



## **IOWA COUNTY, WISCONSIN**

### FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2019

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IOWA COUNTY, WISCONSIN  
DECEMBER 31, 2019  
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## INDEPENDENT AUDITOR'S REPORT

To the County Board  
County of Iowa, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Iowa County, Wisconsin ("County"), as of and for the year ended December 31, 2019, 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Wisconsin Retirement System schedules, the Local Retiree Life Insurance Fund Schedules, and the schedule of changes in the County's total OPEB liability on pages 4 through 17 and 70 through 76 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iowa County, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The per capita costs and daily rate schedules for Bloomfield Healthcare and Rehabilitation Center have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of Iowa County, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Iowa County, Wisconsin's internal control over financial reporting and compliance.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
November 3, 2020

**IOWA COUNTY, WISCONSIN**  
**Management Discussion and Analysis**  
**December 31, 2019**

As management of Iowa County, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained herein will provide information on both the governmental operations and the business-type activities of the County. Comparison to prior year data has been provided for all key financial information.

**Financial Highlights**

- The assets of the County exceeded its liabilities as of December 31, 2019 by \$84,110,516 (net position). Of this amount, \$15,598,615 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$2,720,621. The following factors contributed to the overall increase:
  - Decrease in Current Assets by \$665,388.
  - Increase in capital assets by \$9,175,806 and an increase in accumulated depreciation of \$3,161,717.
  - Increase in current liabilities for payables, deferred revenue and current portion of long-term debt by \$1,119,660 and an increase in long-term liabilities of \$1,970,505.
  - The County's average return on investments increased between 2019 and 2018 with an average interest rate of just over two percent for the year. The return on investments did decrease from January to December.
  - Resources were used to purchase additional capital assets. The County replaced six vehicles and one drone in the sheriff's department, one vehicle in the environmental services department, installed solar panels at the Health and Human Services building, updated the virtual servers, completed the upgrades and replacement of communication system at the sheriff's department, airport projects, purchase land law enforcement center, architect and other cost for the law enforcement center.
- The property tax rate was flat for the year ended December 31, 2019 compared to the property tax rate for the year ended December 31, 2018. The 2019 property tax rate was \$5.920185 per \$1,000 of equalized valuation compared to the 2018 property tax rate was \$5.5920410 per \$1,000 of equalized valuation. The actual levy increased \$434,067 or 3.77% over the prior year's levy. The actual operating levy increased \$108,720 and the debt payments increased \$325,347. The County's equalized value increased \$73,393,800 or 3.77% from 2018. The combinations of these factors resulted in the overall property tax rate staying flat between the years.
- As of December 31, 2019, the County's governmental funds reported combined ending fund balances of \$16,164,116, a decrease of \$1,928,421 from the prior year.
- As of December 31, 2019, unassigned fund balance for the general fund was \$10,627,971, or approximately 101.5% of total general fund expenditures.

**IOWA COUNTY, WISCONSIN**  
**Management Discussion and Analysis**  
**December 31, 2019**

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Iowa 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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net positions* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Iowa County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent 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 managed time off or vacation leave.)

Both of the government-wide financial statements distinguish functions of Iowa 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; transportation facilities; public works, health and human services; education and leisure; and conservation and development. The business-type activities of the County include the Highway operations and Bloomfield Healthcare and Rehabilitation Center.

The government-wide financial statements include not only Iowa County itself (known as the *primary government*), but also Cobb-Highland Recreation Commission a component unit of the County which the County is financially accountable. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18-20 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. Iowa 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 the County's near-term financing requirements.

**IOWA COUNTY, WISCONSIN**  
**Management Discussion and Analysis**  
**December 31, 2019**

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 County'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*.

Iowa County maintains 13 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, social services fund, real estate reduction fund and capital projects fund, all of which are considered major funds. The special revenue fund including aging and disability resource center, child support, CDBG revolving loan, Drug Task Force, Iowa County airport, Tri-County airport, Unified Community Services, dog license, and Wisconsin River Rail Transit are considered non-major governmental funds and are reported together in other governmental funds column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances.

The County adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund and for each individual, major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

**Proprietary funds.** Iowa County maintains one type 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 Bloomfield Healthcare and Rehabilitation Center, and Highway Department operations.

Proprietary funds provide the same type of information as the government-wide financial statements but in detail. The proprietary fund financial statements provide separate information for Bloomfield Healthcare and Rehabilitation Center, and Highway Department operations; all of which are considered major funds of the County.

The basic proprietary fund financial statements can be found on pages 25-29 of this report.

**Notes to the basic 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 basic financial statements can be found on pages 31 – 69 of this report.

**IOWA COUNTY, WISCONSIN**  
**Management Discussion and Analysis**  
**December 31, 2019**

**Government-wide Financial Analysis**

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$84,110,516 at the close of 2019 and \$81,389,895 at the close of 2018.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2018	2018	2018	2018
Current assets	26,424,320	26,967,488	9,763,650	9,885,870	36,187,970	36,853,358
Restricted Assets			563,662	572,010	563,662	572,010
Unamortized Bond Issues Costs						
Loan due from other governmental units						
Net Pension Asset		1,351,726		853,374		2,205,100
Capital assets net of Accumulated Depreciation	58,752,394	54,064,823	8,101,728	6,775,210	66,854,122	60,840,033
Total assets	85,176,714	82,384,037	18,429,040	18,086,464	103,605,754	100,470,501
Deferred Pension Outflows	4,478,235	2,509,826	2,770,826	1,599,908	7,249,061	4,109,734
Total Assets and Deferred Outflows of Resources	89,654,949	84,893,863	21,199,866	19,686,372	110,854,815	104,580,235
Current Liabilities	3,174,966	1,941,939	2,209,540	2,322,907	5,384,506	4,264,846
Long-term Liabilities outstanding	2,709,035	1,671,693	1,773,158	839,995	4,482,193	2,511,688
Total Liabilities	5,884,001	3,613,632	3,982,698	3,162,902	9,866,699	6,776,534
Deferred Inflows of Resources	10,791,646	10,246,166	6,085,954	6,167,640	16,877,600	16,413,806
Net Position:						
Invested in capital assets, net of related debt	57,263,754	52,788,277	6,861,728	5,486,210	64,125,482	58,274,487
Restricted	3,822,757	3,801,780	563,662	572,010	4,386,419	4,373,790
Unrestricted	11,892,791	14,444,008	3,705,824	4,297,610	15,598,615	18,741,618
Total Net Position	72,979,302	71,034,065	11,131,214	10,355,830	84,110,516	81,389,895
Total Liabilities, Deferred Inflows of Resources and Net Position	89,654,949	84,893,863	21,199,866	19,686,372	110,854,815	104,580,235

By far the largest portion of the County's net position (76.2%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); 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.

An additional portion of the County's net position (5.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* in the amount of \$15,598,615 may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Iowa County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**IOWA COUNTY, WISCONSIN**  
**Management Discussion and Analysis**  
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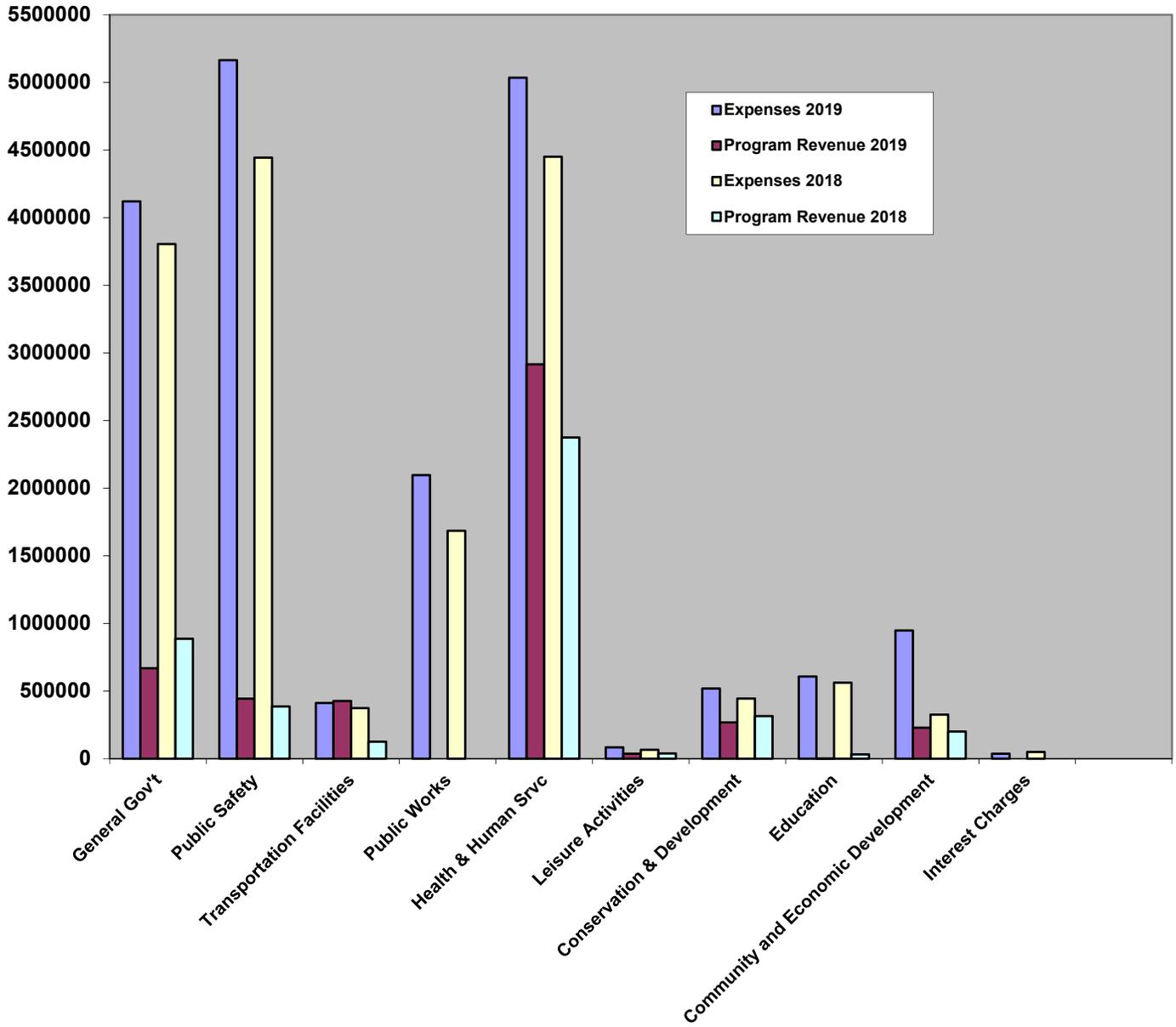
Iowa County's Change in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services and fees, fines and costs	1,225,453	1,261,953	7,275,312	7,312,747	8,500,765	8,574,700
Operating grants and contributions	3,434,473	3,083,224	1,845,428	2,281,994	5,279,901	5,365,218
Capital Grants and contributions	328,864	13,172	6,740	5,717	335,604	18,889
<b>General revenues:</b>						
Property taxes	7,889,599	7,874,316	4,469,103	4,031,467	12,358,702	11,905,783
Other Taxes	2,237,426	2,224,681	426,550	422,247	2,663,976	2,646,928
Grants and contributions not restricted to specific programs	692,224	539,991			692,224	539,991
Unrestricted Interest & Investment	507,721	402,075	9,991	9,344	517,712	411,419
Other	4,652,555	1,399,477	199	329	4,652,754	1,399,806
<b>Total revenues</b>	<b>20,968,315</b>	<b>16,798,889</b>	<b>14,033,323</b>	<b>14,063,845</b>	<b>35,001,638</b>	<b>30,862,734</b>
<b>Expenses:</b>						
General Government	4,120,295	3,804,700			4,120,295	3,804,700
Public Safety	5,164,350	4,443,712			5,164,350	4,443,712
Transportation facilities	411,773	373,215			411,773	373,215
Public Works	2,097,033	1,684,881			2,097,033	1,684,881
Health & Human services	5,035,203	4,450,669	5,447,531	5,489,324	10,482,734	9,939,993
Leisure activities	84,017	65,726			84,017	65,726
Conservation and development	519,020	444,551			519,020	444,551
Education	607,480	561,322			607,480	561,322
Community and economic dev.	947,258	325,474			947,258	325,474
Interest on long-term debt	36,649	49,488			36,649	49,488
Highway			7,810,408	7,465,062	7,810,408	7,465,062
<b>Total Expenses</b>	<b>19,023,078</b>	<b>16,203,738</b>	<b>13,257,939</b>	<b>12,954,386</b>	<b>32,281,017</b>	<b>29,158,124</b>
Increase (Decrease) in net position before transfers	1,945,237	595,151	775,384	1,109,459	2,720,621	1,704,610
Transfers		(18,582)		18,582		
Increase (Decrease) in net position	1,945,237	576,569	775,384	1,128,041	2,720,621	1,704,610
Net position—January 1, as previously stated	71,034,065	70,861,170	10,355,830	9,674,025	81,389,895	80,535,195
Prior Period Adjustment		(403,674)		(446,236)		(849,910)
Net Position-January 1, restated	71,034,065	70,457,496	10,355,830	9,227,789	81,389,895	79,685,285
Net position – December 31	72,979,302	71,034,065	11,131,214	10,355,830	84,110,516	81,389,895

