,828,538)
Total Primary Government	<u>\$ 50,176,527</u>	<u>\$ 31,803,514</u>	<u>\$ 5,043,095</u>	<u>\$ 689,161</u>	<u>(10,812,219)</u>	<u>(1,828,538)</u>	<u>(12,640,757)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					6,044,179	-	6,044,179
Property Taxes, Levied for Debt Service					1,013,479	-	1,013,479
Other Taxes					1,155,360	-	1,155,360
State and Federal Aids not Restricted to Specific Function					1,157,137	-	1,157,137
Interest and Investment Earnings					199,544	36,932	236,476
Gain on Sale of Property					1,606	-	1,606
Miscellaneous					1,018,305	-	1,018,305
Transfers					452,996	(452,996)	-
Total General Revenues and Transfers					<u>11,042,606</u>	<u>(416,064)</u>	<u>10,626,542</u>
<b>CHANGE IN NET POSITION</b>					230,387	(2,244,602)	(2,014,215)
Net Position - Beginning of Year					68,125,821	15,098,008	83,223,829
<b>NET POSITION - END OF YEAR</b>					<u>\$ 68,356,208</u>	<u>\$ 12,853,406</u>	<u>\$ 81,209,614</u>

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	General Fund	Health and Human Services Fund	Housing Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
<b>ASSETS</b>							
Cash and Investments	\$ 9,203,291	\$ -	\$ 15,416	\$ 50,406	\$ 2,117,133	\$ 716,021	\$ 12,102,267
Taxes Receivable	4,899,050	960,794	-	1,558,130	-	145,270	7,563,244
Delinquent Taxes Receivable	870,174	-	-	-	-	-	870,174
Accounts Receivable	361,366	15,493	-	-	-	62,611	439,470
Due from Other Governmental Units	660,689	842,331	-	15,756	5,000	224,083	1,747,859
Due from Other Funds	513,017	-	-	-	-	-	513,017
Due from Fiduciary Funds	14,163	2,051	-	-	-	817	17,031
Prepaid Expense	651,044	10,936	-	-	-	275	662,255
Inventories	14,241	11,080	-	-	-	-	25,321
Long-Term Receivables	-	-	2,984,981	-	-	246,463	3,231,444
Total Assets	<u>\$ 17,187,035</u>	<u>\$ 1,842,685</u>	<u>\$ 3,000,397</u>	<u>\$ 1,624,292</u>	<u>\$ 2,122,133</u>	<u>\$ 1,395,540</u>	<u>\$ 27,172,082</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Vouchers and Accounts Payable	\$ 543,732	\$ 86,485	\$ -	\$ -	\$ -	\$ 81,021	\$ 711,238
Accrued Liabilities	826,805	-	-	-	-	-	826,805
Due to Other Governmental Units	312,854	38,239	-	-	-	-	351,093
Due to Other Funds	-	343,491	-	-	-	169,526	513,017
Unearned Revenues	51,739	6,735	-	-	-	175,199	233,673
Special Deposits	186,983	-	-	-	-	7,062	194,045
Total Liabilities	<u>1,922,113</u>	<u>474,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>432,808</u>	<u>2,829,871</u>
<b>Deferred Inflows of Resources:</b>							
Subsequent Year's Property Taxes	4,898,959	960,794	-	1,558,130	-	145,270	7,563,153
Unavailable Revenue - Long-Term Receivables	-	-	2,697,120	-	-	246,463	2,943,583
Unavailable Revenue - Other	213,989	-	-	-	-	-	213,989
Total Deferred Inflows of Resources	<u>5,112,948</u>	<u>960,794</u>	<u>2,697,120</u>	<u>1,558,130</u>	<u>-</u>	<u>391,733</u>	<u>10,720,725</u>
<b>Fund Balances:</b>							
Nonspendable:	1,328,455	-	287,861	-	-	275	1,616,591
Restricted	87,777	-	15,416	-	2,122,133	3,532	2,228,858
Committed	-	-	-	-	-	504,189	504,189
Assigned	3,759,026	406,941	-	66,162	-	63,003	4,295,132
Unassigned	4,976,716	-	-	-	-	-	4,976,716
Total Fund Balances	<u>10,151,974</u>	<u>406,941</u>	<u>303,277</u>	<u>66,162</u>	<u>2,122,133</u>	<u>570,999</u>	<u>13,621,486</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,187,035</u>	<u>\$ 1,842,685</u>	<u>\$ 3,000,397</u>	<u>\$ 1,624,292</u>	<u>\$ 2,122,133</u>	<u>\$ 1,395,540</u>	<u>\$ 27,172,082</u>

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2017**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 13,621,486

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 3,659,038	
Land Improvements	8,532,372	
Buildings and Improvements	20,017,115	
Equipment and Vehicles	4,423,454	
Infrastructure	66,208,211	
Construction Work in Progress	676,410	
Accumulated Depreciation	<u>(48,024,342)</u>	55,492,258

Some receivables are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 3,157,572

Wisconsin Retirement System net pension asset (liability) and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Asset (Liability)	(374,320)	
Deferred Outflows of Resources	2,952,773	
Deferred Inflows of Resources	<u>(1,179,936)</u>	1,398,517

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

General Obligation Debt	(11,483,486)	
Accrued Interest Payable	(133,758)	
Vacation, Compensatory and Sick Leave Liability	<u>(408,066)</u>	(12,025,310)

Debt discounts and premiums are deferred in the statement of net position and amortized over the lives of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred.

Unamortized Debt Premiums		(279,375)
---------------------------	--	-----------

The highway department internal service fund is used by County's management to account for services provided the County and other governmental units. The assets and liabilities of the highway department internal service fund are reported in governmental activities. 5,347,459

Other internal service funds are used by County management to charge the costs of central duplication, car pool operations and HRA to departments/expenditure functions. The assets and liabilities of the central duplication, car pool and HRA internal service funds are also reported in governmental activities. 1,643,601

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 68,356,208

**RUSK COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2017**

	General Fund	Health and Human Services Fund	Housing Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
<b>REVENUES</b>							
Taxes	\$ 5,998,732	\$ 1,061,096	\$ -	\$ 1,013,479	\$ -	\$ 183,761	\$ 8,257,068
Intergovernmental	3,049,492	2,904,773	-	-	-	694,125	6,648,390
Licenses and Permits	103,785	-	-	-	-	18,332	122,117
Fines and Forfeits	62,664	-	-	-	-	23,914	86,578
Public Charges for Services	2,854,041	283,954	-	-	-	7,163	3,145,158
Intergovernmental Charges for Services	237,876	239,720	-	-	-	-	477,596
Investment Income	127,665	183	172	652	45,450	25,422	199,544
Miscellaneous	846,184	233,591	80,383	90,300	-	308,746	1,559,204
Total Revenues	<u>13,280,439</u>	<u>4,723,317</u>	<u>80,555</u>	<u>1,104,431</u>	<u>45,450</u>	<u>1,261,463</u>	<u>20,495,655</u>
<b>EXPENDITURES</b>							
Current:							
General Government	3,425,651	-	-	-	-	-	3,425,651
Public Safety	5,034,289	-	-	-	-	122,340	5,156,629
Public Works	2,653,727	-	-	-	-	86,119	2,739,846
Health and Human Services	122,585	4,070,330	-	-	-	6,543	4,199,458
Culture, Recreation and Education	623,231	-	-	-	-	148,606	771,837
Conservation and Development	1,052,120	-	95,326	-	-	612,320	1,759,766
Capital Outlay	651,946	-	-	-	1,264,676	-	1,916,622
Debt Service:							
Principal Retirement	-	-	-	1,192,506	-	-	1,192,506
Interest and Fiscal Charges	-	-	-	290,833	-	-	290,833
Total Expenditures	<u>13,563,549</u>	<u>4,070,330</u>	<u>95,326</u>	<u>1,483,339</u>	<u>1,264,676</u>	<u>975,928</u>	<u>21,453,148</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(283,110)	652,987	(14,771)	(378,908)	(1,219,226)	285,535	(957,493)
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-Term Debt Issued	-	-	-	-	1,263,571	-	1,263,571
Transfers In	1,322,392	-	-	-	1,105	312,198	1,635,695
Transfers Out	(16,922)	(664,254)	-	-	(2,125,800)	(501,523)	(3,308,499)
Total Other Financing Sources (Uses)	<u>1,305,470</u>	<u>(664,254)</u>	<u>-</u>	<u>-</u>	<u>(861,124)</u>	<u>(189,325)</u>	<u>(409,233)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,022,360	(11,267)	(14,771)	(378,908)	(2,080,350)	96,210	(1,366,726)
Fund Balances, January 1	<u>9,129,614</u>	<u>418,208</u>	<u>318,048</u>	<u>445,070</u>	<u>4,202,483</u>	<u>474,789</u>	<u>14,988,212</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 10,151,974</u>	<u>\$ 406,941</u>	<u>\$ 303,277</u>	<u>\$ 66,162</u>	<u>\$ 2,122,133</u>	<u>\$ 570,999</u>	<u>\$ 13,621,486</u>

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ (1,366,726)**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 4,680,600	
Depreciation Expense Reported in the Statement of Activities	<u>(2,578,745)</u>	2,101,855

In the statement of activities, the gain and loss on the disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net cost of the capital assets sold, traded in, or discarded: (24,541)

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. (433,480)

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset/liability and related deferred outflows and inflows of resources. (471,541)

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. Long-term debt incurred in the current year is:

General Obligation Debt (1,263,571)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

General Obligation Debt Principal Retirement 1,192,506

The internal service funds are used by the County's management to charge the cost of the central duplication and car pool activities to functions and to account for highway department operations. The change in net position of the internal service funds are reported in governmental activities.

Highway Department Fund	465,485	
Central Duplication Fund	(8,548)	
Car Pool Fund	1,297	
HRA Fund	<u>(60,064)</u>	398,170

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	(28,509)	
Amortization of Debt Premiums	69,979	
Net Change in Compensated Absences Liability	<u>56,245</u>	<u>97,715</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 230,387**

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Fund Rusk County Memorial Hospital	Governmental Activities - Internal Service Funds
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Investments	\$ 2,739,546	\$ 3,128,337
Accounts Receivable	4,756,327	181,582
Due from Other Governmental Units	-	276,625
Inventories	710,744	734,293
Prepaid Expenses	174,475	1,185
Total Current Assets	8,381,092	4,322,022
<b>Noncurrent Assets:</b>		
Capital Assets:		
Land and Land Improvements	286,890	260,148
Construction Work in Progress	40,918	87,615
Buildings and Improvements	2,905,837	710,645
Machinery and Equipment	17,680,679	9,012,750
Accumulated Depreciation	(15,840,196)	(6,771,613)
Total Noncurrent Assets	5,074,128	3,299,545
Total Assets	13,455,220	7,621,567
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Wisconsin Retirement System Pension Related	3,857,957	562,700
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	706,647	695,266
Accrued Liabilities	1,103,343	-
Unearned Revenue	12,282	1,468
Current Portion of Long-Term Liabilities:		
Long-Term Notes and Capital Lease Payable	162,291	34,615
Accrued Employee Leave	-	56,928
Total Current Liabilities	1,984,563	788,277
<b>Long-Term Liabilities (Net of Current Portion):</b>		
Notes Payable	-	28,029
Capital Lease Payable	444,490	-
Accrued Employee Leave	-	80,712
Wisconsin Retirement System Pension Liability	489,069	71,333
Total Long-Term Liabilities	933,559	180,074
Total Liabilities	2,918,122	968,351
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Wisconsin Retirement System Pension Related	1,541,649	224,856
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,467,347	3,236,901
Unrestricted	8,386,059	3,754,159
Total Net Position	\$ 12,853,406	\$ 6,991,060

