7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the 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. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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.

8. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period. The County will not recognize the related outflow until a future event occurs. More detailed information about pension related deferred outflows of resources can be found in Note 5 to the financial statements.

9. Deferred Inflows of Resources

The County's 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 balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has three types of items which occur relating to revenue recognition. The first 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. The second type relates to pension liabilities as described in Note 5 to the financial statements. The final type occurs because the County collected property taxes prior to the year they were levied for and, therefore, the County will report deferred inflows for these items.

10. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, and unassigned fund balances. Nonspendable portions of fund balance relate to prepaids, inventories, and long term receivables, as applicable. Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Commissioners. The County reports $3,450,756 of net position restricted by enabling legislation on the Statement of Net Position for governmental activities. The Board passed a resolution authorizing the County Auditor-Treasurer to assign fund balances and their intended uses. Unassigned fund balance is the residual classification for the County's General Fund and includes all spendable amounts not contained in other classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the County's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the County's policy to use committed first, then assigned, and finally unassigned amounts.

12. Use of Estimates

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

STATEMENT OF NET POSITION
December 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 16,256,860	$ 1,601,365	$ 17,858,225
Petty Cash and Change Funds	4,525	160	4,685
Undistributed Cash in Agency Funds	639,423	-	639,423
Taxes Receivable			
Delinquent	417,797	-	417,797
Special Assessments Receivable			
Delinquent	4,033	43,830	47,863
Noncurrent	49,777	-	49,777
Accounts Receivable - Net	190,269	89,079	279,348
Accrued Interest Receivable	28,535	-	28,535
Loans Receivable	90,000	-	90,000
Internal Balances	(5,021)	5,021	-
Due from Other Governments	3,542,344	190	3,542,534
Inventory	644,727	-	644,727
Prepaids	26,691	-	26,691
Investment in Joint Venture	2,525,525	-	2,525,525
Non-Depreciable Capital Assets			
Land	1,005,944	37,316	1,043,260
Construction-in-Progress	896,916	-	896,916
Depreciable Capital Assets			
Building (Net)	9,756,106	38,408	9,794,514
Machinery, Vehicles, Furniture and Equipment (Net)	2,853,380	364,822	3,218,202
Infrastructure (Net)	66,887,158	-	66,887,158
Total Assets	105,814,989	2,180,191	107,995,180
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	101,599	-	101,599
Pension Related	4,757,339	61,712	4,819,051
Total Deferred Outflows of Resources	4,858,938	61,712	4,920,650
LIABILITIES			
Accounts Payable	523,692	16,881	540,573
Salaries Payable	783,599	18,287	801,886
Contracts Payable	60,548	-	60,548
Due to Other Governments	250,365	25,418	275,783
Accrued Interest Payable	39,411	-	39,411
Unearned Revenue	43,808	510	44,318
Compensated Absences Payable - Due Within One Year	597,684	17,089	614,773
Capital Leases Payable - Due Within One Year	78,438	-	78,438
General Obligation Bonds Payable - Due Within One Year	480,000	-	480,000
Compensated Absences Payable - Due in More than One Year	1,573,358	26,751	1,600,109
General Obligation Bonds Payable - Due in More than One Year	3,522,397	-	3,522,397
Capital Leases Payable - Due in More than One Year	160,988	-	160,988
Other Postemployment Benefits Payable - Due in More than One Year	1,180,530	33,747	1,214,277
Net Pension Liability - Due in More than One Year	10,926,393	255,447	11,181,840
Total Liabilities	20,221,211	394,130	20,615,341
DEFERRED INFLOWS OF RESOURCES			
Pension Related	5,041,355	65,908	5,107,263
Property Taxes Collected for Subsequent Period	639,423	-	639,423
Total Deferred Inflows of Resources	5,680,778	65,908	5,746,686
NET POSITION			
Net Investment in Capital Assets	77,097,133	440,546	77,537,679
Restricted For:			
Veterans Services Purchases	167,206	-	167,206
Law Library Purchases	87,841	-	87,841
Recorder's Technology/Compliance Purchases	805,569	-	805,569
E-911 and Sheriff Programs	369,594	-	369,594
Debt Service	648,951	-	648,951
Revolving Loans	90,000	-	90,000
Soil and Water Conservation Expenses	270,798	-	270,798
Aquatic Invasive Species Grant	55,328	-	55,328
Planning and Zoning Grants	90,644	-	90,644
Transportation	2,187,752	-	2,187,752
Unrestricted	2,901,122	1,341,319	4,242,441
Total Net Position	$ 84,771,938	$ 1,781,865	$ 86,553,803

STATEMENT OF ACTIVITIES
December 31, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
FUNCTIONS/PROGRAMS	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	$ 5,788,665	$ 772,339	$ 372,559	$ -	$ (4,643,767)	$ -	$ (4,643,767)
Public Safety	5,889,047	649,309	179,937	100,387	(4,959,414)	-	(4,959,414)
Highways and Streets	6,210,573	844,057	1,684,215	3,674,700	(7,601)	-	(7,601)
Human Services	8,526,339	1,145,270	4,268,148	-	(3,112,921)	-	(3,112,921)
Health	2,862,525	1,051,056	1,418,042	-	(393,427)	-	(393,427)
Culture and Recreation	399,843	9,750	-	-	(390,093)	-	(390,093)
Conservation of Natural Resources	1,154,445	6,985	236,242	77,127	(834,091)	-	(834,091)
Economic Development	71,711	-	-	-	(71,711)	-	(71,711)
Interest	107,319	-	-	-	(107,319)	-	(107,319)
Total Governmental Activities	31,010,467	4,478,766	8,159,143	3,852,214	(14,520,344)	-	(14,520,344)
BUSINESS-TYPE ACTIVITIES							
Solid Waste	1,977,659	2,060,734	72,057	-	-	155,132	155,132
Total Primary Government	$ 32,988,126	$ 6,539,500	$ 8,231,200	$ 3,852,214	(14,520,344)	155,132	(14,365,212)
GENERAL REVENUES							
Property Taxes					14,845,436	-	14,845,436
Mortgage Registry and Deed Tax					17,108	-	17,108
Payments in Lieu of Tax					117,177	-	117,177
Transit Sales and Use Tax					774,348	-	774,348
Insurance Dividends					107,248	-	107,248
Grants and Contributions not Restricted for a Particular Purpose					2,053,240	-	2,053,240
Investment Earnings					85,913	-	85,913
Miscellaneous					438,070	-	438,070
Gain on Sale of Capital Assets					221,761	20,666	242,427
Total General Revenues and Transfers					18,660,301	20,666	18,680,967
CHANGE IN NET POSITION					4,139,957	175,798	4,315,755
Net Position - Beginning of Year					80,631,981	1,606,067	82,238,048
NET POSITION - END OF YEAR					$ 84,771,938	$ 1,781,865	$ 86,553,803