**Governmental Activities:** Governmental activities increased the County's net position by \$1,945,237 and the business type activities increased the County's net position by \$775,384. Key elements of this increase/decrease are as follows:

- Increase in Capitalized Infrastructure cost in the Government activities.
- In the business type activities, there was an increase in costs and overall the increase to net position was lower than 2018.

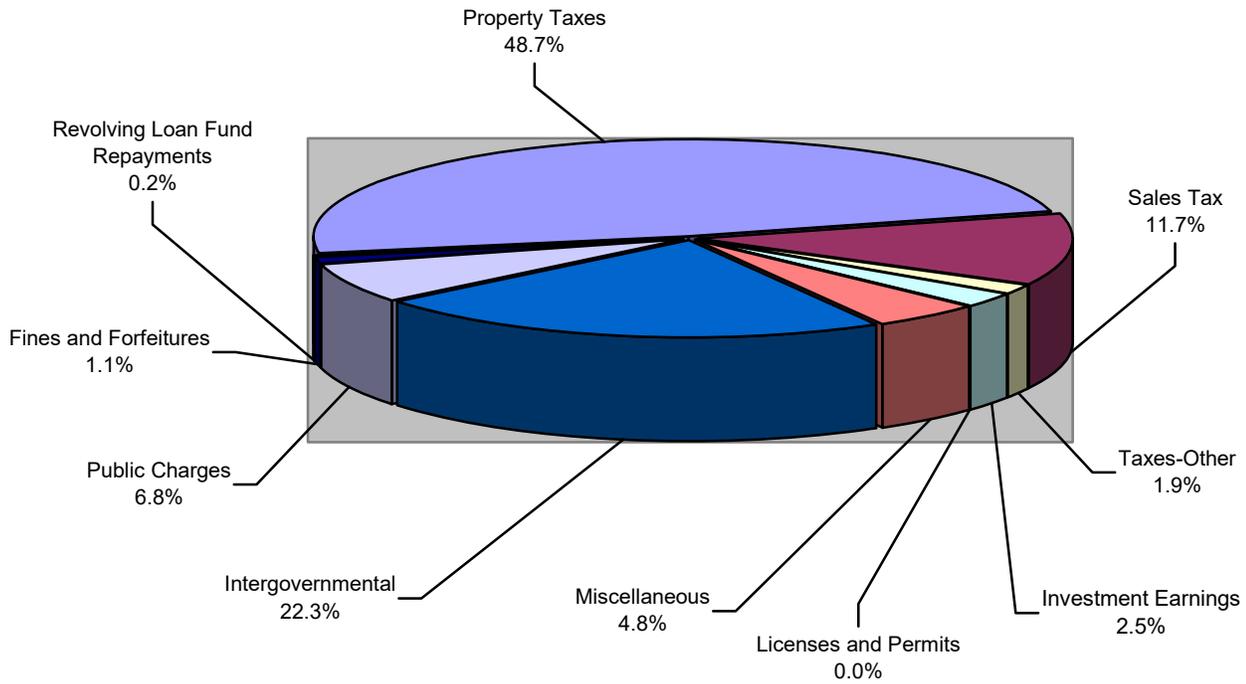
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**Management Discussion and Analysis**  
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**Expenses and Program Revenues – Governmental Funds**



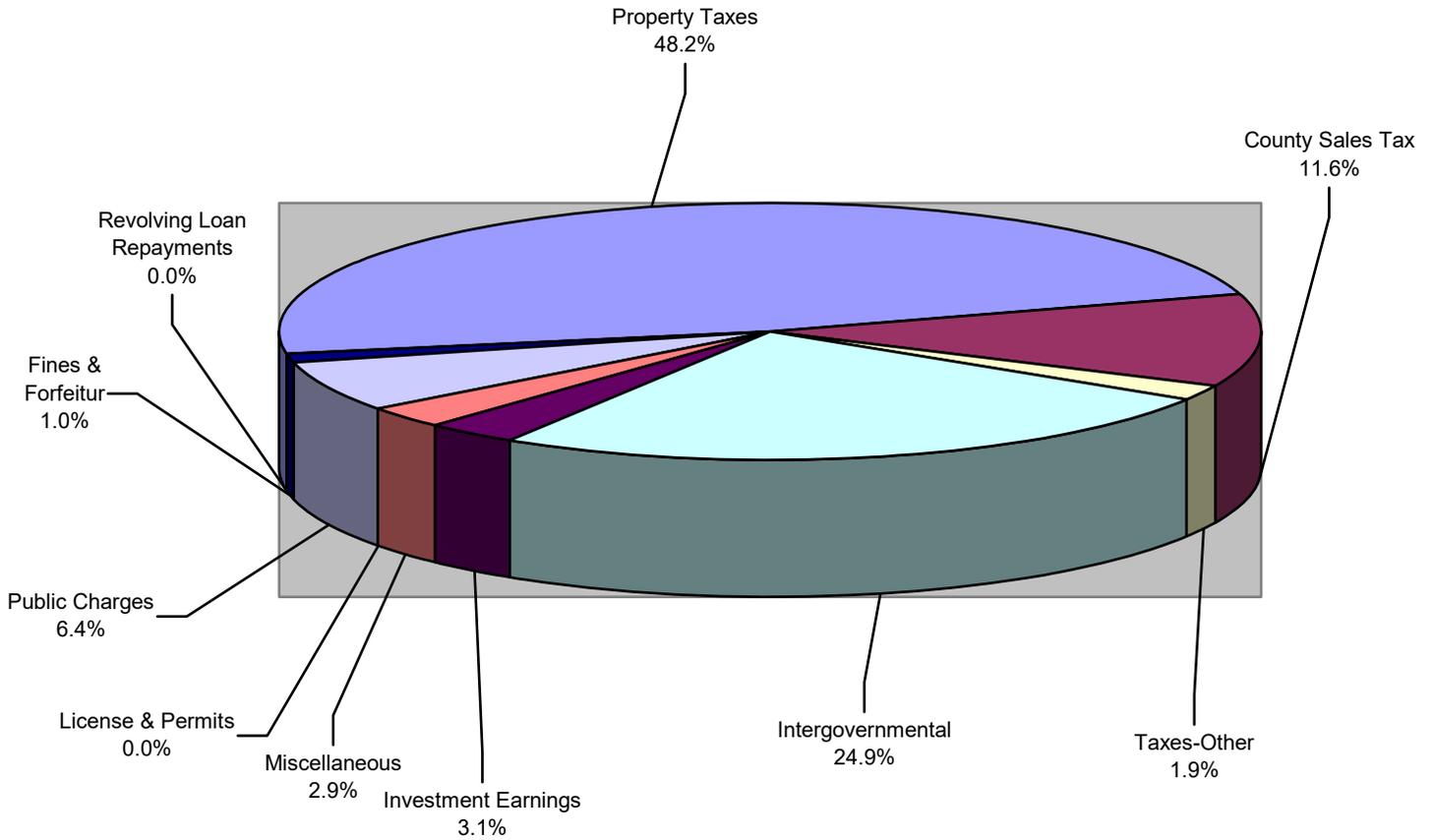
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2018 Revenues by Source-Governmental Funds



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2019 Revenues by Source-Governmental Funds