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - <u>Enterprise Fund</u> Rusk County <u>Memorial Hospital</u>	Governmental Activities - Internal <u>Service Funds</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 22,937,298	\$ 4,375,390
Other Revenue	349,364	33,468
Total Operating Revenues	<u>23,286,662</u>	<u>4,408,858</u>
<b>OPERATING EXPENSES</b>	<u>25,110,291</u>	<u>6,314,020</u>
<b>OPERATING LOSS</b>	(1,823,629)	(1,905,162)
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest Revenue	36,932	-
Interest Expense	(12,276)	(7,049)
Intergovernmental Grants and Aids	-	182,975
Contributions	7,763	-
Gain (Loss) on Disposal of Capital Assets	(396)	1,606
Total Nonoperating Revenues (Expenses)	<u>32,023</u>	<u>177,532</u>
<b>LOSS BEFORE TRANSFERS</b>	(1,791,606)	(1,727,630)
<b>TRANSFERS:</b>		
Transfers In	-	2,125,800
Transfers Out	(452,996)	-
Total Transfers	<u>(452,996)</u>	<u>2,125,800</u>
<b>CHANGE IN NET POSITION</b>	(2,244,602)	398,170
Net Position - Beginning of Year	<u>15,098,008</u>	<u>6,592,890</u>
Net Position - End of Year	<u>\$ 12,853,406</u>	<u>\$ 6,991,060</u>

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Fund Rusk County Memorial Hospital	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers and Users	\$ 21,705,488	\$ 4,643,638
Cash Paid to Suppliers for Goods and Services	(8,775,527)	(5,139,936)
Cash Paid for Employee Services	(13,786,653)	(456,623)
Cash Paid for Insurance Claims	-	(210,903)
Net Cash Used for Operating Activities	(856,692)	(1,163,824)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash Received from Contributions	7,763	-
Cash Received from State Aid	-	182,975
Transfers from Capital Projects Fund	-	2,125,800
Transfers to General Fund	(452,996)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(445,233)	2,308,775
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Cash Received from Salvage of Capital Assets	-	15,500
Cash Payments for Acquisition of Capital Assets	(916,804)	(892,689)
Cash Paid for Principal on Capital Lease	(127,162)	(32,076)
Cash Paid for Interest on Capital Lease	(12,508)	(7,049)
Net Cash Used for Capital and Related Financing Activities	(1,056,474)	(916,314)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Investments	36,932	-
Purchase of Investments	(18,358)	-
Net Cash Provided by Investing Activities	18,574	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,339,825)</b>	<b>228,637</b>
Cash and Cash Equivalents, January 1	2,900,229	2,899,700
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 560,404</b>	<b>\$ 3,128,337</b>

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - <u>Enterprise Fund</u> Rusk County <u>Memorial Hospital</u>	Governmental Activities - Internal <u>Service Funds</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (1,823,629)	\$ (1,905,162)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation	1,232,723	440,202
Provision for Bad Debts	601,595	-
Net Change in Wisconsin Pension System Related Items:		
Asset / Liability	-	(70,295)
Deferred Outflows of Resources	-	241,838
Deferred Inflows of Resources	-	(73,197)
(Increase) Decrease in Assets:		
Accounts Receivable	(1,618,493)	80,715
Due from Other Governmental Units	-	154,065
Prepaid Expenses	506,735	1,720
Inventory	(183,124)	119,848
Increase (Decrease) in Liabilities:		
Accounts Payable	(40,642)	(159,523)
Accrued Liabilities	50,478	-
Unearned Revenues	3,503	-
Accrued Employee Leave	(196,825)	5,965
Accrued Pension Payable	610,987	-
 Net Cash Used for Operating Activities	 <u>\$ (856,692)</u>	 <u>\$ (1,163,824)</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:</b>		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 2,739,546	\$ 3,128,337
Less: Investments with a Maturity Greater than Three Months	<u>2,179,142</u>	<u>-</u>
 Cash and Cash Equivalents	 <u>\$ 560,404</u>	 <u>\$ 3,128,337</u>
<b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Assets Acquired under Capital Lease Obligations	\$ 230,673	\$ -

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2017**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Investments	<u>\$ 147,495</u>
<b>LIABILITIES</b>	
Due to Other Governmental Units	\$ 26,537
Due to Other Funds	17,031
Special Deposits	<u>103,927</u>
Total Liabilities	<u>\$ 147,495</u>

See accompanying Notes to Basic Financial Statements.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Rusk County (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

**A. Reporting Entity**

Rusk County is governed by a board of supervisors consisting of 19 elected members. This report includes all significant operations under the control of the Rusk County Board of Supervisors and includes all of the funds of Rusk County. The County's major operations include general government, public safety, highways, health and human services, and hospital.

The financial reporting of the County is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the County consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the County.

**Joint Operations**

The County participates jointly with the City of Ladysmith (the City) in the operation of the City-County Library. A joint library board has three representatives from the City and four from the County. The County board appoints the County's representatives. The Joint Library agreement specifies that the City will function as the fiscal agent. The City and County share operating costs based upon a five-year average usage ratio. For 2017, the County provided \$226,428 towards these costs.

The County also participates jointly with the City in the operation of the Animal Shelter. A board is made up of two representatives of the City and three representatives of the County. The City-County Animal Shelter Agreement specifies that the County will function as the fiscal agent. The City and the County pay a proportional share of the operational costs of the animal shelter based on data collected regarding origin of animals handled by the facility. For 2017, the County levied \$45,955 towards these costs. In addition, the County participates jointly with the City in the operation of the Visitors Center in a similar agreement. For 2017, the County levied \$33,722 to contribute to the Visitors Center. Other joint operations with the City of Ladysmith include the ADF Building, the Enterprise Center, the Fritz Avenue Building, and the Forest Industry Park and Warehouse.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Jointly Governed Organization**

The County, in conjunction with Ashland, Bayfield, Burnett, Douglas, Iron, Price, Sawyer, Taylor, and Washburn counties, and major cities within these counties, has created the Northwest Regional Planning Commission (NWRPC). NWRPC's governing body is comprised of two members from each of the ten counties and a representative from each major city. The County's representatives are appointed by the County Board Chairperson and approved by the County board. Rusk County's 2017 appropriation for NWRPC was \$12,785.

**B. Government-Wide and Fund Financial Statements**

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds) as described below:

**Government-Wide Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Financial statements of the reporting entity 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 equity, revenues, and expenditures/expenses.

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

RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The County reports the following major governmental funds:

**General Fund** – The General Fund is the operating fund of the County. It is used to account for all financial resources of the County, except those required to be accounted for in another fund.

**Health and Human Services Fund** – The Health and Human Services Fund, a special revenue fund, is used to account for various County health and human services programs. The major revenue sources include taxes and intergovernmental revenues. Through the health and human services programs, the County provides mental health, developmental disabilities and alcoholism and drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County.

**Housing Fund** – The Housing Fund provides and administers housing rehabilitation loans provided under various federal, state, and local programs that serve the County's citizens. Repayments received on these loans are a restricted revenue source which is used to finance similar housing rehabilitation loans.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds.

**Capital Projects Fund** – The Capital Projects Fund is used to account for transactions related to the construction or acquisition of assets of governmental funds in the capital improvement plan.

All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major enterprise fund:

**Rusk County Memorial Hospital Fund** – The hospital provides for short-term inpatient and outpatient health care.

The County had no other enterprise funds to report as nonmajor funds.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

Additionally, the County reports the following fund types:

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

**Agency Funds** - Used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements, as are the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

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 government's business-type activity functions 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.

**RUSK COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, cost reimbursement grant programs, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

Agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance**

**1. Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investment of County funds is restricted by 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 issued or guaranteed by the federal government.
- c. 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 by the Wisconsin Aerospace Authority.
- d. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- e. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- f. Bonds or securities issued under the authority of the municipality.
- g. The local government investment pool.
- h. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the County are stated at amortized cost.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**2. Receivables and Payables**

**Property Taxes.** Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. In addition to property taxes for the County, taxes are also collected for and remitted to the State. Taxes billed for the State are recorded as receivables and due other governmental units in the agency fund balance sheet. Since County property taxes are not considered revenue until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore. The County is also responsible for the collection of all delinquent and postponed property taxes levied by the local taxing districts within its boundaries, except delinquent personal property taxes which are retained by the local municipal district. Real property taxes are payable in full to the local districts on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year, except for delinquent special assessments and other special charges. All uncollected taxes returned to the County for collection are financed through the general fund, except for delinquent special assessments of the districts. A portion of the general fund's equity balance is classified as nonspendable for the County's investment in delinquent taxes.

**Accounts Receivable.** Accounts receivable in all funds have been adjusted for known uncollectible amounts. Ambulance accounts receivable of \$249,394 in the general fund are net of an allowance for uncollectible in the amount of \$195,953 at December 31, 2017. No allowance for uncollectible taxes on delinquent taxes has been provided because of the County's demonstrated ability to recover most losses through the sale of the applicable property.

**Loans Receivable.** The County has received federal and state grant funds for economic development loan programs to various businesses and individuals. The County records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as economic development loans receivable have not been reduced by an allowance for uncollectible accounts. It is the County's policy to record, in the fund financial statements, deferred inflows of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is generally recognized as revenue when accrued. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

**RUSK COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**2. Receivables and Payables (Continued)**

**Interfund Balances.** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Inventories and Prepaid Items**

Governmental fund-type inventories are recorded at cost based on the first-in, first-out method using the consumption method of accounting. Proprietary fund-type inventories are accounted for at the lower of cost (first-in, first-out) or market.

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

**4. Restricted Assets**

Mandatory segregations of assets would be presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. No restricted assets are reported in these financial statements in the current year.

**5. Capital Assets**

**Government-Wide Statements.** Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**5. Capital Assets (Continued)**

**Government-Wide Statements (Continued).** Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed. Capital assets, including infrastructure, acquired by the County prior to January 1, 1980, were recorded on the County's financial records at historical costs, or estimated historical costs, on that date.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	N/A	N/A
Land Improvements	5,000	Straight-Line	20-30 Years
Buildings and Improvements	5,000	Straight-Line	20-40 Years
Equipment and Vehicles	5,000	Straight-Line	4-20 Years
Infrastructure	5,000	Straight-Line	25-50 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 in the same manner as in the government-wide statements.

**6. Deferred Outflows of Resources**

The County reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. Deferred outflows of resources are reported in these financial statements for pension related items.

**RUSK COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**7. Deferred Inflows of Resources**

The County's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting. Deferred inflows of resources are reported in these financial statements for pension related items.

**8. 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 available 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 based on current salary rates.

**9. Wisconsin Retirement System Pension Plan Benefits**

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

**RUSK COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**10. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**11. Equity Classifications**

Fund equity, representing the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources, is classified as follows in the County's financial statements:

**Government-Wide and Proprietary Fund Statements.** Fund equity is classified as net position in the government-wide and proprietary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted. When both restricted and unrestricted net position are available for use, it is the County's policy to use restricted resources first and unrestricted resources next to the extent they are needed.

**Fund Financial Statements.** In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the Board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. Any negative fund balances of funds other than the general fund is also classified as unassigned. It is the County's policy that at the end of each fiscal year, the County will maintain a minimum unassigned fund balance equal to no less than 90 days of general fund expenditures.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**11. Equity Classifications (Continued)**

**Fund Financial Statements (Continued).** Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year end. Based on resolution of the County Board, the County Finance Director has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the County's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the County's practice to use committed, assigned and finally unassigned fund balance.

**NOTE 2 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County's cash and investments balances at December 31, 2017 as shown in the financial statements are as follows:

Governmental Funds	\$ 12,102,267
Proprietary Funds	5,867,883
Fiduciary Funds	147,495
	<u>\$ 18,117,645</u>

The above cash and investments balances consisted of the following:

General County:			
Deposits at Financial Institutions	\$ 13,716,345		
Deposits in State Local Government			
Pooled-Investment Fund	1,586,423		
Insurance Deposits	74,356		
Petty Cash Funds and Cash on Hand	975	\$ 15,378,099	
Rusk County Memorial Hospital:			
Deposits at Financial Institutions	2,334,504		
Deposits in State Local Government			
Pooled-Investment Fund	403,717		
Petty Cash Funds and Cash on Hand	1,325	2,739,546	
			<u>\$ 18,117,645</u>

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Deposits at Financial Institutions**

The County's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to \$250,000 for demand deposits at any institution. In addition, funds held in trust for individuals are subject to coverage in the name of the beneficiary in whose name the trust fund is held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. At December 31, 2017, the County's deposits were not exposed to custodial credit risk.