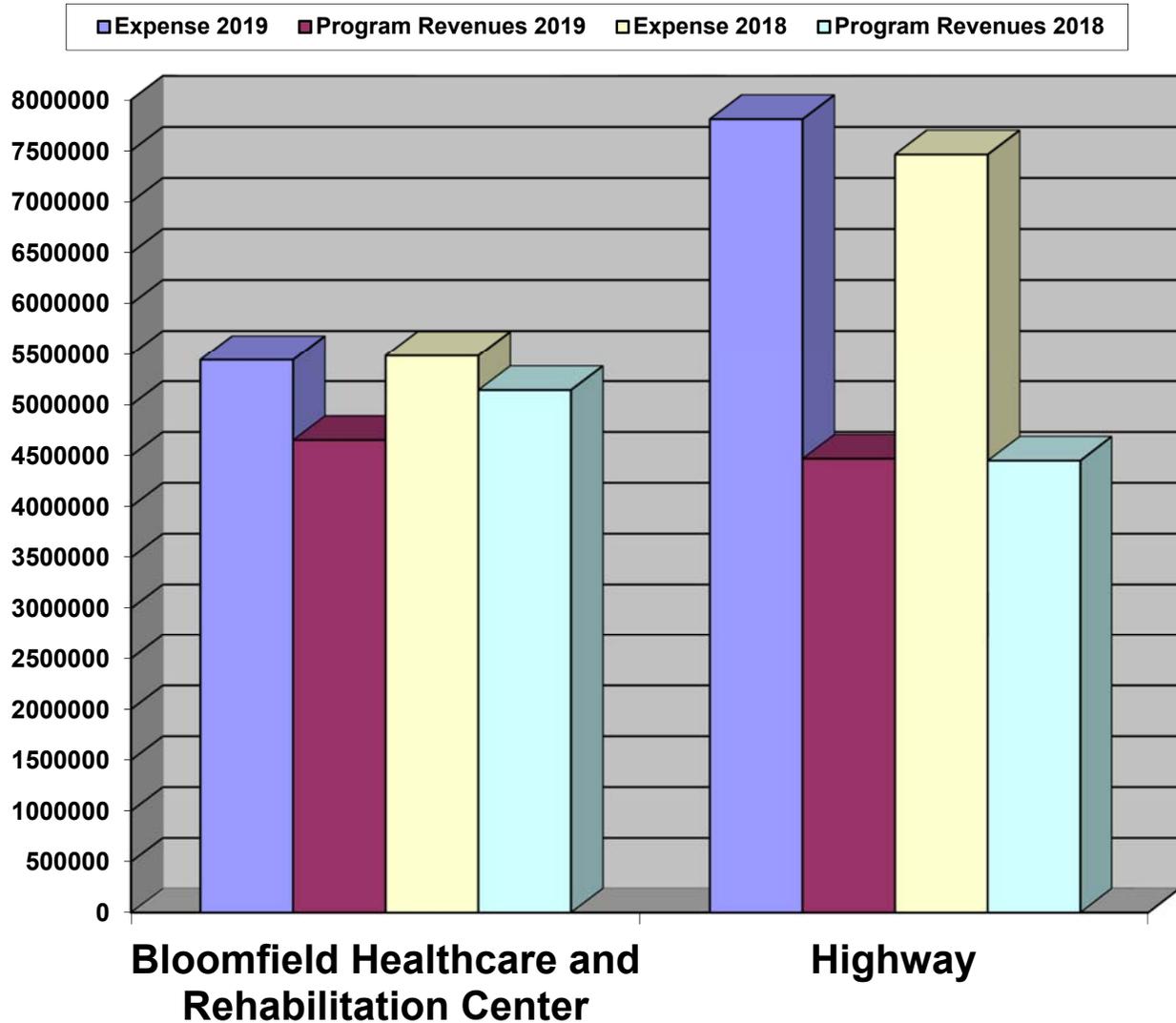


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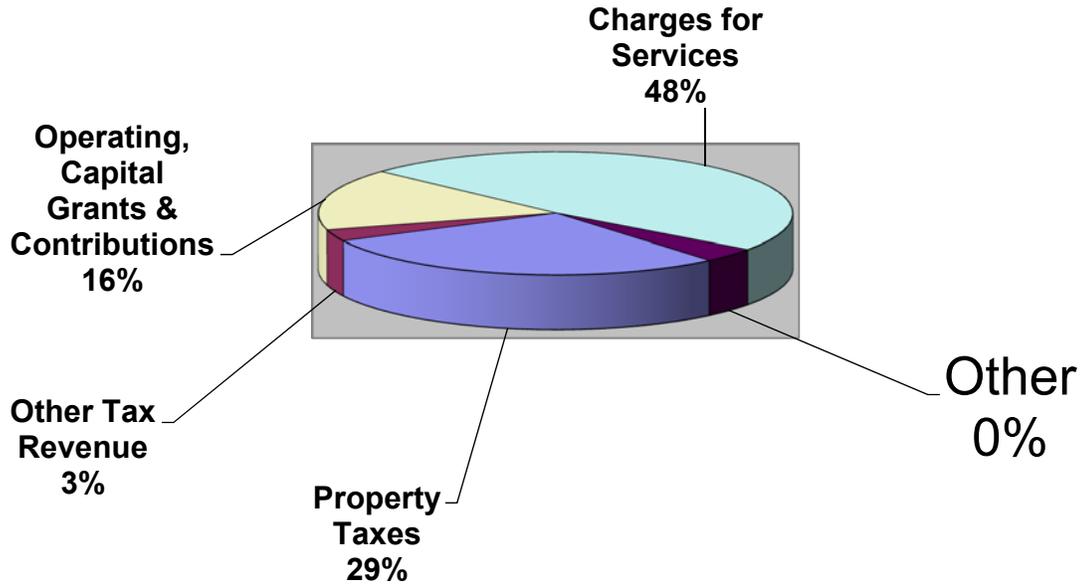
**Business-type activities:** Business-type activities increased Iowa County’s net position by \$775,384. Key elements of this increase are as follows:

- Operating expenditures for the Highway Department increased \$335,663.
- Operating expenditures for Bloomfield Healthcare and Rehabilitation Center decreased \$41,793.
- Operating revenues for the Highway Department increased \$396,475.
- Operating revenues for Bloomfield Healthcare and Rehabilitation Center decreased \$433,910.
- Property tax revenue for the business type activities increased \$437,636.

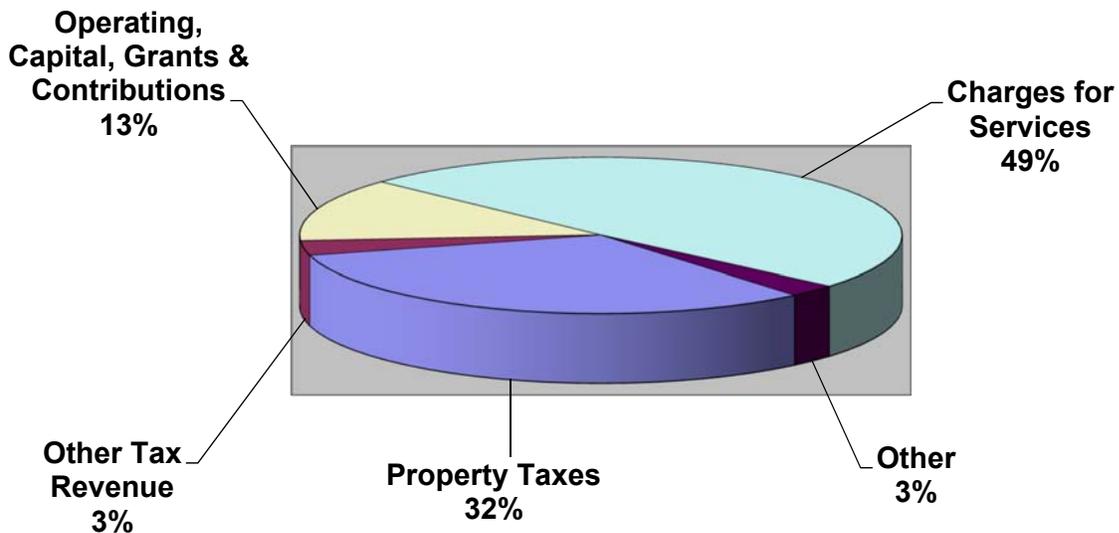
**Expenses and Program Revenues – Business-type Activities**



## 2018 Revenues by Source- Business Type Activites



## 2019 Revenues by Source- Business type Activites



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**Management Discussion and Analysis**  
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**Financial Analysis of the Iowa County's Funds**

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

**Governmental funds.** The focus of Iowa County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the County's governmental funds reported combined ending fund balances of \$16,164,116, a decrease of \$1,928,421 from the prior year. Of the combined ending fund balance, \$10,550,976 or 65% constitutes *unassigned fund balance* that is available for spending at the County's discretion and \$330,165 or 2% constitutes *assigned fund balance* that reflects the government's intended use of resources. Of the combined ending fund balance, \$1,460,218 or 9% constitutes total *nonspendable* fund balance that is not available for new spending as it is set aside for delinquent taxes, prepaid items, and Iowa County Airport inventories. The remainder of fund balance \$3,822,757 or 24% is *restricted* to indicate that it is not available for new spending because it has already been committed for the following purposes: 1) County Clerk election grant \$839; 2) D.A. Crime Prevention Surcharge \$5,740; 3) Register of Deeds – redaction project \$13,330; 4) Land Records retained fees \$20,667; 5) Land Records public access fees \$32,693; 6) Land records grant \$131,568; 7) K-9 Program \$14,654; 8) Bio-Terrorism grant \$11,315; 9) UW Extension pesticide program \$2,079; 10) UW Extension corporate grant \$6,240; 11) UW Extension Family Living Program \$2,359; 12) Veterans Donations \$3,750; 13) Land Conservation Donations \$1,053; 14) Social Services Fund \$338,105; 15) Social Services donor restricted \$5,769; 16) Capital Projects Fund for Jail Assessment \$163,700; 17) Aging Disability Resource Center \$236,430; 18) Child Support Fund \$34,349; 19) Real Estate Reduction Funds \$2,433,908; 20) Drug Task Force \$273,847; 22) Iowa County Airport \$89,362; and 23) dog license fees collected for the purpose of future related expenses in this area \$1,000. This information can be found on page 50 of the audit report.

The general fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$10,627,971 while total fund balance reached \$12,316,012. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 101.5% of total general fund expenditures (a slight decrease from 2018), while total fund balance represents 122% of that same amount (a slight increase from 2018).

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

Unrestricted net position for Bloomfield Healthcare and Rehabilitation Center and Highway Department operations were (\$529,957) and \$4,235,781 respectively. Total decrease in unrestricted net position for Bloomfield Healthcare and Rehabilitation Center was (\$373,912) and total decrease in unrestricted net position for Highway operations was (\$217,874).

*Bloomfield Healthcare and Rehabilitation Center's* operating revenues decreased \$433,910 from 2018, or 10%. There was a decrease of 2,366 resident days for the year, and the daily average census for 2019 was 44 and 2018 was 50, a decrease of 6 between the years. Per capita cost per day for 2019 was \$319.13 and for 2018 was \$270.95 which is an increase of \$48.18 per day or 15%. Operating expenses decreased by \$41,768 or 1%.

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Intergovernmental Transfer Program decreased 7% or \$58,216 to \$779,708 in 2019 from \$837,924 in 2018.

*Highway* net position increased \$1,286,417 to \$9,976,720.

General Fund Budgetary Highlights

Differences between the original General Fund budget and the final amended General Fund budget amounted to a \$699,164 increase in appropriations or 6.94% increase over the original budget. Differences can be briefly summarized as follows:

- Carryovers from 2018 to use for 2019 expenditures listed as restricted. This amount consists of revenues generated for a specific purpose and have not yet been spent and were carried forward to 2020.
- Transfers to the general fund from other funds in the amount of \$1,969,000 transferred from the Real-Estate Tax Reduction Fund.
- Additional budget amendments were completed to increase grant revenues and expenses for grants received in 2019 that were not known at the time the 2019 budget was adopted.

Please note that many of the carryovers continue for many years and are not fully expended the next year.

During the year, actual revenues exceeded revised budgeted revenues by \$375,829. The primary reasons for these variances are as follows:

- Investment Earnings exceeded budget by \$256,586
- Charges for services exceeded budget by \$92,506

Actual expenditures were less than the revised budgeted expenditures by \$642,511.

Capital Asset and Debt Administration

**Capital Assets.** Iowa County's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$66,854,122 (net of accumulated depreciation). This investment in capital assets including land, buildings, improvements, machinery and equipment, public domain infrastructure (highway and bridges), and construction in progress. The net increase in the County's investment in capital assets for the current year was \$6,014,989 or 9.9% over the prior year.

**IOWA COUNTY, WISCONSIN**  
**Management Discussion and Analysis**  
**December 31, 2019**

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

Governmental activities:

- Information technology related equipment \$164,000.
- Purchased six vehicles for the Sheriff’s Department \$223,536.
- Install Solar Panels at Health and Human Services Building \$175,431
- Sheriff’s Department - communication system \$1,214,447
- Purchase a vehicle for the Environmental Services Department \$23,000.
- Purchase land for the law enforcement building \$382,619
- Architect and other cost for the law enforcement building \$846,096
- Airport projects \$350,696
- Drone for Sheriff’s Department \$28,593

Business-type activities:

- The Highway Department and Bloomfield Healthcare and Rehabilitation Center purchased equipment and machinery in the amount of \$1,556,515.

<b>Iowa County’s Capital Assets</b> (net of accumulated depreciation)						
	Governmental activities		Business-type activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	1,790,516	1,407,897	46,557	46,557	1,837,073	1,454,454
Buildings & Improvements	9,655,024	10,116,921	1,753,115	1,197,655	11,408,139	11,314,576
Land Improvements			223,605	241,736	223,605	241,736
Machinery and Equipment	2,835,169	1,119,099	6,061,256	5,271,167	8,896,425	6,390,266
Infrastructure	43,401,524	41,344,478			43,401,524	41,344,478
Construction in progress	1,070,161	76,428	17,195	17,195	1,087,356	93,623
<b>Total</b>	<b>58,752,394</b>	<b>54,064,823</b>	<b>8,101,728</b>	<b>6,774,310</b>	<b>66,854,122</b>	<b>60,839,133</b>

Additional information on Iowa County’s capital assets can be found in Note (5) on pages 47-48 of this report.

**Long-term debt:** At the end of the current fiscal year, Iowa County had total general obligation debt outstanding of \$2,690,500 all of which was backed by the full faith of the County.

<b>Iowa County’s Outstanding Debt</b> General Obligation Debt						
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
<b>General obligation debt:</b>						
State Trust Fund Loan						
General Obligation Bond Issue	615,000	1,210,000			615,000	1,210,000
General Obligation – Promissory Note	835,500		1,240,000	1,289,000	2,075,500	1,289,000
<b>Total</b>	<b>\$1,450,500</b>	<b>\$1,210,000</b>	<b>\$1,240,000</b>	<b>\$1,289,000</b>	<b>\$2,690,500</b>	<b>\$2,499,000</b>

**IOWA COUNTY, WISCONSIN**  
**Management Discussion and Analysis**  
**December 31, 2019**

During the fiscal year, Iowa County's general obligation debt increased by \$191,500. The increase was due to combination of the scheduled loan payments made during 2019 and the issue of a promissory note in the amount of \$2,075,500 to purchase equipment and construction for the governmental funds and Highway department.

The County did receive a rating of A3 by Moody's Investors Service in January 2010. In April 2015, Moody's performed a rate review and upgraded the County's rating to Aa3 from the A3. In January 2018, Moody's performed a rate review and upgraded the County's rating to Aa2 from Aa3. The County issued bonds in 2020 and Moody maintained the County's rating at Aa2

Additional information on Iowa County's long-term debt can be found in Note 4 on pages 45-46 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- Iowa County's unemployment rate is 3.9% for September 2020. This compares to the September 2020 average unemployment rate not seasonally adjusted for State of Wisconsin's of 5.4% and the United States of 7.9%. Iowa County's unemployment rate was 2.8% for December 2019. This compares to December average unemployment rate for the State of Wisconsin of 3.5% for December 2019 as compared to the national average of 3.5% for the same time-period.
- Iowa County's rate variations are due mainly to the seasonal nature of agriculture and Lands' End. Lands' End continues to be the largest employer in Iowa County. Lands' End employs people from Iowa County and the surrounding counties.
- Iowa County saw an increase in the 2015, 2016, 2017, 2019 and 2019 equalized valuations after a flat or declining growth of equalized valuation of property beginning in 2008 through 2014.
- In 2020, the corona virus (i.e., covid-19) reached the area and this has had an impact on the area. Even with the covid-19 virus the county has seen a growth in county sales tax collection in 2020.

All of these factors were considered in preparing the County's budget for the 2020 fiscal year.

Previously limits had been imposed on property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenue and transportation aids. This limit was lifted by the State of Wisconsin for all municipalities beginning for 2012 and going forward. The State of Wisconsin also imposed a levy limit on all Counties and the increase to the levy is based on the net new construction growth percentage or 0.00% growth whichever is higher.

With the adoption of the budget for 2020, the County's operating rate of \$4.85 and the debt service levy was \$1.29 per \$1,000 of equalized valuation for a total tax levy rate of \$6.14. The County's operating and debt amount and rates for 2020 were at allowable amounts that could be levied.

**Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the Iowa County's finances. Questions, concerning any of the information provided in this report or requests for additional information should be addressed to the Iowa County Finance Director, 222 North Iowa Street, Dodgeville, WI 53533.

A separate audit report is issued for the Cobb-Highland Recreation Commission (Blackhawk Lake Recreational Area) (component unit).

## BASIC FINANCIAL STATEMENTS

Exhibit A-1  
Iowa County, Wisconsin  
Statement of Net Position  
December 31, 2019

	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 15,219,680	\$ 2,994,073	\$ 18,213,753	\$ 48,988
Receivables:				
Taxes receivable	9,234,509	4,621,618	13,856,127	
Accounts receivable	312,285	697,574	1,009,859	22
Due from other governmental units	738,896	923,468	1,662,364	
Economic development loans	77,496		77,496	
Internal balances	662,754	(662,754)		
Materials and supplies	18,464	1,189,671	1,208,135	
Prepaid expenses	160,236		160,236	
Total current assets	<u>26,424,320</u>	<u>9,763,650</u>	<u>36,187,970</u>	<u>49,010</u>
Noncurrent assets:				
Restricted cash and investments		563,662	563,662	55,000
Capital assets:				
Property and equipment	140,864,962	21,451,196	162,316,158	1,646,770
Less: accumulated depreciation	(82,112,568)	(13,349,468)	(95,462,036)	(772,062)
Net book value of capital assets	<u>58,752,394</u>	<u>8,101,728</u>	<u>66,854,122</u>	<u>874,708</u>
Total noncurrent assets	<u>58,752,394</u>	<u>8,665,390</u>	<u>67,417,784</u>	<u>929,708</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension outflows	4,433,261	2,728,713	7,161,974	
OPEB - group life insurance plan outflows	37,523	31,199	68,722	
OPEB - County health insurance plan outflows	7,451	10,914	18,365	
Total deferred outflows of resources	<u>4,478,235</u>	<u>2,770,826</u>	<u>7,249,061</u>	
Total assets and deferred outflows of resources	<u>\$ 89,654,949</u>	<u>\$ 21,199,866</u>	<u>\$ 110,854,815</u>	<u>\$ 978,718</u>

Exhibit A-1 (Continued)  
Iowa County, Wisconsin  
Statement of Net Position  
December 31, 2019

	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 614,715	\$ 212,122	\$ 826,837	\$ 443
Accrued payroll	186,793	153,573	340,366	
Accrued interest payable	10,287		10,287	
Due to other governments	293,672	79,959	373,631	2,835
Deposits	257		257	
Payroll liabilities				3,157
Unearned revenue	192,707	177,053	369,760	14,096
Note payable		1,240,000	1,240,000	
Current portion of compensated absences	396,267	346,833	743,100	
Current portion of long-term debt	1,480,268		1,480,268	
Total current liabilities	<u>3,174,966</u>	<u>2,209,540</u>	<u>5,384,506</u>	<u>20,531</u>
Noncurrent liabilities:				
Compensated absences	1,014,580	630,296	1,644,876	
Net pension liability	1,634,040	1,005,766	2,639,806	
OPEB - group life insurance plan liability	272,843	226,870	499,713	
OPEB - County health insurance plan liability	175,467	257,059	432,526	
General obligation debt and notes payable	1,450,500		1,450,500	
Capital lease	38,140		38,140	
Less: current portion	(1,876,535)	(346,833)	(2,223,368)	
Total noncurrent liabilities	<u>2,709,035</u>	<u>1,773,158</u>	<u>4,482,193</u>	
Total liabilities	<u>5,884,001</u>	<u>3,982,698</u>	<u>9,866,699</u>	<u>20,531</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	8,448,598	4,621,618	13,070,216	
Pension inflows	2,255,282	1,388,145	3,643,427	
OPEB - group life insurance plan inflows	82,692	68,757	151,449	
OPEB - County health insurance plan inflows	5,074	7,434	12,508	
Total deferred inflows of resources	<u>10,791,646</u>	<u>6,085,954</u>	<u>16,877,600</u>	
<b>NET POSITION</b>				
Net investment in capital assets	57,263,754	6,861,728	64,125,482	874,708
Restricted		563,662	563,662	
Real estate reduction	2,433,908		2,433,908	
Social services	343,874		343,874	
Aging Disability Resource Center	236,430		236,430	
Child support	34,349		34,349	
Iowa County Airport	89,362		89,362	
Donor restricted	13,402		13,402	
Drug Task Force	273,847		273,847	
Dog Licenses	1,000		1,000	
Grant restricted	158,376		158,376	
Restricted by statute	238,209		238,209	
Unrestricted	<u>11,892,791</u>	<u>3,705,824</u>	<u>15,598,615</u>	<u>83,479</u>
Total net position	<u>72,979,302</u>	<u>11,131,214</u>	<u>84,110,516</u>	<u>958,187</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 89,654,949</u>	<u>\$ 21,199,866</u>	<u>\$ 110,854,815</u>	<u>\$ 978,718</u>

See accompanying notes to the basic financial statements.