**Investments**

The County's investments at December 31, 2017 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool) as described below.

**Deposits in State Local Government Pooled-Investment Fund.** The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2017 was 43 days.

The County's investments in the Local Government Investment Pool are measured at amortized cost.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates further into the future are more sensitive to changes in market interest rates. The short weighted-average maturities of the investments in the LGIP mitigate this risk to the County.

**B. Receivables**

**CDBG Housing Rehabilitation Loans.** The County has received federal grant funds through the State of Wisconsin for the purpose of financing housing rehabilitation loans. Repayments received by the County on these loans are recorded in a separate special revenue fund and are to be used to finance similar housing rehabilitation loans. The following is a description of the loans outstanding under the program at December 31, 2017:

**Installment Loans.** At December 31, 2017, the County had outstanding one renter-occupied installment loan under the CDBG program totaling \$5,108. The loan is being repaid to the County under terms established through the program. Receivables have been recorded in the housing fund in the amount of the outstanding balance on this loan and were equally offset by deferred inflows of resources recorded therein. Revenue is recognized in the special revenue fund as collections are received.

**Deferred Loans.** The County also had two hundred thirty-seven (237) deferred mortgage loans outstanding at December 31, 2017 totaling \$2,692,012. These notes become due and payable in full only "in the event that the maker:

- a. No longer continues to occupy the premises securing this note as a full-time residence, or
- b. Transfers any legal or equitable interest in the mortgage premises to anyone for any reason."

These loans are being repaid to the County under terms established through the programs. Receivables have been recorded in the housing fund in the amount of the outstanding balances on these loans and were equally offset by deferred inflows of resources recorded therein. Revenue is recognized in the housing fund as collections are received on these loans.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables (Continued)**

**Mortgages Receivable.** The County received Neighborhood Stabilization Program (NSP) CDBG federal grant funds through the State of Wisconsin for the purpose of purchasing and rehabilitating foreclosed homes and reselling them to qualified individuals under the program. To facilitate the sale of certain homes the County is financing part of the sale and holding second mortgages on these properties. At December 31, 2017 the County had six mortgage loans outstanding totaling \$287,861. These loans are subject to repayment to the County under terms established by the various loan agreements. Receivables have been recorded in the housing fund in the amount of the outstanding balances on these loans.

**Note Receivable.** During 2012, the County sold an industrial building in the Village of Weyerhaeuser and financed the sale on a 20 year term at 4% interest. The note receivable has been recorded as a long-term receivable in the joint management/economic development fund in the amount of the outstanding balance at December 31, 2017 of \$240,239 and is offset by a deferred inflow of resources recorded in that fund. Revenue is recognized as collections are received.

**Economic Development Loans.** The County has established two economic development revolving loan funds for the purpose of financing loans to businesses for economic development. At December 31, 2017 the County had one installment loan outstanding totaling \$6,224 in the Bruce revolving loan fund and no loans outstanding in the mining Impact fund. These loans are subject to repayment to the County under terms established by the various loan agreements. A receivables has been recorded in the special revenue fund in the amount of the outstanding balance and is offset by deferred inflows of resources recorded in that fund. Revenue is recognized as collections are received.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

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

**Governmental Activities**

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>General County Assets:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 3,617,033	\$ 11,975	\$ 30,030	\$ -	\$ 3,659,038
Construction Work in Progress	291,571	843,132	(458,293)	-	676,410
Total Capital Assets Not Being Depreciated	3,908,604	855,107	(428,263)	-	4,335,448
Capital Assets Being Depreciated:					
Land Improvements	8,126,003	10,000	396,369	-	8,532,372
Buildings and Improvements	18,759,981	1,264,676	-	7,542	20,017,115
Equipment and Vehicles	4,726,026	125,560	31,894	460,026	4,423,454
Highway Infrastructure:					
Roadways	54,867,467	2,087,405	-	-	56,954,872
Bridges	8,927,535	337,852	-	12,048	9,253,339
Total Capital Assets Being Depreciated	95,407,012	3,825,493	428,263	479,616	99,181,152
Total Capital Assets	99,315,616	4,680,600	-	479,616	103,516,600
Accumulated Depreciation:					
Land Improvements	3,422,302	290,428	-	-	3,712,730
Buildings and Improvements	9,129,636	492,614	-	7,542	9,614,708
Equipment and Vehicles	3,781,623	339,155	-	435,485	3,685,293
Highway Infrastructure	29,567,111	1,456,548	-	12,048	31,011,611
Total Accumulated Depreciation	45,900,672	2,578,745	-	455,075	48,024,342
Net Capital Assets - General County	<u>\$ 53,414,944</u>	<u>\$ 2,101,855</u>	<u>\$ -</u>	<u>\$ 24,541</u>	<u>\$ 55,492,258</u>

**RUSK COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Governmental Activities (Continued)**

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Highway Department:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 16,856	\$ -	\$ -	\$ -	\$ 16,856
Construction Work in Progress	321,531	19,753	(253,669)	-	87,615
Total Capital Assets Not Being Depreciated	338,387	19,753	(253,669)	-	104,471
Capital Assets Being Depreciated:					
Land Improvements	181,121	-	-	-	181,121
Gravel Pits and Quarries	62,711	-	-	540	62,171
Buildings and Improvements	692,345	18,300	-	-	710,645
Equipment and Vehicles	7,632,790	827,696	253,669	33,691	8,680,464
Total Capital Assets Being Depreciated	8,568,967	845,996	253,669	34,231	9,634,401
Total Capital Assets	8,907,354	865,749	-	34,231	9,738,872
Accumulated Depreciation:					
Land Improvements	110,025	6,746	-	-	116,771
Buildings and Improvements	513,037	22,257	-	-	535,294
Equipment and Vehicles	5,522,368	368,966	-	28,042	5,863,292
Total Accumulated Depreciation	6,145,430	397,969	-	28,042	6,515,357
Net Capital Assets - Highway Department	<u>\$ 2,761,924</u>	<u>\$ 467,780</u>	<u>\$ -</u>	<u>\$ 6,189</u>	<u>\$ 3,223,515</u>
<b>Central Duplication</b>					
Capital Assets Being Depreciated:					
Equipment and Vehicles	\$ 154,270	\$ 1,618	\$ -	\$ -	\$ 155,888
Accumulated Depreciation:					
Equipment and Vehicles	69,853	31,285	-	-	101,138
Net Capital Assets - Central Duplication	<u>\$ 84,417</u>	<u>\$ (29,667)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,750</u>
<b>Car Pool</b>					
Capital Assets Being Depreciated:					
Equipment and Vehicles	\$ 163,524	\$ 17,089	\$ -	\$ 4,215	\$ 176,398
Accumulated Depreciation:					
Equipment and Vehicles	148,925	10,408	-	4,215	155,118
Net Capital Assets - Central Duplication	<u>\$ 14,599</u>	<u>\$ 6,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,280</u>
Capital Assets Not Being Depreciated	\$ 4,246,991	\$ 874,860	\$ (681,932)	\$ -	\$ 4,439,919
Capital Assets Being Depreciated	104,293,773	4,690,196	681,932	518,062	109,147,839
Total Capital Assets	108,540,764	5,565,056	-	518,062	113,587,758
Accumulated Depreciation	52,264,880	3,018,407	-	487,332	54,795,955
Net Capital Assets - Governmental Activities	<u>\$ 56,275,884</u>	<u>\$ 2,546,649</u>	<u>\$ -</u>	<u>\$ 30,730</u>	<u>\$ 58,791,803</u>

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Governmental Activities (Continued)**

Depreciation expense was charged to the functions as follows:

General County:	
General Government	\$ 270,939
Public Safety	181,236
Public Works	1,672,161
Health and Human Services	5,214
Culture, Recreation and Education	169,682
Conservation and Development	279,513
	<u>2,578,745</u>
Highway Department:	
Transportation	397,969
Central Duplication:	
General Government	31,285
Car Pool:	
Transportation	10,408
	<u>\$ 3,018,407</u>

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Rusk County Memorial Hospital</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 12,300	\$ -	\$ -	\$ 12,300
Construction Work in Progress	1,213,987	840,067	2,013,136	40,918
Total Capital Assets Not Being Depreciated	1,226,287	840,067	2,013,136	53,218
Capital Assets Being Depreciated:				
Land Improvements	274,590	-	-	274,590
Buildings and Improvements	2,905,837	-	-	2,905,837
Equipment and Vehicles	15,031,653	660,771	257,574	15,434,850
Intangible Assets - Computer Software	613,059	1,632,770	-	2,245,829
Total Capital Assets Being Depreciated	18,825,139	2,293,541	257,574	20,861,106
Total Capital Assets	20,051,426	3,133,608	2,270,710	20,914,324
Accumulated Depreciation:				
Land Improvements	199,060	10,253	-	209,313
Buildings and Improvements	2,903,422	579	-	2,904,001
Equipment and Vehicles	11,156,480	997,933	235,500	11,918,913
Intangible Assets - Computer Software	584,254	223,715	-	807,969
Total	14,843,216	1,232,480	235,500	15,840,196
Net Capital Assets - Business-Type Activities	<u>\$ 5,208,210</u>	<u>\$ 1,901,128</u>	<u>\$ 2,035,210</u>	<u>\$ 5,074,128</u>

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Business-Type Activities (Continued)**

Depreciation was charged to business-type activities as follows:

Memorial Hospital                      \$1,232,480

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2017 was as follows:

**Due to/from Other Funds**

	Receivable from Other Funds	Payable to Other Funds
General Fund	\$ 513,017	\$ -
Health and Human Services Fund	-	343,491
Wildlife Damage Abatement Fund	-	18,111
Watershed Fund	-	151,415
	\$ 513,017	\$ 513,017

The above interfund receivables and payables are made to help certain funds with temporary cash flow shortages because of the timing of some activities such as tax collections and grant activities. The balances are expected to be repaid in 2018. Interfund balances owed within the governmental activities are eliminated in the statement of net position.

**Interfund Transfers**

Interfund transfers during the year consisted of the following:

	Transfers In	Transfers Out	Net Transfers
General Fund	\$ 1,322,392	\$ 16,922	\$ 1,305,470
Human Services Fund	-	664,254	(664,254)
Mining Impact Fund	171,833	236,174	(64,341)
Snowmobile Trails Fund	-	526	(526)
State Aid Forestry Fund	-	869	(869)
Jail Assessment Fund	-	13,000	(13,000)
Wildlife Damage Abatement Fund	-	415	(415)
Law Enforcement Grants Fund	16,686	5,014	11,672
Watershed Fund	415	22,842	(22,427)
Joint Management/Economic Development Fund	123,264	187,108	(63,844)
Recycling Fund	-	8,509	(8,509)
Dog License Fund	-	25,566	(25,566)
Bruce Revolving Loan Fund	-	1,500	(1,500)
Capital Projects Fund	1,105	2,125,800	(2,124,695)
Rusk County Memorial Hospital	-	452,996	(452,996)
Highway Fund	2,125,800	-	2,125,800
	\$ 3,761,495	\$ 3,761,495	\$ -

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivables, Payables and Transfers (Continued)**

**Interfund Transfers (Continued)**

The transfer from the joint management/economic development fund and the mining impact fund to the debt service fund consists of those funds respective share of current year debt maturities. Other transfers are made to transfer revenues collected in one fund to finance programs accounted for in other funds in accordance with budgetary constraints.

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the County for the year ended December 31, 2017 were as follows:

	Balances 1/1/17	Additions	Reductions	Balances 12/31/17	Amounts Due Within One Year
<b>Long-Term Debt:</b>					
<b>Governmental Activities:</b>					
2015 General Obligation Notes	\$ 7,280,000	\$ -	\$ 500,000	\$ 6,780,000	\$ 755,000
2013 General Obligation Notes	1,035,000	-	395,000	640,000	130,000
2013 Refunding Bonds	2,220,000	-	150,000	2,070,000	155,000
2017 State Trust Fund Loan	-	1,263,571	-	1,263,571	119,873
2010 State Trust Fund Loan	427,421	-	42,506	384,915	43,675
2011 General Obligation Notes	450,000	-	105,000	345,000	110,000
Subtotal	<u>11,412,421</u>	<u>1,263,571</u>	<u>1,192,506</u>	<u>11,483,486</u>	<u>1,313,548</u>
Unamortized Debt Premium	349,354	-	69,979	279,375	63,549
Total Long-Term Debt	<u>\$ 11,761,775</u>	<u>\$ 1,263,571</u>	<u>\$ 1,262,485</u>	<u>\$ 11,762,861</u>	<u>\$ 1,377,097</u>
<b>Other Long-Term Obligations:</b>					
<b>Governmental Activities:</b>					
<b>Governmental Funds:</b>					
Employee Leave Liability	\$ 464,311	\$ -	\$ 56,245	\$ 408,066	\$ 125,861
<b>Internal Service Funds:</b>					
Capital Lease	93,102	1,249	31,707	62,644	34,615
Employee Leave Liability	131,675	5,965	-	137,640	56,928
Subtotal	<u>689,088</u>	<u>7,214</u>	<u>87,952</u>	<u>608,350</u>	<u>217,404</u>
<b>Business-Type Activities:</b>					
<b>Rusk County Memorial Hospital:</b>					
Capital Lease	503,429	230,514	127,162	606,781	162,291
Total Other Long-Term Obligations	<u>\$ 1,192,517</u>	<u>\$ 237,728</u>	<u>\$ 215,114</u>	<u>\$ 1,215,131</u>	<u>\$ 379,695</u>

The County's estimated liability for employee leave is discussed in Note 3.A.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt**

**Annual Requirements for Retirement.** Long-term general obligation debt issues outstanding at December 31, 2017 and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
<b>General Obligation Bonds:</b>				
General Obligation Refunding Bonds, \$3,020,000, issued 3/15/13, due 3/1/29, interest at 0.6%-4.0%	2018	\$ 155,000	\$ 61,300	\$ 216,300
	2019	155,000	58,316	213,316
	2020	160,000	54,888	214,888
	2021	165,000	50,944	215,944
	2022	170,000	46,545	216,545
	2023-2027	920,000	150,001	1,070,001
	2028-2029	345,000	12,346	357,346
		<u>2,070,000</u>	<u>434,340</u>	<u>2,504,340</u>
<b>General Obligation Notes:</b>				
General Obligation Promissory Notes, \$8,000,000 issued 3/3/2015, due 3/1/25, interest at 2.0%-3.0%	2018	755,000	164,900	919,900
	2019	755,000	149,800	904,800
	2020	765,000	134,600	899,600
	2021	820,000	118,750	938,750
	2022	840,000	97,950	937,950
	2023-2025	2,845,000	132,225	2,977,225
		<u>6,780,000</u>	<u>798,225</u>	<u>7,578,225</u>
General Obligation Promissory Notes, \$1,000,000 issued 2/22/2011, due 10/1/20, interest at 2.0%-4.0%	2018	110,000	13,250	123,250
	2019	115,000	9,400	124,400
	2020	120,000	4,800	124,800
		<u>345,000</u>	<u>27,450</u>	<u>372,450</u>
State Trust Fund Loan, \$1,263,571, issued 2/24/17, due 3/15/26, interest at 3.5%	2018	119,873	46,527	166,400
	2019	126,371	40,029	166,400
	2020	130,696	35,704	166,400
	2021	135,368	31,032	166,400
	2022	140,106	26,294	166,400
	2023-2026	611,157	54,442	665,599
		<u>1,263,571</u>	<u>234,028</u>	<u>1,497,599</u>

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt (Continued)**

**Annual Requirements for Retirement (Continued)**

	Year	Principal	Interest	Total
<b>General Obligation Notes (continued):</b>				
General Obligation Promissory Notes, \$1,490,000 issued 3/15/2013, due 3/1/23, interest at 2.0%-2.25%	2018	\$ 130,000	\$ 12,175	\$ 142,175
	2019	135,000	9,356	144,356
	2020	135,000	6,319	141,319
	2021	80,000	4,000	84,000
	2022	80,000	2,400	82,400
	2023	80,000	800	80,800
		640,000	35,050	675,050
State Trust Fund Loan, \$620,000, issued 12/30/10, due 3/15/25, interest at 5.0%	2018	43,675	19,246	62,921
	2019	44,877	17,062	61,939
	2020	46,088	14,859	60,947
	2021	47,378	12,514	59,892
	2022	48,681	10,145	58,826
	2023-2025	154,216	15,574	169,790
		384,915	89,400	474,315
Total General Obligation Debt		\$ 11,483,486	\$ 1,618,493	\$ 13,101,979

The above annual debt service requirements are summarized as follows:

Year	Principal	Interest	Total
2018	\$ 1,313,548	\$ 317,398	\$ 1,630,946
2019	1,331,248	283,963	1,615,211
2020	1,356,784	251,170	1,607,954
2021	1,247,746	217,240	1,464,986
2022	1,278,787	183,334	1,462,121
2023-2027	4,610,373	353,042	4,963,415
2028-2029	345,000	12,346	357,346
	\$ 11,483,486	\$ 1,618,493	\$ 13,101,979

**General Obligation Debt Limitation.** Section 67.03 of the Wisconsin Statutes restricts county general obligation debt to 5% of the equalized value of all property in the County. At December 31, 2017, the County's debt limit amounted to \$60,894,720 and indebtedness subject to the limitation totaled \$11,483,486.

**Current Year Borrowing.** On February 24, 2017, the County obtained a State Trust Fund loan in the amount of \$1,270,000 to provide funds for the purchase of the City's share of a building jointly owned by the County and City which is being leased to a local business. \$1,263,571 was drawn on this loan. The loan bears interest at 3.5% with annual maturities from March 2018 through March 2026.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**County Forest Loans**

Under Section 28.11(8) of the Wisconsin Statutes, counties which have established and maintained a county forest are eligible to receive annual payments from the state as a non-interest bearing loan to be used for the purchase, development, preservation and maintenance of the county forest lands. On timber cut from lands entered as "county forest lands", the county shall pay a severance share of not less than 20% of the actual stumpage sales value of timber. A higher rate of payment may be applied if agreed upon by the state and county. These severance share payments shall be credited against the cumulative payments made by the state to the county. Severance share payments shall not exceed the balance due the state. The county shall also reimburse the state the amount previously paid to the county on any county forest land withdrawn from the program; except that the state may waive all or part of such reimbursement if it finds that the lands are withdrawn for a higher public use or that the amount of such reimbursement is unreasonable when compared to the value of the land.

The County had no outstanding balance under this program at December 31, 2017.

**Capital Leases - Lessee**

The County has entered into lease agreements as lessee for financing the acquisition of health care equipment and copy machines. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The cost of the equipment under capital leases at December 31, 2017 is as follows:

	Governmental Activities	Business-Type Activities	Total
Equipment Cost	\$ 155,888	\$ 818,613	\$ 974,501
Less: Accumulated Depreciation	(101,138)	(220,195)	(321,333)
Total	<u>\$ 54,750</u>	<u>\$ 598,418</u>	<u>\$ 653,168</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017, were as follows:

	Governmental Activities	Business-Type Activities	Total
2018	\$ 38,756	\$ 172,131	\$ 210,887
2019	29,067	172,131	201,198
2020	-	161,890	161,890
2021	-	78,514	78,514
2022	-	42,482	42,482
	<u>67,823</u>	<u>627,148</u>	<u>694,971</u>
Less Amounts Representing Interest	<u>5,179</u>	<u>20,367</u>	<u>25,546</u>
	<u>\$ 62,644</u>	<u>\$ 606,781</u>	<u>\$ 669,425</u>

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2017 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
<b>Major Funds:</b>						
General Fund						
Delinquent Taxes and Tax Deeds	\$ 563,413	\$ 563,413	\$ -	\$ -	\$ -	\$ -
Insurance Deductible Escrow	74,356	74,356	-	-	-	-
Inventory and Prepaid Items	665,285	665,285	-	-	-	-
Tax Deed Special Assessment	25,401	25,401	-	-	-	-
85.21 Trust (Personal Escort)	87,777	-	87,777	-	-	-
Rusk Restorative Youth Program	62,211	-	-	-	62,211	-
Platbooks/Maps	6,685	-	-	-	6,685	-
Sheriff - K-9	6,633	-	-	-	6,633	-
Section 18 - Indianhead Transit	955	-	-	-	955	-
Land Information - Public Access	30,238	-	-	-	30,238	-
Junior Fair	26,614	-	-	-	26,614	-
Veterans Service Commission	11,586	-	-	-	11,586	-
Library Repairs	51,679	-	-	-	51,679	-
Park Development	27,169	-	-	-	27,169	-
Trails End	749	-	-	-	749	-
County Conservation	7,837	-	-	-	7,837	-
Land Acquisition	19,338	-	-	-	19,338	-
Visitor Center Operations/JEM	29,842	-	-	-	29,842	-
LCD Trees	4,748	-	-	-	4,748	-
Courthouse Equipment	47,684	-	-	-	47,684	-
Gustafson Road Building	142,994	-	-	-	142,994	-
Tactical Team	24,785	-	-	-	24,785	-
Gravel Crushing	25,920	-	-	-	25,920	-
Road Aid Funded Programs	106,041	-	-	-	106,041	-
Spay/Neuter	9,644	-	-	-	9,644	-
RCMH Property	452,996	-	-	-	452,996	-
Subsequent Year's Budget	1,366,038	-	-	-	1,366,038	-
Extended Leave	289,777	-	-	-	289,777	-
Power Line Funds Projects	433,300	-	-	-	433,300	-
Highway Bridge Projects	569,476	-	-	-	569,476	-
Murphy Dam Repair/Replace	4,087	-	-	-	4,087	-
Unassigned	4,976,716	-	-	-	-	4,976,716
Subtotal general Fund	10,151,974	1,328,455	87,777	-	3,759,026	4,976,716
Health and Human Services Fund	406,941	-	-	-	406,941	-
Assigned for Human Services Programs						
Housing Revolving Loan Program Fund	303,277	287,861	15,416	-	-	-
Debt Service Fund	66,162	-	-	-	66,162	-
Capital Projects Fund	2,122,133	-	2,122,133	-	-	-
<b>Nonmajor Funds:</b>						
Special Revenue Funds:						
Forestry State Aid Funded Projects	4,930	-	-	4,930	-	-
Jail Assessments Fees Funded Projects	3,532	-	3,532	-	-	-
Mediation Fees Funded Program	8,442	-	-	8,442	-	-
Law Enforcement Grants	54,110	-	-	-	54,110	-
Joint Management/Economic Development Fund	11,648	250	-	11,398	-	-
Recycling Programs	8,918	25	-	-	8,893	-
Dog License Fund Committed for Animal Control	1,000	-	-	1,000	-	-
Mining Impact Fund:	388,063	-	-	388,063	-	-
Bruce Revolving Loan Program	90,356	-	-	90,356	-	-
Total Governmental Funds Balances at December 31, 2017	\$ 13,621,486	\$ 1,616,591	\$ 2,228,858	\$ 504,189	\$ 4,295,132	\$ 4,976,716

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 OTHER INFORMATION**

**A. Employee Vacation, Sick Leave and Compensatory Time**

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Employees may accumulate 85 days of sick leave. Employees who retire at age 55 or older (50 for protected occupations) and take a retirement annuity from the Wisconsin Retirement System may use 75% of their accumulated sick leave for payment of group health insurance premiums. The estimated liability for vacation, compensatory time, and sick leave at December 31, 2017 was \$408,066 in the governmental funds and \$137,640 in the highway department internal service fund. The Rusk County Memorial Hospital had a liability of \$412,497 for unused vacation at December 31, 2017.