Exhibit A-2  
Iowa County, Wisconsin  
Statement of Activities  
For the Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Cobb-Highland Recreation Commission
<b>Governmental activities:</b>								
General government	\$ 4,120,295	\$ 588,829	\$ 79,361	\$	\$ (3,452,105)	\$	\$ (3,452,105)	\$
Public safety	5,164,350	171,482	256,710	15,064	(4,721,094)		(4,721,094)	
Transportation facilities	411,773	146,060		280,193	14,480		14,480	
Public works	2,097,033				(2,097,033)		(2,097,033)	
Health and human services	5,035,203	87,540	2,794,767	33,607	(2,119,289)		(2,119,289)	
Leisure activities	84,017		36,840		(47,177)		(47,177)	
Conservation of natural resources	519,020	1,334	266,795		(250,891)		(250,891)	
Education	607,480	1,604			(605,876)		(605,876)	
Community and economic development	947,258	228,604			(718,654)		(718,654)	
Interest and fiscal charges	36,649				(36,649)		(36,649)	
<b>Total governmental activities</b>	<b>19,023,078</b>	<b>1,225,453</b>	<b>3,434,473</b>	<b>328,864</b>	<b>(14,034,288)</b>		<b>(14,034,288)</b>	
<b>Business-type activities:</b>								
Bloomfield Health Care and Rehabilitation Center	5,447,531	3,875,712	779,708			(792,111)	(792,111)	
Highway	7,810,408	3,399,600	1,065,720	6,740		(3,338,348)	(3,338,348)	
<b>Total business-type activities</b>	<b>13,257,939</b>	<b>7,275,312</b>	<b>1,845,428</b>	<b>6,740</b>		<b>(4,130,459)</b>	<b>(4,130,459)</b>	
<b>Total primary government</b>	<b>\$ 32,281,017</b>	<b>\$ 8,500,765</b>	<b>\$ 5,279,901</b>	<b>\$ 335,604</b>	<b>(14,034,288)</b>	<b>(4,130,459)</b>	<b>(18,164,747)</b>	
<b>Component Unit:</b>								
Cobb-Highland Recreation Commission	439,132	455,274						16,142
<b>Total component unit</b>	<b>439,132</b>	<b>455,274</b>						<b>16,142</b>
<b>General revenues:</b>								
Property taxes					7,889,599	4,469,103	12,358,702	
Sales taxes					1,928,531		1,928,531	
Other taxes					308,895	426,550	735,445	
State aid not restricted for specific purposes					692,224		692,224	
Interest and investment earnings					507,721	9,991	517,712	248
Gain (loss) on sale of capital assets					11,958	199	12,157	(455)
Other revenue					327,032		327,032	628
Capital contributions								1,000
Capitalized infrastructure costs					4,313,565		4,313,565	
<b>Total general revenues</b>					<b>15,979,525</b>	<b>4,905,843</b>	<b>20,885,368</b>	<b>1,421</b>
<b>Changes in net position</b>					<b>1,945,237</b>	<b>775,384</b>	<b>2,720,621</b>	<b>17,563</b>
Net position - beginning of year					71,034,065	10,355,830	81,389,895	940,624
<b>Net position - ending</b>					<b>\$ 72,979,302</b>	<b>\$ 11,131,214</b>	<b>\$ 84,110,516</b>	<b>\$ 958,187</b>

Exhibit A-3  
Iowa County, Wisconsin  
Balance Sheet  
Governmental Funds  
December 31, 2019

	General	Social Services	Real Estate Tax Reduction	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 11,334,232	\$ 287,037	\$ 2,097,332	\$ 756,673	\$ 542,582	\$ 15,017,856
Receivables (net of allowances)						
Current property taxes	4,713,521	1,479,415		1,564,243	691,419	8,448,598
Accounts	131,204	167,591			13,490	312,285
Due from other governmental units	261,221		336,576		141,099	738,896
Delinquent property taxes	785,911					785,911
Economic development loans					77,496	77,496
Prepaid items	72,127					72,127
Inventories					18,464	18,464
Advance from other funds	739,749					739,749
Due from other funds	5,877					5,877
<b>Total assets</b>	<b>\$ 18,043,842</b>	<b>\$ 1,934,043</b>	<b>\$ 2,433,908</b>	<b>\$ 2,320,916</b>	<b>\$ 1,484,550</b>	<b>\$ 26,217,259</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 270,348	\$ 53,684	\$	\$ 262,808	\$ 27,875	\$ 614,715
Accrued payroll	136,776	34,168			15,849	186,793
Due to other governments	260,079	22,902			10,691	293,672
Advances to other funds					76,995	76,995
Due to other funds					5,877	5,877
Deposits	257					257
Unearned revenue	190,816				1,891	192,707
<b>Total liabilities</b>	<b>858,276</b>	<b>110,754</b>		<b>262,808</b>	<b>139,178</b>	<b>1,371,016</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property tax revenue-current	4,713,521	1,479,415		1,564,243	691,419	8,448,598
Deferred property tax revenue-delinquent	156,033					156,033
Deferred revenue-other					77,496	77,496
<b>Total deferred inflows of resources</b>	<b>4,869,554</b>	<b>1,479,415</b>		<b>1,564,243</b>	<b>768,915</b>	<b>8,682,127</b>
<b>FUND BALANCES</b>						
Nonspendable	1,441,754				18,464	1,460,218
Restricted	246,287	343,874	2,433,908	163,700	634,988	3,822,757
Assigned				330,165		330,165
Unassigned	10,627,971				(76,995)	10,550,976
<b>Total fund balances</b>	<b>12,316,012</b>	<b>343,874</b>	<b>2,433,908</b>	<b>493,865</b>	<b>576,457</b>	<b>16,164,116</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 18,043,842</b>	<b>\$ 1,934,043</b>	<b>\$ 2,433,908</b>	<b>\$ 2,320,916</b>	<b>\$ 1,484,550</b>	<b>\$ 26,217,259</b>

Exhibit A-4  
Iowa County, Wisconsin  
Reconciliation of the Governmental Funds Balance Sheet  
with the Statement of Net Position  
December 31, 2019

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

Total fund balances - governmental funds:		\$ 16,164,116
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
Infrastructure & Right of way assets	116,552,618	
Accumulated depreciation	(72,047,085)	44,505,533
Other governmental capital assets	24,312,344	
Accumulated depreciation	<u>(10,065,483)</u>	14,246,861
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements:		
Deferred outflows of resources		4,478,235
Deferred inflows of resources		(2,343,048)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the fund statements:		
Delinquent property taxes	156,033	
Long term development loans	<u>77,496</u>	233,529
Internal service funds are used by the County to charge the costs of Workers Compensation deductibles to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets:		
		289,933
Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements:		
General obligation bonds and notes	1,450,500	
Capital lease	38,140	
Accrued interest	10,287	
Net pension liability	1,634,040	
OPEB - group life insurance plan liability	272,843	
OPEB - County health insurance plan liability	175,467	
Compensated absences	<u>1,014,580</u>	(4,595,857)
Total net position - governmental activities		<u><u>\$ 72,979,302</u></u>

Exhibit A-5  
Iowa County, Wisconsin  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2019

	General	Social Services	Real Estate Tax Reduction	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes						
Property	\$ 4,823,448	\$ 1,508,658		\$ 935,035	\$ 634,946	\$ 7,902,087
Sales			1,910,606			1,910,606
Other	306,580					306,580
Intergovernmental	1,808,372	1,348,243		33,607	896,862	4,087,084
Charges for services	845,032	50,931			158,874	1,054,837
Fines and forfeitures	157,740					157,740
Investment earnings	483,724				23,997	507,721
Revolving loan repayments					4,782	4,782
Miscellaneous	337,912	1,393		23,000	110,228	472,533
Total revenues	8,762,808	2,909,225	1,910,606	991,642	1,829,689	16,403,970
<b>EXPENDITURES</b>						
Current:						
General government	3,628,196					3,628,196
Public safety	4,116,879				120,315	4,237,194
Transportation facilities					221,536	221,536
Health and human services	898,050	2,575,078			1,247,356	4,720,484
Leisure activities	84,017					84,017
Conservation of natural resources	443,743					443,743
Education	604,072					604,072
Community and Economic development	310,807				593,746	904,553
Capital outlay				3,657,938		3,657,938
Debt service:						
Principal	28,407			595,000		623,407
Interest	3,416			39,335		42,751
Total expenditures	10,117,587	2,575,078		4,292,273	2,182,953	19,167,891
Excess (deficiency) of revenues over expenditures	(1,354,779)	334,147	1,910,606	(3,300,631)	(353,264)	(2,763,921)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt proceeds				835,500		835,500
Transfers in	2,550,366			358,504		2,908,870
Transfers (out)	(358,504)	(411,735)	(1,969,000)		(169,631)	(2,908,870)
Net change in fund balances	837,083	(77,588)	(58,394)	(2,106,627)	(522,895)	(1,928,421)
Fund balance-beginning of year	11,478,929	421,462	2,492,302	2,600,492	1,099,352	18,092,537
Fund balance-end of year	\$ 12,316,012	\$ 343,874	\$ 2,433,908	\$ 493,865	\$ 576,457	\$ 16,164,116

Exhibit A-6  
Iowa County, Wisconsin  
Reconciliation of Statement of Revenues, Expenditures and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2019

Net change in fund balances-total governmental funds		\$ (1,928,421)
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	3,499,879	
Capitalized infrastructure costs	4,313,565	
Depreciation expenses reported in the statement of activities	(3,107,491)	
Amount by which capital outlays are greater (less) than depreciation in the current period.		4,705,953
The County sold property resulting in a reduction of capital assets and recapture of prior year depreciation expense and has no affect on the governmental funds balance sheet.		
The value of capital assets disposed of during the year was:	(194,153)	
The amount of depreciation recapture for the year was:	175,770	
The difference in the value of assets net of recaptured depreciation		(18,383)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
		623,406
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds but does not affect the statement of activities.		
		(835,500)
Compensated absences and OPEBs are reported in the governmental funds when amounts are paid. The statement of activities reports the amount earned during the year.		
Change in compensated absences		(51,623)
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources		(33,823)
Change in OPEB - County health insurance plan liability and related deferred outflows and inflows of resources		(12,453)
Repayment of CDBG economic development loans is reflected as revenues in governmental funds, but is reported as a reduction of CDBG economic development loans receivable in the statement of net position and does not affect the statement of activities		
		(34,982)
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	39,335	
The amount of interest accrued during the current period	(33,232)	
Interest paid is greater (less) than interest accrued by		6,103
Internal service fund gain (loss)		
		138,025
Revenues that provided current financial resources in the statement of activities in prior years but are reported as revenues in the governmental funds when available		
Change in Deferred Property Tax - Delinquent		(6,250)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan.		
Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments.		(606,815)
Change in net position-governmental activities		\$ 1,945,237

Exhibit A-7  
Iowa County, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2019

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
<b>ASSETS</b>				
Current assets:				
Cash	\$	\$ 2,994,073	\$ 2,994,073	\$ 201,824
Receivables (net of allowance)				
Taxes-current	363,223	4,258,395	4,621,618	
Accounts	640,907	56,667	697,574	
Due from other governments		923,468	923,468	
Prepaid expenses				88,109
Materials and supplies	52,672	1,136,999	1,189,671	
Total current assets	1,056,802	9,369,602	10,426,404	289,933
Noncurrent assets:				
Restricted cash and investments	563,662		563,662	
Capital assets:				
Property and equipment	5,823,840	15,627,356	21,451,196	
Less: accumulated depreciation	(4,703,051)	(8,646,417)	(13,349,468)	
Net book value of capital assets	1,120,789	6,980,939	8,101,728	
Total noncurrent assets	1,684,451	6,980,939	8,665,390	
Total assets	2,741,253	16,350,541	19,091,794	289,933
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension outflows	1,468,205	1,260,508	2,728,713	
OPEB - group life insurance plan outflows	13,676	17,523	31,199	
OPEB - County health insurance plan outflows	4,851	6,063	10,914	
Total noncurrent assets	1,486,732	1,284,094	2,770,826	
Total assets and deferred outflows of resources	\$ 4,227,985	\$ 17,634,635	\$ 21,862,620	\$ 289,933

Exhibit A-7 (Continued)  
Iowa County, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2019

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield			
	Health Care and Rehabilitation Center	Highway	Total	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 85,423	\$ 126,699	\$ 212,122	\$
Due to other governments	44,254	35,705	79,959	
Accrued payroll	95,004	58,569	153,573	
Unearned revenue		177,053	177,053	
Note payable		1,240,000	1,240,000	
Current portion of compensated absences	159,155	187,678	346,833	
Total current liabilities	383,836	1,825,704	2,209,540	
Noncurrent liabilities:				
Compensated absences	287,629	342,667	630,296	
Net pension liability	541,160	464,606	1,005,766	
OPEB - group life insurance plan liability	99,443	127,427	226,870	
OPEB - County health insurance plan liability	114,257	142,802	257,059	
Advance from other funds	662,754		662,754	
Less: current portion of compensated absences	(159,155)	(187,678)	(346,833)	
Total noncurrent liabilities	1,546,088	889,824	2,435,912	
Total liabilities	1,929,924	2,715,528	4,645,452	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	363,223	4,258,395	4,621,618	
Pension inflows	746,902	641,243	1,388,145	
OPEB - group life insurance plan inflows	30,138	38,619	68,757	
OPEB - County life insurance plan inflows	3,304	4,130	7,434	
Total deferred inflows of resources	1,143,567	4,942,387	6,085,954	
<b>NET POSITION</b>				
Net investment in capital assets	1,120,789	5,740,939	6,861,728	
Restricted	563,662		563,662	289,933
Unrestricted	(529,957)	4,235,781	3,705,824	
Total net position	1,154,494	9,976,720	11,131,214	289,933
Total liabilities, deferred inflows of resources and net position	\$ 4,227,985	\$ 17,634,635	\$ 21,862,620	\$ 289,933

Exhibit A-8  
Iowa County, Wisconsin  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2019

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,532,298	\$ 3,383,406	\$ 6,915,704	\$ 261,288
Other	343,414	16,194	359,608	
Total operating revenues	3,875,712	3,399,600	7,275,312	261,288
<b>OPERATING EXPENSES</b>				
Health care	5,294,155		5,294,155	
Highway		7,213,598	7,213,598	
Insurance payments and claims				123,263
Depreciation	153,376	582,123	735,499	
Total operating expenses	5,447,531	7,795,721	13,243,252	123,263
Operating (loss)	(1,571,819)	(4,396,121)	(5,967,940)	138,025
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property tax revenue	260,373	4,208,730	4,469,103	
Other tax revenue		426,550	426,550	
Intergovernmental grants	779,708	1,065,720	1,845,428	
Interest expense	(25)	(14,662)	(14,687)	
Investment earnings	9,991		9,991	
Gain (loss) on sale of fixed assets	3,999	(3,800)	199	
Total nonoperating revenues (expenses)	1,054,046	5,682,538	6,736,584	
Income (loss) before contributions and transfers	(517,773)	1,286,417	768,644	138,025
Contributions	6,740		6,740	
Changes in net position	(511,033)	1,286,417	775,384	138,025
Net position - beginning	1,665,527	8,690,303	10,355,830	151,908
Net position - ending	\$ 1,154,494	\$ 9,976,720	\$ 11,131,214	\$ 289,933

Exhibit A-9  
Iowa County, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Totals	
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 3,982,866	\$ 3,559,730	\$ 7,542,596	\$
Receipts from departments				261,288
Payments to employees	(2,678,671)	(2,231,711)	(4,910,382)	
Payment for employee benefits	(1,031,223)	(683,833)	(1,715,056)	
Payments to suppliers and contractors	(1,322,873)	(4,689,952)	(6,012,825)	
Cash payments for other operating expenses				(123,078)
Net cash (used by) operating activities	(1,049,901)	(4,045,766)	(5,095,667)	138,210
<b>CASH FLOWS FROM (USED BY) NON-CAPITAL FINANCING ACTIVITIES</b>				
Property tax and other tax revenue	260,373	4,635,280	4,895,653	
Grants	779,708	1,065,720	1,845,428	
Net cash from non-capital financing activities	1,040,081	5,701,000	6,741,081	
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(24,603)	(2,149,337)	(2,173,940)	
Receipts from sale of fixed assets	3,999	108,123	112,122	
Proceeds from debt issued		1,240,000	1,240,000	
Debt payments - principal		(1,289,000)	(1,289,000)	
Debt payments - interest	(25)	(14,662)	(14,687)	
Contributions	6,740		6,740	
Net cash (used by) capital and related financing	(13,889)	(2,104,876)	(2,118,765)	
<b>CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES</b>				
Receipt of interest	9,991		9,991	
Purchase of investments	(350,000)		(350,000)	
Receipt of investments maturing	450,000		450,000	
Net cash from investing activities	109,991		109,991	
Net increase (decrease) in cash and cash equivalents	86,282	(449,642)	(363,360)	138,210
Cash and cash equivalents-beginning of year	27,380	3,443,715	3,471,095	63,614
Cash and cash equivalents-end of year	\$ 113,662	\$ 2,994,073	\$ 3,107,735	\$ 201,824
<b>Reconciliation of Cash and Cash Equivalents to Balance Sheet:</b>				
Cash	\$	\$ 2,994,073	\$ 2,994,073	\$ 201,824
Cash and investments (restricted)	563,662		563,662	
Total	563,662	2,994,073	3,557,735	201,824
Less: long-term investments(restricted)	(450,000)		(450,000)	
Total	\$ 113,662	\$ 2,994,073	\$ 3,107,735	\$ 201,824

Exhibit A-9 (Continued)  
Iowa County, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
<b>Reconciliation of operating (loss) to net cash provided (used) by operating activities:</b>				
Operating (loss)	\$ (1,571,819)	\$ (4,396,121)	\$ (5,967,940)	\$ 138,025
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	153,376	582,123	735,499	
Pension expense	215,957	175,736	391,693	
OPEB expense - group life insurance	5,358	4,002	9,360	
OPEB expense - County health insurance	8,109	10,136	18,245	
Changes in assets and liabilities:				
Receivables	105,676	87,622	193,298	
Due from other governments	1,478	(117,947)	(116,469)	
Inventories	(12,076)	(371,120)	(383,196)	
Prepaid expenses		3,251	3,251	2,596
Accounts payable	(92,130)	(46,910)	(139,040)	(2,411)
Accrued liabilities	21,281	3,302	24,583	
Due to other governments	(21,614)	(18,340)	(39,954)	
Advance from other funds	122,839		122,839	
Unearned revenue		72,508	72,508	
Vested fringe benefits	13,664	(34,008)	(20,344)	
Net cash (used by) operating activities	\$ (1,049,901)	\$ (4,045,766)	\$ (5,095,667)	\$ 138,210

Exhibit A-10  
Iowa County, Wisconsin  
Statement of Net Position  
Fiduciary Funds  
December 31, 2019

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash:	
Manor resident cash	\$ 7,888
Burial trust	1,400
Sheriff	89,665
Clerk of courts	71,561
County Treasurer	181,763
District attorney	<u>127</u>
Total cash	<u>352,404</u>
Receivables:	
Current property taxes	<u>360,988</u>
Total assets	<u><u>\$ 713,392</u></u>
 <b>LIABILITIES</b>	
Due to other governments	\$ 450,653
Funds held for others	<u>262,739</u>
Total liabilities	<u><u>\$ 713,392</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Iowa County, Wisconsin  
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Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Iowa County is governed by a twenty-one member county board of supervisors. The County provides many functions and services to citizens including law enforcement, administration of the courts, circuit court, health and human services, recreation and cultural activities, planning and zoning, education and general administrative services. Other activities include the operations of a highway department, a nursing home, and a senior citizens program.

Financial statements presented in this report conform to requirements of U.S. generally accepted accounting principles.

Significant accounting policies of Iowa County are summarized below:

A. Reporting Entity

This report includes all of the funds and account groups of Iowa County, Wisconsin. The reporting entity for the County consists of the (a) 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 their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financial accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

Included in the Reporting Entity

The County has determined that the Blackhawk Lake Recreation Facility is a component unit of the County. The State of Wisconsin acquired approximately 380 acres of park land from the Cobb-Highland Recreation Commission in 1977 in exchange for payment of FHA revenue bond indebtedness of \$450,000. Under this agreement, Iowa County agreed to assume full operational responsibility and control of the Blackhawk Lake Recreation Area. Should the County ever fail to continue to operate the facility, the County would have to repay all State and Federal monies expended for land acquisition and development of the facility. The County also assumed responsibility for maintenance of the dam.

Through an operations agreement, the day-to-day operation and management of the facility is being performed by the Cobb-Highland Recreation Commission who is required to file an annual report with the County indicating the status of operations at the facility. The Commission charges user fees to the general public and expends these as necessary and appropriate for maintaining the facility. The Commission shall not borrow more than a cumulative total of \$10,000 without first obtaining approval of the County Board of Supervisors.

Financial statements for the Blackhawk Lake Recreation Facility can be obtained at the office of the Cobb-Highland Recreation Commission.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Excluded from the Reporting Entity

Iowa County is a participating member of the Grant/Iowa Unified Board (Unified Community Services). The board provides services to citizens of the two counties in the areas of mental health, developmental disabilities, alcoholism and drug abuse under the provisions of Statute 51.42/.437. The board operates outpatient clinics in various locations in the two-county area and contracts with various agencies for other client services.

The board is composed of eleven members who are appointed by the County board chairmen of Grant and Iowa Counties. Six members are appointed by the Grant County board chairman and five members by the Iowa County board chairman. The Board is funded through state grant-in-aid, federal grants, fees for services rendered and County appropriations. County appropriations are based on population. The amount and percentage share of each County's appropriations for 2019 follows:

Grant County	70%
Iowa County	30%

Grant County acts as host county for the recording of financial transactions and for the deposit of receipts and payment of disbursements. For this reason, and because Grant County appoints a majority of the Board, this entity is not considered a component unit of Iowa County.

B. Government-Wide and Fund Financial Statements

**Government-Wide Financial Statements**

The government-wide financial statements (Exhibits A-1 and A-2) report information on all of the nonfiduciary activities of the County. The effect of most 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers for services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the requirements of a particular function. Taxes and other items not included in program revenues are reported 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, liabilities, net position/fund equity, revenues, and expenditure/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.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Funds are organized in major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the county believes is particularly important to financial statement users may be reported as a major fund.

The County reports the following major governmental funds:

*General Fund* - The general fund is used to account for all revenues and expenditures which are not required to be accounted for in other funds.

*Social Services Special Revenue Fund* – Accounts for programs of the County’s Department of Social Services. Substantial financing for this fund is provided by federal and state grants.

*Real Estate Reduction Fund* – Accounts for the county-wide sales tax which, by statute, must be used to reduce property taxes.

*Capital Improvements Capital Projects Fund* – accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects.

The County reports the following major proprietary funds:

*Enterprise Funds* – Bloomfield Healthcare and Rehabilitation Center Fund accounts for the operation of a long-term health care facility. The Highway fund accounts for activities of the County’s Highway Department which include maintenance of county, state and local roads.