**B. Wisconsin Retirement System Pension Plan Benefits**

**General Information about the Pension Plan**

*Plan Description.* The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

*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.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

*Benefits Provided (Continued).* 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.

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

During the fiscal reporting period January 1, 2017 through December 31, 2017, the WRS recognized \$1,268,709 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.8%	6.8%
Executives & Elected Officials	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

*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:

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10.0%
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)

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

At December 31, 2017, the County reported a liability of \$934,722 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. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2016, the County's proportion was 0.11340427 percent, which was an increase of 0.00208894 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the County recognized pension expense of \$2,446,502. At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 356,410	\$ 2,939,620
Changes of Assumptions	977,288	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,652,750	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	118,273	6,821
County Contributions Subsequent to the Measurement Date	1,268,709	-
Total	<u>\$ 7,373,430</u>	<u>\$ (2,946,441)</u>

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$1,268,709 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2017	\$ 1,280,842
2018	1,280,842
2019	873,418
2020	(278,366)
2021	1,544

*Actuarial assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Inflation:	2.0% to 2.7% - approximate
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 2012 using experience from 2009 – 2011. 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.

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Actuarial assumptions (Continued).* 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 table below:

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	45%	5.4%	N/A	N/A
U.S. Equities	N/A	N/A	70%	4.7%
International Equities	N/A	N/A	30%	5.6%
Fixed Income	37%	1.4%	N/A	N/A
Inflation Sensitive Assets	20%	1.5%	N/A	N/A
Real Estate	7%	3.6%	N/A	N/A
Private Equity/Debt	7%	6.5%	N/A	N/A
Multi-Asset	4%	3.7%	N/A	N/A
Cash	-20%	0.9%	N/A	N/A
Totals	100%		100%	

*Discount rate.* A single discount rate of 7.20 percent 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 percent and a long term bond rate of 3.56 percent. Because of the unique structure of WRS, the 7.20 percent expected rate of return implies that a dividend of approximately 2.1 percent 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:

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 12,296,866	\$ 934,722	\$ (7,814,644)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 17-16.

**C. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; natural disasters; and employee health claims. The County has purchased commercial insurance for all risks, with minimal deductibles, and participation in Wisconsin County Mutual Insurance Corporation (WCMIC). Settled claims have not exceeded the County's coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year. Summary financial information of WCMIC as of December 31, 2017, can be obtained directly from WCMIC's offices.

**D. Contingencies**

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

**RUSK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**E. Subsequent Event**

On August 31, 2018, the County transferred the operations of Rusk County Memorial Hospital and substantially all of its assets and related liabilities to an unrelated third-party (the "Buyer"). The Buyer intends to lease from the County the land and building comprising the facility pursuant to a negotiated lease agreement. The cash purchase price for the purchased assets, as defined in the asset purchase agreement, is one dollar. The facility's cash and cash equivalents of \$3,000,000 are excluded from the purchased assets and will be retained by the County.

In addition, the County and Buyer negotiated an operating agreement whereby the Buyer agrees to construct a replacement facility as part of the asset purchase agreement. The construction period is estimated to be within five years of the closing date and the estimated costs of the replacement facility is \$35,000,000.

**F. Commitments**

The County has entered into a contract totaling \$508,631 for construction of an animal shelter. As of December 31, 2017, \$358,628 has been completed and \$150,003 is remaining on the contract. Construction is expected to be completed during 2018.

**REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE 1

RUSK COUNTY, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
<b>Taxes:</b>				
General Property Taxes	\$ 4,799,322	\$ 4,799,322	\$ 4,843,372	\$ 44,050
County Sales Taxes	900,040	900,040	890,669	(9,371)
Forest Crop Taxes	33,000	33,341	55,951	22,610
Redemption Fees	7,500	7,500	9,960	2,460
Ag Land Penalties	100	100	241	141
Payments in Lieu of Taxes	1,600	1,600	2,747	1,147
Interest on Taxes	180,000	180,000	195,792	15,792
Total Taxes	5,921,562	5,921,903	5,998,732	76,829
<b>Intergovernmental:</b>				
Shared Taxes from State	1,131,532	1,131,532	1,148,685	17,153
Tax Exempt Computer Aid	8,452	8,452	8,452	-
Guardian Ad Litem	14,000	14,000	14,881	881
Victim/Witness Program	16,696	16,696	21,609	4,913
Judicial Assistance	52,275	52,275	52,274	(1)
Drug Court Grant	122,144	122,261	122,261	-
Land Information Grant	125,305	125,305	125,305	-
County Forest Aids	37,000	37,000	38,023	1,023
Law Enforcement Training	4,500	4,480	4,480	-
Sheriff Vests Grant	590	2,050	2,640	590
Jail Inmate Housing	30,000	65,922	65,922	-
Jail Social Security Admin Incentives	2,000	3,000	3,000	-
Disaster Aids	-	-	60,322	60,322
County Park Grant	24,000	24,000	6,020	(17,980)
County Conservation Aids	2,477	2,477	2,136	(341)
Emergency Government	32,036	32,036	35,175	3,139
State Aid LEPC	6,458	6,687	6,687	-
LEPC Equipment	2,000	2,000	714	(1,286)
Transit Service - Sec 18	589,856	589,856	521,281	(68,575)
Transit New Freedom Grant	56,337	56,337	48,693	(7,644)
Personal Escort	69,578	69,578	69,578	-
Highway Aid	575,043	575,043	574,986	(57)
Forest Roads	7,533	7,036	7,036	-
Forestry	7,454	9,649	6,616	(3,033)
Forestry Salary	49,916	49,916	47,367	(2,549)
Ambulance State Aid	5,950	14,993	11,025	(3,968)
UW Extension State Aid	-	-	1,739	1,739
Tourism Grants	-	-	35,000	35,000
Junior Fair State Aid	3,220	3,220	3,097	(123)
Airport Expansion Grant	142,500	142,500	-	(142,500)
Election Aids	-	-	4,488	4,488
Total Intergovernmental	3,118,852	3,168,301	3,049,492	(118,809)
<b>Licenses and Permits:</b>				
County Clerk Licenses	2,400	2,400	4,230	1,830
Animal Shelter Kennel Permits	200	200	200	-
Sanitary Fees and Permits	22,000	32,400	32,400	-
Agent Status Review	-	-	60	60
Non-Metallic Mining Fees	12,905	12,905	12,765	(140)
Public Hearing Fees	2,200	2,200	5,600	3,400
Land Use Permits	40,267	43,979	48,530	4,551
Total Licenses and Permits	79,972	94,084	103,785	9,701

See accompanying Notes to Required Supplementary Information.

**RUSK COUNTY, WISCONSIN**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES (CONTINUED)</b>				
<b>Fines and Forfeits:</b>				
County Ordinance Forfeitures	\$ 41,000	\$ 41,000	\$ 46,285	\$ 5,285
County Share of State Fines and Forfeitures	25,000	25,000	16,379	(8,621)
Total Fines and Forfeits	66,000	66,000	62,664	(3,336)
<b>Public Charges for Services:</b>				
Circuit Court Fees and Costs	35,400	35,400	40,451	5,051
Restorative Youth Program	-	-	3,450	3,450
Drug Court Fees and Costs	1,000	6,090	6,157	67
Probate Fees	3,600	3,600	4,602	1,002
Jury Fees	500	500	756	256
Coroner Fees	4,100	7,050	7,050	-
District Attorney Fees	-	138	768	630
Sale of Copies	5,289	4,848	4,759	(89)
Courthouse Rentals	-	1,500	1,500	-
Real Estate Transfer Fees	31,000	31,000	39,587	8,587
Register of Deeds Fees	91,000	91,000	83,126	(7,874)
Sale of Maps and Plats	13,000	13,000	12,875	(125)
Sheriff Fees	27,000	18,221	18,221	-
Sheriff Copier Charges	350	495	495	-
Huber Fees	24,500	23,934	23,934	-
Jail Inmate Medical	7,000	11,040	11,040	-
Jail Inmate Charges	16,000	10,008	10,008	-
Jail Juvenile Reimbursement	6,200	5,600	5,600	-
Jail - Other	650	2,656	2,656	-
Ambulance Revenue	749,900	795,228	795,378	150
Gravel Revenue	-	-	6,944	6,944
Airport Fuel	14,000	18,269	18,269	-
Airport Revenue	5,525	9,577	9,577	-
Rabies Clinic	20	20	-	(20)
Other Animal Shelter	12,000	12,465	13,384	919
County Parks Campground Fees	30,000	38,695	46,512	7,817
Fairground Rentals	2,250	2,819	2,819	-
Junior Fair Revenue	35,870	35,870	44,008	8,138
Trail's End Revenue	7,000	9,262	9,262	-
Extension Revenue	2,000	2,000	3,394	1,394
County Forest Stumpage	454,002	462,980	1,555,789	1,092,809
Other Forestry	500	500	3,191	2,691
Trees-LCD	6,200	6,638	7,602	964
Information Center Fees	11,310	11,310	22,841	11,531
Zoning Fees	-	-	30	30
Zoning Office Revenue	1,800	1,800	2,604	804
Land Information Access Fees	29,636	29,981	30,443	462
Veterans Commission	-	-	1,309	1,309
Other Public Charges	-	-	3,650	3,650
Total Public Charges for Services	1,628,602	1,703,494	2,854,041	1,150,547
<b>Intergovernmental Charges for Services:</b>				
Sheriff - City Reception	7,000	7,000	7,000	-
Sheriff - Other	-	466	466	-
Elections Reimbursement	4,000	4,000	7,411	3,411
Real Estate Property Listing Fee	900	900	1,489	589
Other Counties Prisoner Housing	-	28,240	28,240	-
Animal Shelter Charges	88,024	88,024	87,381	(643)
Indirect Costs	162,535	162,535	56,885	(105,650)
Tourism Reimbursement - City	28,722	28,722	28,772	50
Land Information Charges	20,000	20,000	20,000	-
Other Intergovernmental Charges	-	-	232	232
Total Intergovernmental Charges for Services	311,181	339,887	237,876	(102,011)

See accompanying Notes to Required Supplementary Information.

SCHEDULE 1

RUSK COUNTY, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
 GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES (CONTINUED)</b>				
<b>Miscellaneous:</b>				
Investment Income:				
Circuit Court Deposit	\$ 2,375	\$ 2,375	\$ 5,135	\$ 2,760
General Fund Investments	70,025	73,382	115,023	41,641
Insurance Escrow	100	100	820	720
Park Development Fund	-	-	113	113
Trail's End Fund	5	32	32	-
Personal Escort Trust	-	-	208	208
Powerline	1,200	1,200	5,816	4,616
Animal Shelter	247	247	223	(24)
Ambulance	-	98	98	-
Tactical Team	-	-	197	197
Indigent Fees/Guardian Ad Litem	43,113	43,113	64,279	21,166
County Clerk Materials/Supplies	3,350	3,350	3,514	164
Insurance Claims:				
Sheriff	-	47,206	47,206	-
Other	-	-	3,789	3,789
Insurance Dividends	60,000	60,000	2,899	(57,101)
Treasurer Reimbursements	13,000	13,000	16,368	3,368
Tax Deed Property	7,625	7,625	16,791	9,166
Sale of Property and Equipment:				
Sheriff	12,000	19,018	19,018	-
Courthouse and General Government	-	2,678	2,678	-
Sheriff Reimbursements	3,000	321	321	-
Sheriff Court Ordered Restitution	500	1,319	1,319	-
Telephone Reimbursements - Jail	2,500	5,019	5,019	-
Law Enforcement Center Rent	13,360	13,360	13,360	-
Rental of Farmland - Airport	9,528	14,135	14,135	-
Gustafson Road Building Rent	12,159	12,159	155,152	142,993
Centennial	3,500	3,500	3,550	50
Tourism Reimbursement	1,222	1,222	17,500	16,278
Powerline	50,265	50,265	50,265	-
Donations and Gifts:				
Animal Shelter	218,000	218,000	219,207	1,207
Sheriff	-	6,000	6,000	-
K-9	5,000	5,044	5,044	-
Tactical Team	-	52,812	77,399	24,587
Disaster	-	-	4,379	4,379
Ambulance	-	220	220	-
Personal Escort	-	4,500	13,418	8,918
Junior Fair	14,000	14,000	16,954	2,954
Other	6,000	8,243	19,125	10,882
Miscellaneous:				
County Board	76	76	76	-
Animal Shelter	50	50	266	216
Jail	-	2,925	2,925	-
Ambulance	-	1,812	1,812	-
Airport	-	67	67	-
Other	49,258	49,283	42,129	(7,154)
Total Miscellaneous	601,458	737,756	973,849	236,093
<b>Total Revenues</b>	<b>11,727,627</b>	<b>12,031,425</b>	<b>13,280,439</b>	<b>1,249,014</b>

See accompanying Notes to Required Supplementary Information.