The County reports the following non-major governmental funds:

**Non-Major Governmental Funds**

*Special Revenue Funds* – accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Aging Disability Resource Center
- Child Support
- Iowa County Airport
- Drug Task Force
- CDBG Revolving Loan
- Tri-County Airport
- Unified Community Services
- Dog License
- Wisconsin River Rail Transit

*Internal Service Fund* – Accounts for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis. Activity of the County’s workers compensation insurance plan are accounted for in the internal service fund.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County also reports the following fiduciary funds:

*Agency Funds* – The County accounts for assets held as an agent for burial funds, manor residents trust, clerk of courts, sheriff, district attorney, unclaimed funds and other governmental units.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues when all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded when payment is due.

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 by the highway department and health department to other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

The County reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are patient charges for the nursing home and charges to the state and local governments for roadwork by the highway department. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

Revenues and expenditures arising from non-exchange transactions, such as property and sales taxes, fines, and grants are recorded according to the Governmental Accounting Standards.

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

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Taxes Receivable

Property taxes are recorded in the year levied as a receivable and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are provided. The tax calendar is as follows:

Lien date and levy date	December, 2019
Tax bills mailed	December, 2019
Payment in full, or first installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	August, 2022

Under Wisconsin Statutes the County treasurer is responsible for the collection of all delinquent property taxes except delinquent personal property taxes which may be retained for collection by the local municipal district as is the case in Iowa County. On December 31, 2019 delinquent property taxes totaling \$774,128 were due Iowa County. The above amounts include not only the delinquent taxes for levies by Iowa County, but also the delinquent taxes for levies by state and other local governmental units (cities, villages, towns, school districts, special districts) within the County. As provided in the Statutes, Iowa County has paid the state and local governmental units for their equities in delinquent property taxes. Delinquent property taxes are aged as follow at December 31, 2019:

Tax Certificates	
2018 Sale	\$ 379,612
2017 Sale	257,063
2016 Sale	70,802
2015 Sale	35,140
2014 Sale	13,601
2013 Sale	6,211
2012 Sale	3,623
2011 Sale	3,409
2010 Sale	1,642
2009 Sale	1,569
2008 Sale	1,456
Total delinquent taxes	<u>774,128</u>
County purchased - nonspendable fund balance	<u>(590,478)</u>
County levied	<u><u>\$ 183,650</u></u>

Deferred inflows of resources at December 31, 2019 include tax certificates and tax deeds not "available" at that date as follows:

County portion of tax certificates and deeds 12/31/19	\$ 183,650
Less: tax certificates/deeds collected January and February 2020	<u>(27,617)</u>
Deferred inflows of resources 12/31/19 - tax certificates and deeds	<u><u>\$ 156,033</u></u>

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Compensated Absences

Managed time off, vacation and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. The liability for sick leave is the estimated amount that will be paid as a result of employee illness or retirement. The County does not accrue accumulated managed time off, vacation or sick leave in governmental fund financial statements unless they have matured due to employee resignations or retirements.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are generally defined by the County as assets with an initial, individual cost of \$5,000 or higher and a useful life of 3 years or more. Infrastructure assets have a cost of \$25,000 or higher for culverts and \$100,000 or higher for roads and bridges. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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. Net interest costs during construction are capitalized.

Depreciation on all capital assets is charged to operations over the estimated service life of assets using the straight-line method as shown below:

<u>Governmental Activities:</u>	<u>Years</u>
Buildings	10-40
Equipment and improvements	3-10
Infrastructure	25-50
 <u>Business-Type Activities:</u>	
<u>Bloomfield Manor</u>	
Land improvements	5-30
Buildings	15-40
Equipment	5-25
Vehicles	4
 <u>Highway</u>	
Land improvements	25
Buildings	25
Machinery and equipment	5-30
Other fixed assets	10

Interest is charged to expense as incurred except for interest expense from borrowings used for construction projects, which is capitalized to the extent that proceeds are used for construction purposes.

Assets acquired or constructed for general governmental services are reported as expenditures in the government fund financial statements.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Equity

*Government-wide financial statements*

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

- a. Net investment in capital assets - amount of capital assets less accumulated depreciation and outstanding debt related to purchase, construction or improvement of assets.
- b. Restricted net position - amount of net position subject to restrictions that are imposed by external groups or law.
- c. Unrestricted net position - net position that is neither classified as restricted or net investment in capital assets.

*Fund financial statements*

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-Spendable – includes amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed – includes amounts constrained to specific purposes by the County Board, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the County Board takes the same highest level action to remove or change the constraint.
- Assigned – includes amounts the County Board intends to use for a specific purpose; intent can be expressed by the County Board or by an official or body to which the County Board delegates the authority.
- Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The Board may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of the Board. Commitments of fund balance, once made, can only be modified by the Board.

The County has established a minimum fund balance policy of between 20.0 and 25.0 percent of total budgeted expenditures. In the event that the balance drops below the established minimum level, the Board will develop a plan in the next fiscal year to replenish the fund balance to the established minimum level.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the County to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Client Revenues

The major portion of the Bloomfield Healthcare and Rehabilitation Center's revenues for patient care are funded pursuant to federal and state medical assistance programs. The continuation of these revenues is dependent upon governmental policies. Revenues received under these programs are based upon cost reimbursement principles which are subject to audits. It is not known what effect, if any, audit adjustments may have on the recorded revenue and receivables arising from services rendered under the Medicare and Medicaid programs.

Medicare is billed at actual rates established by the Federal Government. Any adjustments or write-offs are recorded using the direct write-off method.

I. Allowance for Bad Debts

Bloomfield resident receivables are reported net of the allowance for bad debts of \$31,394 for 2019 and \$15,288 for 2018.

J. Inventories

Inventories are valued at the lower of cost or market using the first-in, first-out method and are charged as expenses or are capitalized when used.

K. Cash and Cash Equivalents/Investments

For purposes of the statement of cash flows, the County considers all short-term investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

The County has pooled the cash resources of some funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the County's individual major funds, and in the aggregate for non-major and agency funds.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

L. Restricted Assets

Restricted assets of Bloomfield Healthcare and Rehabilitation Center are as follows:

Cash and Investments

Represents money donated to Bloomfield Healthcare and Rehabilitation Center to be used for client entertainment.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions, 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 for WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

N. Other Postemployment Benefits

*Group life insurance plan*

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

*County health insurance plan*

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information of the County's Other Postemployment Benefit Plan (the Plan) has been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The County has items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system and OPEB plans.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resource (revenue) until then. The County has items that qualify for reporting in this category. The deferred inflows of resources are related to the WRS pension system, OPEB plans, and deferred property tax revenue.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS  
AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and government-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

**Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities**

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

NOTE 3 CASH AND INVESTMENTS

At December 31, 2019, cash and investments included the following:

Petty cash/cash on hand	\$ 1,075
Wisconsin Local Government Investment Pool	13,098,648
Deposits with financial institutions	<u>6,030,096</u>
Total cash	<u><u>\$ 19,129,819</u></u>

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 18,213,753
Restricted cash and investments	563,662
Exhibit A-10:	
Cash and investments	<u>352,404</u>
Total cash and investments	<u><u>\$ 19,129,819</u></u>

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Wisconsin State Statutes

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

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds are 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, or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bonds issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The County's investment policy is to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the County will not directly invest in securities maturing more than three years from the date of purchase.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investment Type	Amount	Remaining Maturity (in months)			
		12 months or less	13 months to 24 months	25 months to 36 months	More than 36 months
Certificate of deposit	\$ 701,583	\$ 300,000	\$ 301,583	\$	\$ 100,000
Local Government Investment Pool	13,098,648	13,098,648			
Total	\$13,800,231	\$13,398,648	\$ 301,583	\$	\$ 100,000

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. As of December 31, 2019, the County's investments were rated as follows:

	<u>Amount</u>	<u>Rating</u>
Wisconsin Local Government Investment Pool	\$ 13,098,648	Not Rated

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the County would not be able to recover the value of its investment of collateral securities that are in possession of another party.

*Federal Deposit Insurance Corporation (FDIC) Insurance*

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

*Collateralization of Public Unit Deposits*

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the unlikely event of the failure of an insured bank.

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>.

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the County's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the County.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the local government investment pool as of December 31, 2019 was: 88.05% in U.S. Government Securities, 2.70% in Bankers' Acceptances and 9.25% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

The County's investment policy is to maintain all cash and investments, which includes authorized investment vehicles that are insured or registered or which are collateralized by or evidenced by securities held by the County, in the County's name. Mortgage backed securities, derivatives and mutual funds are not permitted. Collateralization shall cover those deposits in excess of \$500,000. Deposits and investments shall be secured by pledging as collateral, U.S. Treasury bills, notes, bonds, U.S. Government agencies or State of Wisconsin general obligation bonds. A bank deposit guaranty bond would also be considered.

As of December 31, 2019, \$1,085,685 was insured by FDIC insurance, \$5,978,461 was insured by collateral and \$150,000 of the County's deposits with financial institutions in excess of federal depository insurance limits were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 150,000</u>
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All of this amount would be insured by the State of Wisconsin Guarantee Fund, provided funds are available at the time of any potential loss.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year significantly exceeding uninsured amounts at the balance sheet date.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 4

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<b><u>Governmental Activities</u></b>					
Notes from direct borrowings and direct placements	\$	\$ 835,500	\$	\$ 835,500	\$ 835,000
General obligation bond	1,210,000		(595,000)	615,000	615,000
Other liabilities:					
Capital lease	66,546		(28,406)	38,140	30,268
Compensated absences	962,957	51,623		1,014,580	396,267
Total governmental activities long-term liabilities	\$ 2,239,503	\$ 887,123	\$ (623,406)	\$ 2,503,220	\$ 1,876,535
<b><u>Business-Type Activities</u></b>					
Notes from direct borrowings and direct placements	\$ 1,289,000	\$ 1,240,000	\$ (1,289,000)	\$ 1,240,000	\$ 1,240,000
Other liabilities:					
Compensated absences	650,640		(20,344)	630,296	346,833
Total business-type activities long-term liabilities	\$ 1,939,640	\$ 1,240,000	\$ (1,309,344)	\$ 1,870,296	\$ 1,586,833

The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund.