SCHEDULE 1

RUSK COUNTY, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
 GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES</b>				
<b>General Government:</b>				
County Board	\$ 87,839	\$ 87,839	\$ 87,893	\$ (54)
Board of Adjustment	2,167	2,167	2,091	76
Circuit Court	393,246	393,246	382,247	10,999
Drug Court	123,144	128,351	128,351	-
Rusk Restorative Youth Program	58,568	58,568	51,549	7,019
Guardian Ad Litem/Indigents	100,113	100,113	100,113	-
Coroner	70,941	73,997	73,997	-
District Attorney	138,864	171,605	171,605	-
Crime Victim Witness	41,741	41,741	41,602	139
Corporate Counsel	72,000	72,000	71,211	789
County Clerk	198,720	198,720	188,935	9,785
Administrative Coordinator/Human Resources	192,267	192,267	192,265	2
Section 125 Administration	750	750	750	-
Elections	22,000	22,000	22,225	(225)
Finance	286,450	286,450	285,296	1,154
Cost Allocation	4,122	4,122	4,122	-
Independent Auditing	26,000	26,000	23,400	2,600
County Treasurer	279,864	283,221	283,221	-
Assessment of Property	4,500	5,076	5,076	-
Tax Deed Property	6,125	6,125	5,133	992
Courthouse	634,080	725,135	744,733	(19,598)
County Owned Building Maintenance	14,500	14,493	14,146	347
Register of Deeds	162,708	162,708	155,839	6,869
Land Information Program	279,020	293,182	293,180	2
Uncollectible Taxes	300	66	66	-
Insurance	182,960	182,960	93,281	89,679
Public Access	3,500	3,500	3,050	450
Board of Canvass	305	305	274	31
Total General Government	3,461,322	3,536,707	3,425,651	111,056
<b>Public Safety:</b>				
Jail	1,656,405	1,745,753	1,748,214	(2,461)
Jail Maintenance	25,370	25,370	23,899	1,471
Sheriff	2,150,213	2,188,603	2,168,507	20,096
Tactical Team	32,519	85,331	77,824	7,507
Ambulance	879,779	937,967	934,065	3,902
Dam Maintenance	1,000	1,000	865	135
Emergency Government	79,461	79,461	79,751	(290)
L.E.P.C.	4,000	4,000	1,164	2,836
Total Public Safety	4,828,747	5,067,485	5,034,289	33,196
<b>Public Works:</b>				
Airport	73,788	71,828	71,828	-
Indianhead Transit	664,693	664,693	588,474	76,219
ICAA Personal Escort	83,494	87,994	87,994	-
Highway Administration	86,376	86,376	83,154	3,222
Highway Maintenance	1,810,362	1,810,362	1,637,298	173,064
Bridge Construction	754,455	754,455	184,979	569,476
Total Public Works	3,473,168	3,475,708	2,653,727	821,981

See accompanying Notes to Required Supplementary Information.

**RUSK COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES (CONTINUED)</b>				
<b>Health and Human Services:</b>				
Animal Shelter	\$ 120,946	\$ 121,411	\$ 120,966	\$ 445
Veteran's Commission	2,643	2,643	588	2,055
Care of Veterans' Graves	1,700	1,700	1,031	669
Total Health and Human Services	<u>125,289</u>	<u>125,754</u>	<u>122,585</u>	<u>3,169</u>
<b>Culture, Recreation and Education:</b>				
City/County Library	227,250	227,250	226,428	822
Other Library	58,273	64,600	64,600	-
Historical Museum	1,000	1,000	1,000	-
Senior/Youth Operations	46,605	24,745	22,628	2,117
Parks and Recreation	175,563	184,258	171,465	12,793
Fairgrounds Upkeep	29,900	30,618	30,618	-
Junior Fair	62,414	62,414	62,413	1
Trail's End Youth Camp	12,305	8,104	8,038	66
Extension	61,060	61,060	36,041	25,019
Total Culture, Recreation and Education	<u>674,370</u>	<u>664,049</u>	<u>623,231</u>	<u>40,818</u>
<b>Conservation and Development:</b>				
Forestry	497,498	635,920	532,849	103,071
Conservation	45,194	45,623	45,623	-
Conservation Aids	4,954	4,954	4,271	683
Habitat Development	1,921	4,116	4,116	-
LCD Tree Program	6,200	6,638	6,638	-
Zoning Administration	186,988	187,659	179,135	8,524
Economic Development Programs	120,992	127,610	127,610	-
Industrial Development	5,222	5,222	-	5,222
Gustafson Road Building	12,159	12,159	12,159	-
Visitors' Center	81,077	81,077	139,719	(58,642)
Total Conservation and Development	<u>962,205</u>	<u>1,110,978</u>	<u>1,052,120</u>	<u>58,858</u>
<b>Capital Outlay:</b>				
Courthouse Equipment	43,500	35,000	41,654	(6,654)
Parks and Recreation Equipment	79,000	79,000	34,968	44,032
Forestry	18,000	18,000	15,030	2,970
Sheriff	33,965	65,926	128,208	(62,282)
Animal Shelter	290,982	290,982	418,738	(127,756)
Airport Equipment	150,000	150,000	13,348	136,652
Total Capital Outlay	<u>653,516</u>	<u>638,908</u>	<u>651,946</u>	<u>(13,038)</u>
<b>Total Expenditures</b>	<u>14,178,617</u>	<u>14,619,589</u>	<u>13,563,549</u>	<u>1,056,040</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,450,990)	(2,588,164)	(283,110)	2,305,054
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	212,269	220,400	1,322,392	1,101,992
Transfers Out	-	(15,053)	(16,922)	(1,869)
Total Other Financing Sources (Uses)	<u>212,269</u>	<u>205,347</u>	<u>1,305,470</u>	<u>1,100,123</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,238,721)	(2,382,817)	1,022,360	3,405,177
Fund Balance, January 1	9,129,614	9,129,614	9,129,614	-
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 6,890,893</u>	<u>\$ 6,746,797</u>	<u>\$ 10,151,974</u>	<u>\$ 3,405,177</u>

See accompanying Notes to Required Supplementary Information.

SCHEDULE 2

RUSK COUNTY, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 HEALTH AND HUMAN SERVICES FUND  
 YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,061,096	\$ 1,061,096	\$ 1,061,096	\$ -
Intergovernmental	2,829,337	2,829,337	2,904,773	75,436
Public Charges for Services	441,100	441,100	283,954	(157,146)
Intergovernmental Charges for Services	260,340	260,340	239,720	(20,620)
Miscellaneous:				
Interest	-	-	183	183
Other	158,369	158,369	233,591	75,222
Total Revenues	<u>4,750,242</u>	<u>4,750,242</u>	<u>4,723,317</u>	<u>(26,925)</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>4,641,327</u>	<u>4,641,327</u>	<u>4,070,330</u>	<u>570,997</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	108,915	108,915	652,987	544,072
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(149,572)</u>	<u>(149,572)</u>	<u>(664,254)</u>	<u>(514,682)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(40,657)	(40,657)	(11,267)	29,390
Fund Balance, January 1	<u>418,208</u>	<u>418,208</u>	<u>418,208</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 377,551</u>	<u>\$ 377,551</u>	<u>\$ 406,941</u>	<u>\$ 29,390</u>

See accompanying Notes to Required Supplementary Information.

**RUSK COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
HOUSING FUND  
YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 50	\$ 50	\$ 172	\$ 122
Other	30,000	30,000	80,383	50,383
Total Revenues	<u>30,050</u>	<u>30,050</u>	<u>80,555</u>	<u>50,505</u>
<b>EXPENDITURES</b>				
Conservation and Development	<u>46,000</u>	<u>46,000</u>	<u>95,326</u>	<u>(49,326)</u>
<b>CHANGE IN FUND BALANCE</b>	(15,950)	(15,950)	(14,771)	1,179
Fund Balance, January 1	<u>318,048</u>	<u>318,048</u>	<u>318,048</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 302,098</u>	<u>\$ 302,098</u>	<u>\$ 303,277</u>	<u>\$ 1,179</u>

**RUSK COUNTY, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF**  
**WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN ASSET/LIABILITY**  
**LAST TEN FISCAL YEARS**  
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date:	12/31/2014	12/31/2015	12/31/2016
County's proportion of the net pension liability (asset)	0.11345254%	0.11131533%	0.11340427%
County's proportionate share of the net pension liability (asset)	\$ (2,786,705)	\$ 1,808,853	\$ 934,722
County's covered payroll	\$ 14,268,666	\$ 15,444,085	\$ 16,445,616
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-19.53%	11.71%	5.68%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%

**RUSK COUNTY, WISCONSIN  
SCHEDULE OF CONTRIBUTIONS TO  
WISCONSIN RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS  
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Fiscal Year Ended: December 31,	2015	2016	2017
Contractually Required Contribution	\$ 1,097,104	\$ 1,136,646	\$ 1,268,709
Contributions in Relation to the Contractually Required Contributions	(1,097,104)	(1,136,646)	(1,268,709)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
 County's Covered Payroll	 \$ 15,412,443	 \$ 16,445,616	 \$ 17,607,783
 Contributions as a Percentage of Covered Payroll	 7.12%	 6.91%	 7.21%

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

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

**RUSK COUNTY, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2017**

**BUDGETARY INFORMATION**

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund, health and human services fund, housing fund, mining fund and joint management/economic development fund is derived from the County's annual operating budget.

The County's annual operating budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The County's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The County exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**RUSK COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2017**

Special Revenue Funds

	State Aid Forestry	Snowmobile Trails	Jail Assessment Fees	Mediation Fees	Wildlife Damage Abatement	Law Enforcement Grants	Watershed
<b>ASSETS</b>							
Cash and Investments	\$ 130,999	\$ 50,010	\$ 2,527	\$ 8,387	\$ -	\$ 45,004	\$ -
Taxes Receivable	-	1,616	-	5,100	-	25,174	112,562
Accounts Receivable	-	-	-	-	-	-	-
Due from Other Governmental Units	22,757	2,608	363	-	23,248	22,975	152,011
Due from Fiduciary Funds	-	-	642	175	-	-	-
Long-Term Receivables	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 153,756</b>	<b>\$ 54,234</b>	<b>\$ 3,532</b>	<b>\$ 13,662</b>	<b>\$ 23,248</b>	<b>\$ 93,153</b>	<b>\$ 264,573</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Vouchers Payable	\$ 2,794	\$ 27,201	\$ -	\$ 120	\$ 5,137	\$ 13,869	\$ 596
Due to Other Funds	-	-	-	-	18,111	-	151,415
Unearned Revenues:	146,032	25,417	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>148,826</b>	<b>52,618</b>	<b>-</b>	<b>120</b>	<b>23,248</b>	<b>13,869</b>	<b>152,011</b>
<b>Deferred Inflows of Resources:</b>							
Subsequent Year's Property Taxes	-	1,616	-	5,100	-	25,174	112,562
Unavailable Revenue - Long-Term Receivables	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,616</b>	<b>-</b>	<b>5,100</b>	<b>-</b>	<b>25,174</b>	<b>112,562</b>
<b>Fund Balances:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	3,532	-	-	-	-
Committed	4,930	-	-	8,442	-	-	-
Assigned	-	-	-	-	-	54,110	-
<b>Total Fund Balances</b>	<b>4,930</b>	<b>-</b>	<b>3,532</b>	<b>8,442</b>	<b>-</b>	<b>54,110</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 153,756</b>	<b>\$ 54,234</b>	<b>\$ 3,532</b>	<b>\$ 13,662</b>	<b>\$ 23,248</b>	<b>\$ 93,153</b>	<b>\$ 264,573</b>

**RUSK COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2017**

	Special Revenue Funds (Continued)					Total Nonmajor Governmental Funds
	Recycling	Dog License	Mining Impact Fund	Bruce Revolving Loan Fund	Joint Management/ Economic Development Fund	
<b>ASSETS</b>						
Cash and Investments	\$ 27,085	\$ 1,000	\$ 359,013	\$ 90,356	\$ 1,640	\$ 716,021
Taxes Receivable	818	-	-	-	-	145,270
Accounts Receivable	-	-	30,333	-	32,278	62,611
Due from Other Governmental Units	-	-	121	-	-	224,083
Due from Fiduciary Funds	-	-	-	-	-	817
Long-Term Receivables	-	-	-	6,224	240,239	246,463
Prepaid Items	25	-	-	-	250	275
<b>Total Assets</b>	<b><u>\$ 27,928</u></b>	<b><u>\$ 1,000</u></b>	<b><u>\$ 389,467</u></b>	<b><u>\$ 96,580</u></b>	<b><u>\$ 274,407</u></b>	<b><u>\$ 1,395,540</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Vouchers Payable	\$ 16,769	\$ -	\$ 1,404	\$ -	\$ 13,131	\$ 81,021
Due to Other Funds	-	-	-	-	-	169,526
Unearned Revenues:						
Deposits	1,423	-	-	-	3,750	175,199
Total Liabilities	<u>18,192</u>	<u>-</u>	<u>1,404</u>	<u>-</u>	<u>22,520</u>	<u>432,808</u>
<b>Deferred Inflows of Resources:</b>						
Subsequent Year's Property Taxes	818	-	-	-	-	145,270
Unavailable Revenue - Long-Term Receivables	-	-	-	6,224	240,239	246,463
Total Deferred Inflows of Resources	<u>818</u>	<u>-</u>	<u>-</u>	<u>6,224</u>	<u>240,239</u>	<u>391,733</u>
<b>Fund Balances:</b>						
Nonspendable	25	-	-	-	250	275
Restricted	-	-	-	-	-	3,532
Committed	-	1,000	388,063	90,356	11,398	504,189
Assigned	8,893	-	-	-	-	63,003
Total Fund Balances	<u>8,918</u>	<u>1,000</u>	<u>388,063</u>	<u>90,356</u>	<u>11,648</u>	<u>570,999</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 27,928</u></b>	<b><u>\$ 1,000</u></b>	<b><u>\$ 389,467</u></b>	<b><u>\$ 96,580</u></b>	<b><u>\$ 274,407</u></b>	<b><u>\$ 1,395,540</u></b>

**RUSK COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDING DECEMBER 31, 2017**

	Special Revenue Funds						
	State Aid Forestry	Snowmobile Trails	Jail Assessment Fees	Mediation Fees	Wildlife Damage Abatement	Law Enforcement Grants	Watershed
<b>REVENUES</b>							
Taxes:							
General Property Taxes	\$ -	\$ 1,612	\$ -	\$ 5,100	\$ -	\$ 22,976	\$ 94,825
Payments in Lieu of Taxes	-	-	-	-	-	-	-
Intergovernmental	226,655	147,520	-	-	23,248	59,483	155,197
Licenses and Permits	-	-	-	-	-	-	-
Fines and Forfeits	-	-	13,529	-	-	988	-
Public Charges for Services	-	-	-	3,915	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	28,838	5,826
Total Revenues	<u>226,655</u>	<u>149,132</u>	<u>13,529</u>	<u>9,015</u>	<u>23,248</u>	<u>112,285</u>	<u>255,848</u>
<b>EXPENDITURES</b>							
Public Safety	-	-	-	-	-	122,340	-
Public Works	-	-	-	-	-	-	-
Health and Human Services	-	-	-	4,680	-	-	-
Culture, Recreation and Education	-	148,606	-	-	-	-	-
Conservation and Development	220,856	-	-	-	22,833	-	233,421
Total Expenditures	<u>220,856</u>	<u>148,606</u>	<u>-</u>	<u>4,680</u>	<u>22,833</u>	<u>122,340</u>	<u>233,421</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	5,799	526	13,529	4,335	415	(10,055)	22,427
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	16,686	415
Transfers Out	(869)	(526)	(13,000)	-	(415)	(5,014)	(22,842)
Total Other Financing Sources (Uses)	<u>(869)</u>	<u>(526)</u>	<u>(13,000)</u>	<u>-</u>	<u>(415)</u>	<u>11,672</u>	<u>(22,427)</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,930	-	529	4,335	-	1,617	-
Fund Balances, January 1	-	-	3,003	4,107	-	52,493	-
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 4,930</u>	<u>\$ -</u>	<u>\$ 3,532</u>	<u>\$ 8,442</u>	<u>\$ -</u>	<u>\$ 54,110</u>	<u>\$ -</u>

**RUSK COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDING DECEMBER 31, 2017**

	Special Revenue Funds (Continued)					Total Nonmajor Governmental Funds
	Recycling	Dog License	Mining Impact Fund	Bruce Revolving Loan Fund	Joint Management/ Economic Development Fund	
<b>REVENUES</b>						
Taxes:						
General Property Taxes	\$ 9,237	\$ -	\$ 30,333	\$ -	\$ -	\$ 164,083
Payments in Lieu of Taxes	-	-	-	-	19,678	19,678
Intergovernmental	82,022	-	-	-	-	694,125
Licenses and Permits	300	18,032	-	-	-	18,332
Fines and Forfeits	-	9,397	-	-	-	23,914
Public Charges for Services	3,248	-	-	-	-	7,163
Interest	-	-	10,887	953	13,582	25,422
Other	-	-	17,589	853	255,640	308,746
Total Revenues	<u>94,807</u>	<u>27,429</u>	<u>58,809</u>	<u>1,806</u>	<u>288,900</u>	<u>1,261,463</u>
<b>EXPENDITURES</b>						
Public Safety	-	-	-	-	-	122,340
Public Works	86,119	-	-	-	-	86,119
Health and Human Services	-	1,863	-	-	-	6,543
Culture, Recreation and Education	-	-	-	-	-	148,606
Conservation and Development	-	-	1,404	-	133,806	612,320
Total Expenditures	<u>86,119</u>	<u>1,863</u>	<u>1,404</u>	<u>-</u>	<u>133,806</u>	<u>975,928</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	8,688	25,566	57,405	1,806	155,094	285,535
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	171,833	-	123,264	312,198
Transfers Out	(8,509)	(25,566)	(236,174)	(1,500)	(187,108)	(501,523)
Total Other Financing Sources (Uses)	<u>(8,509)</u>	<u>(25,566)</u>	<u>(64,341)</u>	<u>(1,500)</u>	<u>(63,844)</u>	<u>(189,325)</u>
<b>NET CHANGE IN FUND BALANCES</b>	179	-	(6,936)	306	91,250	96,210
Fund Balances, January 1	<u>8,739</u>	<u>1,000</u>	<u>394,999</u>	<u>90,050</u>	<u>(79,602)</u>	<u>474,789</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 8,918</u>	<u>\$ 1,000</u>	<u>\$ 388,063</u>	<u>\$ 90,356</u>	<u>\$ 11,648</u>	<u>\$ 570,999</u>

**RUSK COUNTY, WISCONSIN  
DEBT SERVICE FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,013,479	\$ 1,013,479	\$ 1,013,479	\$ -
Miscellaneous:				
Interest	100	100	652	552
Other	90,300	90,300	90,300	-
Total Revenues	<u>1,103,879</u>	<u>1,103,879</u>	<u>1,104,431</u>	<u>552</u>
<b>EXPENDITURES</b>				
Principal Retirement	1,192,507	1,192,507	1,192,506	1
Interest and Fiscal Charges	289,176	289,176	290,833	(1,657)
Total Expenditures	<u>1,481,683</u>	<u>1,481,683</u>	<u>1,483,339</u>	<u>(1,656)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(377,804)	(377,804)	(378,908)	(1,104)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>377,804</u>	<u>377,804</u>	<u>-</u>	<u>(377,804)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(378,908)	(378,908)
Fund Balance, January 1	<u>445,070</u>	<u>445,070</u>	<u>445,070</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 445,070</u>	<u>\$ 445,070</u>	<u>\$ 66,162</u>	<u>\$ (378,908)</u>

**RUSK COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

	Highway	Central Duplication	Car Pool	HRA Fund	Totals
<b>ASSETS</b>					
<b>Current Assets:</b>					
Treasurer's Cash and Investments	\$ 1,028,877	\$ 70,654	\$ 58,797	\$ 1,970,009	\$ 3,128,337
Accounts Receivable	178,852	1,124	1,606	-	181,582
Due from Other Governmental Units	276,625	-	-	-	276,625
Inventories	720,142	14,151	-	-	734,293
Prepaid Items	1,185	-	-	-	1,185
Total Current Assets	<u>2,205,681</u>	<u>85,929</u>	<u>60,403</u>	<u>1,970,009</u>	<u>4,322,022</u>
<b>Noncurrent Assets:</b>					
Capital Assets:					
Land and Land Improvements	260,148	-	-	-	260,148
Construction in Progress	87,615	-	-	-	87,615
Buildings and Improvements	710,645	-	-	-	710,645
Machinery and Equipment	8,680,464	155,888	176,398	-	9,012,750
Less Accumulated Depreciation	<u>(6,515,357)</u>	<u>(101,138)</u>	<u>(155,118)</u>	<u>-</u>	<u>(6,771,613)</u>
Total Noncurrent Assets	<u>3,223,515</u>	<u>54,750</u>	<u>21,280</u>	<u>-</u>	<u>3,299,545</u>
Total Assets	5,429,196	140,679	81,683	1,970,009	7,621,567
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Wisconsin Retirement System Pension Related	562,700	-	-	-	562,700
<b>LIABILITIES:</b>					
<b>Current Liabilities:</b>					
Accounts Payable	209,140	3,334	-	482,792	695,266
Unearned Revenue	1,468	-	-	-	1,468
Current Portion of Note Payable	-	34,615	-	-	34,615
Current Portion of Employee Leave Liability	56,928	-	-	-	56,928
Total Current Liabilities	<u>267,536</u>	<u>37,949</u>	<u>-</u>	<u>482,792</u>	<u>788,277</u>
<b>Long-Term Liabilities</b>					
<b>(Net of Current Portion):</b>					
Note Payable	-	28,029	-	-	28,029
Accrued Employee Leave Liability	80,712	-	-	-	80,712
Wisconsin Retirement System Net Pension Liability	71,333	-	-	-	71,333
Total Long-Term Liabilities	<u>152,045</u>	<u>28,029</u>	<u>-</u>	<u>-</u>	<u>180,074</u>
Total Liabilities	419,581	65,978	-	482,792	968,351
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Wisconsin Retirement System Pension Related	224,856	-	-	-	224,856
<b>NET POSITION:</b>					
Net Investment in Capital Assets	3,223,515	(7,894)	21,280	-	3,236,901
Unrestricted	<u>2,123,944</u>	<u>82,595</u>	<u>60,403</u>	<u>1,487,217</u>	<u>3,754,159</u>
Total Net Position	<u>\$ 5,347,459</u>	<u>\$ 74,701</u>	<u>\$ 81,683</u>	<u>\$ 1,487,217</u>	<u>\$ 6,991,060</u>

**RUSK COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2017**

	Highway	Central Duplication	Car Pool	HRA Fund	Totals
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 4,251,684	\$ 96,229	\$ 27,477	\$ -	\$ 4,375,390
Other Operating Revenues	26,718	-	-	6,750	33,468
Total Operating Revenues	<u>4,278,402</u>	<u>96,229</u>	<u>27,477</u>	<u>6,750</u>	<u>4,408,858</u>
<b>OPERATING EXPENSES</b>					
	<u>6,121,692</u>	<u>97,728</u>	<u>27,786</u>	<u>66,814</u>	<u>6,314,020</u>
<b>OPERATING INCOME (LOSS)</b>	(1,843,290)	(1,499)	(309)	(60,064)	(1,905,162)
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Interest Expense	-	(7,049)	-	-	(7,049)
Intergovernmental Grants and Aids	182,975	-	-	-	182,975
Gain on Disposition of Assets	-	-	1,606	-	1,606
Total Nonoperating Revenues (Expenses)	<u>182,975</u>	<u>(7,049)</u>	<u>1,606</u>	<u>-</u>	<u>177,532</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(1,660,315)	(8,548)	1,297	(60,064)	(1,727,630)
Transfer from Capital Projects Fund	<u>2,125,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,125,800</u>
<b>CHANGE IN NET POSITION</b>	465,485	(8,548)	1,297	(60,064)	398,170
Net Position - Beginning of Year	<u>4,881,974</u>	<u>83,249</u>	<u>80,386</u>	<u>1,547,281</u>	<u>6,592,890</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 5,347,459</u>	<u>\$ 74,701</u>	<u>\$ 81,683</u>	<u>\$ 1,487,217</u>	<u>\$ 6,991,060</u>

**RUSK COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2017**

	Highway	Central Duplication	Car Pool	HRA Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers and Users	\$ 4,512,783	\$ 96,628	\$ 27,477	\$ 6,750	\$ 4,643,638
Cash Payments for Goods and Services	(5,046,779)	(73,873)	(19,284)	-	(5,139,936)
Cash Payments for Employee Services	(456,623)	-	-	-	(456,623)
Cash Payments for Insurance Claims	-	-	-	(210,903)	(210,903)
Net Cash Provided by (Used for) Operating Activities	(990,619)	22,755	8,193	(204,153)	(1,163,824)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash Received from State Aid	182,975	-	-	-	182,975
Transfer from Capital Projects Fund	2,125,800	-	-	-	2,125,800
Net Cash Provided by Noncapital Financing Activities	2,308,775	-	-	-	2,308,775
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Cash Received from Salvage of Capital Assets	15,500	-	-	-	15,500
Cash Paid for Acquisition and Major Repairs of Capital Assets	(875,600)	-	(17,089)	-	(892,689)
Cash Paid for Principal on Capital Lease	-	(32,076)	-	-	(32,076)
Cash Paid for Interest on Capital Lease	-	(7,049)	-	-	(7,049)
Net Cash Used for Capital and Related Financing Activities	(860,100)	(39,125)	(17,089)	-	(916,314)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>458,056</b>	<b>(16,370)</b>	<b>(8,896)</b>	<b>(204,153)</b>	<b>228,637</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>570,821</b>	<b>87,024</b>	<b>67,693</b>	<b>2,174,162</b>	<b>2,899,700</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 1,028,877</b>	<b>\$ 70,654</b>	<b>\$ 58,797</b>	<b>\$ 1,970,009</b>	<b>\$ 3,128,337</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>					
Operating Loss	\$ (1,843,290)	\$ (1,499)	\$ (309)	\$ (60,064)	\$ (1,905,162)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	398,509	31,285	10,408	-	440,202
Net Change in Wisconsin Pension System Related Items:					
Asset / Liability	(70,295)	-	-	-	(70,295)
Deferred Outflows of Resources	241,838	-	-	-	241,838
Deferred Inflows of Resources	(73,197)	-	-	-	(73,197)
(Increase) Decrease in Assets:					
Accounts Receivable	80,316	399	-	-	80,715
Due from Other Governments	154,065	-	-	-	154,065
Inventory	129,272	(9,424)	-	-	119,848
Prepaid Items	1,720	-	-	-	1,720
Increase (Decrease) in Liabilities:					
Accounts Payable	(15,522)	1,994	(1,906)	(144,089)	(159,523)
Accrued Employee Leave	5,965	-	-	-	5,965
Net Cash Provided by (Used for) Operating Activities	\$ (990,619)	\$ 22,755	\$ 8,193	\$ (204,153)	\$ (1,163,824)

**RUSK COUNTY, WISCONSIN  
AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2017**

	<u>Clerk of Courts</u>	<u>District Attorney</u>	<u>Human Services</u>	<u>Sheriff</u>	<u>Triad</u>	<u>Jail Inmate</u>	<u>Totals</u>
<b>ASSETS</b>							
Cash and Investments	<u>\$ 114,247</u>	<u>\$ 1,114</u>	<u>\$ 201</u>	<u>\$ 2,010</u>	<u>\$ 284</u>	<u>\$ 29,639</u>	<u>\$ 147,495</u>
<b>LIABILITIES</b>							
Due Other Governmental Units:							
State	\$ 26,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,537
Due to Governmental Funds	16,347	-	-	684	-	-	17,031
Special Deposits	<u>71,363</u>	<u>1,114</u>	<u>201</u>	<u>1,326</u>	<u>284</u>	<u>29,639</u>	<u>103,927</u>
Total Liabilities	<u>\$ 114,247</u>	<u>\$ 1,114</u>	<u>\$ 201</u>	<u>\$ 2,010</u>	<u>\$ 284</u>	<u>\$ 29,639</u>	<u>\$ 147,495</u>

**RUSK COUNTY, WISCONSIN  
GENERAL FUND  
STATEMENT OF CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 2017**

	Balance (Deficit) 1/1/17	County Appropriations	Other Revenues	Fund Transfers				Total Available	Expenditures	Balance 12/31/17
				General Fund		Other Funds				
				In	Out	In	Out			
<b>Nonspendable:</b>										
Delinquent Taxes and Tax Deeds	\$ 686,955	\$ -	\$ -	\$ -	\$ 123,542	\$ -	\$ -	\$ 563,413	\$ -	\$ 563,413
Insurance Deductible Escrow	74,751	-	-	-	395	-	-	74,356	-	74,356
Inventory and Prepaid Items	420,387	-	-	244,898	-	-	-	665,285	-	665,285
Tax Deed Special Assessment	29,057	-	-	-	3,656	-	-	25,401	-	25,401
Economic Development Advances	321,469	-	-	-	321,469	-	-	-	-	-
<b>Total Nonspendable Balances</b>	<b>1,532,619</b>	<b>-</b>	<b>-</b>	<b>244,898</b>	<b>449,062</b>	<b>-</b>	<b>-</b>	<b>1,328,455</b>	<b>-</b>	<b>1,328,455</b>
<b>Restricted:</b>										
85.21 Trust (Personal Escort)	5,828	13,916	69,786	34,086	-	-	-	123,616	35,839	87,777
<b>Assigned:</b>										
Continuing Appropriations:										
Teen Court	13,725	-	-	-	13,725	-	-	-	-	-
Rusk Restorative Youth Program	-	4,718	109,042	-	-	-	-	113,760	51,549	62,211
Platbooks/Maps	40,300	-	12,875	-	30,000	-	-	23,175	16,490	6,685
Sheriff - K-9	5,860	-	5,044	-	-	-	-	10,904	4,271	6,633
Section 18 - Indianhead Transit	955	18,500	569,974	-	-	-	-	589,429	588,474	955
Land Information - Public Access	26,326	-	173,153	-	-	-	-	199,479	169,241	30,238
Junior Fair	18,741	6,227	64,060	-	-	-	-	89,028	62,414	26,614
Veterans Service Commission	10,365	500	1,309	-	-	-	-	12,174	588	11,586
Library Repairs	54,845	227,250	-	-	3,989	-	-	278,106	226,427	51,679
Park Development	10,784	7,976	32,673	-	-	-	-	51,433	24,264	27,169
Trails End	3,832	-	32	-	-	-	-	3,864	3,115	749
Extension Lamination	1,577	-	269	-	1,757	-	-	89	89	-

**RUSK COUNTY, WISCONSIN  
GENERAL FUND  
STATEMENT OF CHANGES IN FUND BALANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2017**

	Balance (Deficit) 1/1/17	County Appropriations	Other Revenues	Fund Transfers				Total Available	Expenditures	Balance 12/31/17
				General Fund		Other Funds				
				In	Out	In	Out			
<b>Assigned: (Continued)</b>										
Continuing Appropriations: (Continued)										
4H	\$ 995	\$ -	\$ -	\$ -	\$ 995	\$ -	\$ -	\$ -	\$ -	
AG	2,802	-	-	-	2,802	-	-	-	-	
Pesticide	1,024	-	-	-	1,024	-	-	-	-	
Agriculture Development	396	-	-	-	396	-	-	-	-	
County Conservation	9,973	-	2,136	-	-	-	12,109	4,272	7,837	
Land Acquisition	16,049	-	18,319	-	-	-	34,368	15,030	19,338	
Meter	1,342	-	-	-	-	-	1,342	1,342	-	
Visitor Center Operations/JEM	31,782	33,722	104,113	-	-	-	169,617	139,775	29,842	
LCD Trees	3,784	-	7,602	-	-	-	11,386	6,638	4,748	
Courthouse Equipment	39,747	30,000	1,289	-	-	-	71,036	23,352	47,684	
Vending Machines Expense	(295)	-	4,237	-	-	-	3,942	3,942	-	
Gustafson Road Building	-	-	155,152	-	-	-	155,152	12,158	142,994	
Tactical Team	-	32,519	77,596	-	-	-	110,115	85,330	24,785	
Gravel Crushing	18,976	-	6,944	-	-	-	25,920	-	25,920	
Road Aid Funded Programs	139,006	7,533	7,036	-	-	-	153,575	47,534	106,041	
Boat Landings	87	-	-	-	87	-	-	-	-	
Sales Tax Funded Programs	264,893	-	890,637	-	1,155,530	-	-	-	-	
Animal Shelter Program	34,624	-	-	-	-	-	34,624	34,624	-	
Animal Shelter Building	11,173	-	292,224	83,062	-	-	386,459	386,459	-	
Spay/Neuter	4,460	-	7,964	-	-	-	12,424	2,780	9,644	
RCMH Property	-	-	452,996	-	-	-	452,996	-	452,996	
Subtotal - Continuing Appropriations	768,128	368,945	2,996,676	83,062	1,210,305	-	3,006,506	1,910,158	1,096,348	
Subsequent Year's Budget	1,445,802	-	-	-	79,764	-	1,366,038	-	1,366,038	
Extended Leave	305,445	-	-	-	15,668	-	289,777	-	289,777	
OPEB Liability	9,360	-	-	-	9,360	-	-	-	-	
Power Line Funds Projects	457,484	-	56,081	-	50,265	-	463,300	30,000	433,300	
Highway Bridge Projects	-	102,900	651,555	-	-	-	754,455	184,979	569,476	
Murphy Dam Repair/Replace	4,952	-	-	-	-	-	4,952	865	4,087	
Total Assigned Balances	2,991,171	471,845	3,704,312	83,062	1,365,362	-	5,885,028	2,126,002	3,759,026	
<b>Unassigned</b>	4,599,996	4,357,611	4,662,969	1,814,424	362,046	1,322,392	16,922	16,378,424	11,401,708	4,976,716
<b>Total General Fund Balance</b>	<u>\$ 9,129,614</u>	<u>\$ 4,843,372</u>	<u>\$ 8,437,067</u>	<u>\$ 2,176,470</u>	<u>\$ 2,176,470</u>	<u>\$ 1,322,392</u>	<u>\$ 16,922</u>	<u>\$ 23,715,523</u>	<u>\$ 13,563,549</u>	<u>\$ 10,151,974</u>