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

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 4

LONG-TERM OBLIGATIONS (CONTINUED)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed five percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2019 was \$109,872,810. Total general obligation debt outstanding at year-end was \$2,690,500.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
<u>Governmental Activities</u>					
Notes from direct borrowings and direct placements	11/19/2019	5/19/2020	2.00%	\$ 835,500	\$ 835,500
General obligation bonds	4/1/10	8/1/20	3.30%	5,310,000	615,000
Total government activities - general obligation debt					\$ 1,450,500
<u>Business-Type Activities</u>					
Notes from direct borrowings and direct placements	10/23/19	4/23/20	2.00%	1,240,000	\$ 1,240,000
Total business-type activities - general obligation debt					\$ 1,240,000

Debt service requirements to maturity are as follows:

Governmental Activities						
Year	General Obligation Debt			Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 615,000	\$ 20,295	\$ 635,295	\$ 835,500	\$ 8,448	\$ 843,948

Business-Type Activities			
Year	Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2020	\$ 1,240,000	\$ 12,526	\$ 1,252,526

Other Debt Information

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

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 5

CAPITAL ASSETS

Total cost and accumulated depreciation of fixed assets at December 31, 2019 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Governmental Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 527,442	\$ 382,619	\$	\$ 910,061
Right of way	880,455			880,455
Construction work in progress:				
Buildings		846,607		846,607
Bridges	76,428	190,386	(43,260)	223,554
Total capital assets not being depreciated:	1,484,325	1,419,612	(43,260)	2,860,677
Capital assets, being depreciated				
Infrastructure	111,358,998	4,166,439	(76,828)	115,448,609
Buildings and improvements	16,549,143			16,549,143
Machinery and equipment	3,853,205	2,270,653	(117,325)	6,006,533
Total	131,761,346	6,437,092	(194,153)	138,004,285
Less accumulated depreciation for:				
Infrastructure	70,014,520	2,097,033	(64,468)	72,047,085
Buildings and improvements	6,432,222	461,897		6,894,119
Machinery and equipment	2,734,106	548,561	(111,303)	3,171,364
Total accumulated depreciation	79,180,848	3,107,491	(175,771)	82,112,568
Net other capital assets	52,580,498	3,329,601	(18,382)	55,891,717
Total net capital assets	\$ 54,064,823	\$ 4,749,213	\$ (61,642)	\$ 58,752,394

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 435,604
Public safety	204,521
Public works, which includes the depreciation of infrastructure	2,282,148
Health and social services	177,811
Conservation of natural resources	7,407
Total governmental activities depreciation expense	\$ 3,107,491

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 5

CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Removals</u>	<u>Ending Balance</u>
<b><u>Business-Type Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 46,557	\$	\$	\$ 46,557
Construction work in progress	17,195			17,195
Total capital assets not being depreciated	<u>63,752</u>			<u>63,752</u>
Capital assets being depreciated:				
Land improvements	692,232			692,232
Buildings	5,511,903	682,376	(22,604)	6,171,675
Machinery and equipment	13,626,794	1,434,307	(537,564)	14,523,537
Total capital assets being depreciated	<u>19,830,929</u>	<u>2,116,683</u>	<u>(560,168)</u>	<u>21,387,444</u>
Less: accumulated depreciation for:				
Land improvements	450,496	18,131		468,627
Buildings	4,314,248	126,916	(22,604)	4,418,560
Machinery and equipment	8,355,627	590,452	(483,798)	8,462,281
Total accumulated depreciation	<u>13,120,371</u>	<u>735,499</u>	<u>(506,402)</u>	<u>13,349,468</u>
Net capital assets being depreciated	<u>6,710,558</u>	<u>1,381,184</u>	<u>(53,766)</u>	<u>8,037,976</u>
Total net capital assets	<u>\$ 6,774,310</u>	<u>\$ 1,381,184</u>	<u>\$ (53,766)</u>	<u>\$ 8,101,728</u>

Depreciation expense was charged to the following function:

**Business-Type Activities:**

Bloomfield Healthcare and Rehabilitation Center	\$	153,376
Highway		582,123
Total business-type activities (exhibit A-8)	\$	<u>735,499</u>

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 6

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2019 includes the following:

**GOVERNMENTAL ACTIVITIES**

Net Investment in Capital Assets	
Land and right-of-ways	\$ 1,790,516
Construction work-in-progress	1,070,161
Other capital assets, net of accumulated depreciation	55,891,717
Less: related long-term debt outstanding	<u>(1,488,640)</u>
Total net investment in capital assets	<u>57,263,754</u>
Restricted:	
Real estate reduction	2,433,908
Social services	343,874
Aging Disability Resource Center	236,430
Child support	34,349
Iowa County Airport	89,362
Donor restricted	13,402
Dog License	1,000
Drug Task Force	273,847
Grant restricted	158,376
Restricted by statute	<u>238,209</u>
Total restricted	<u>3,822,757</u>
Unrestricted	<u>11,892,791</u>
Total governmental activities net position	<u>\$ 72,979,302</u>

**GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2019 includes the following:

Nonspendable fund balance as of December 31, 2019 includes the following items:

Major Funds:	
General Fund:	
Advances	\$ 739,749
Delinquent taxes	629,878
Prepaid items	72,127
Non-Major Funds:	
Iowa County Airport:	
Inventories	<u>18,464</u>
Total nonspendable	<u>\$ 1,460,218</u>

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 6      GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

Restricted fund balances as of December 31, 2019 includes the following items:

**Restricted**

Major Funds:

General Fund:

County Clerk election grant	\$ 839
D.A. - Crime Prevention Surcharge	5,740
Register of deeds-Redaction Project	13,330
Land records-retained fees	20,667
Land records-public access fees	32,693
Land records-grants	131,568
K-9 program	14,654
Bio-Terrorism grant	11,315
UW Extension Pesticide program	2,079
UW Extension Corporate grant	6,240
UW Extension Family living program	2,359
Veterans donations	3,750
Land conservation donations	1,053
Total – General Fund	246,287

Special Revenue:

Social services	338,105
Donor restricted	5,769
Total – Special Revenue Fund	343,874

Real-Estate Tax Reduction	2,433,908
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Capital Projects:

Jail assessment	163,700
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Non-Major Funds:

Aging Disability Resource Center	236,430
Child support	34,349
Drug task force	273,847
Iowa county airport	89,362
Dog license	1,000
Total restricted	\$ 3,822,757

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 6                    GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

Assigned fund balance as of December 31, 2019 includes the following items:

Major Funds	
Capital Projects Fund:	<u>\$    330,165</u>

NOTE 7                    BUSINESS-TYPE ACTIVITIES NET POSITION

Net position of the enterprise funds have been restricted for the following uses:

Bequest for client entertainment	<u>\$    563,662</u>
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The following calculation supports the proprietary net position net investment in capital assets:

Plant in service	\$ 21,451,196
Accumulated depreciation	(13,349,468)
Less: related debt outstanding	<u>(1,240,000)</u>
Total net position net investment in capital assets	<u>\$   6,861,728</u>

NOTE 8                    DEFINED BENEFIT 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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1%)	(42%)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17

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

During the reporting period, the WRS recognized \$766,538 in contributions from the employer.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contribution rates as of December 31, 2019 are:

	2019	
	Employee	Employer
General (including teachers)	6.55%	6.55%
Protective with social security	6.55%	10.55%
Protective without social security	6.55%	14.95%

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

At December 31, 2019, the County reported a liability (asset) of \$2,639,806 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.07420009%, which was a decrease of 0.00006777% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized pension expense of \$1,789,570.

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the County.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,056,009	\$ 3,634,285
Changes of assumptions	444,974	
Net differences between projected and actual earnings on pension plan investments	3,855,256	
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,464	9,142
Employer contributions subsequent to the measurement date	796,271	
Total	\$ 7,161,974	\$ 3,643,427

Iowa County, Wisconsin  
Notes to the Financial Statements  
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NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$796,271 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Net Outflows (Inflows) of Resources
2020	\$ 987,646
2021	247,125
2022	430,309
2023	1,057,196
Total	\$ 2,722,276

**Actuarial assumptions.** The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation notes. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from December 31, 2017 actuarial valuation.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Long-term expected Return on Plan Assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Allocation Targets and Expected Returns</b>			
<b>As of December 31, 2018</b>			
<u>Core Fund Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term</u>	<u>Long-Term</u>
	%	Expected Nominal	Expected Real
		Rate of Return %	Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

**Single Discount rate.** A single discount rate of 7.0% 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 7.0% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.0% expected rate of return implies that a dividend of approximately 1.9% 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.

Iowa County, Wisconsin  
Notes to the Financial Statements  
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NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Sensitivity of the Iowa 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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<b>1% Decrease to Discount Rate (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase to Discount Rate (8.0%)</b>
County's proportionate share of the net pension liability (asset)	\$ 10,490,868	\$2,639,806	(\$ 3,198,066)

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

NOTE 9

OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN

**Plan description.** The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

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

**Benefits provided.** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

**Contributions.** The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

<b>Life Insurance Employee Contribution Rates For the year ended December 31, 2018</b>		
<b>Attained Age</b>	<b>Basic</b>	<b>Supplemental</b>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$3,731 in contributions from the employer.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs***

At December 31, 2019, the LRLIF Employer reported a liability (asset) of \$499,713 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.193662%, which was an increase of 0.002149% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized OPEB expense of \$47,248.

OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the County.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ 25,350
Changes of assumptions	47,680	108,318
Net differences between projected and actual earnings on OPEB plan investments	11,943	
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,040	17,781
Employer contributions subsequent to the measurement date	4,059	
Totals	\$ 68,722	\$ 151,449

\$4,059 reported as deferred outflows related to OPEB resulting from the County employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Net Outflows (Inflows) of Resources</b>
Year ended December 31:	
2020	\$ (12,230)
2021	(12,230)
2022	(12,230)
2023	(13,907)
2024	(15,635)
Thereafter	(20,554)
Total	\$ (86,786)

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

**Actuarial assumptions.** The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases	
Inflation:	3.20%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The total OPEB liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**Long-term expected Return on Plan Assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2018**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Iowa County, Wisconsin  
Notes to the Financial Statements  
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

**Single Discount rate.** A single discount rate of 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

**Sensitivity of the County’s proportionate share of the net OPEB liability (asset) to changes in the discount rate.** The following presents the County’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent, as well as what the County’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	<b>1% Decrease to Discount Rate (3.22%)</b>	<b>Current Discount Rate (4.22%)</b>	<b>1% Increase to Discount Rate (5.22%)</b>
County’s proportionate share of the net OPEB liability (asset)	\$710,875	\$499,713	\$336,850

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN

**Plan Description** – The County operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees. Benefits and eligibility are established and amended by the County Board. The plan does not issue stand-alone financial statements. Current approved benefits are as follows:

**Employees Retiring from the County that are also eligible for the Wisconsin Retirement System:** Retirees may choose to remain on the County’s group medical plan indefinitely provided they self-pay the full amount of all required premiums.

**Funding Policy** – The County will fund the OPEB with a pay-as-you go basis.

**Employees Covered by Benefit Terms** – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	149
	<u>154</u>

**Total OPEB Liability** – The County’s total OPEB Liability of \$432,526 was measured at December 31, 2018, and was determined by an actuarial valuation as of December 31, 2017, rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Valuation date	December 31, 2017
Measurement date	December 31, 2018
Actuarial cost method	Entry age normal (level percent of salary)
Inflation	2.5 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	4.0 percent
Healthcare cost trend rates	Actual increase in the first year then 7.00% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums.

The discount rate is based on the Bond Buyer Go 20-Year AA Bond Index published by the Federal Reserve for the week at the beginning of the measurement period.

Mortality rates were based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2017 valuation, rolled forward to December 31, 2018, were based on a study conducted in 2015 using the Wisconsin Retirement System (WRS) experience from 2012-2014.

***Changes in the Total OPEB Liability:***

	<u>Total OPEB Liability</u>
<b>Balance at 12/31/2017</b>	<u>\$ 414,116</u>
<b>Changes for the year:</b>	
Service cost	36,043
Interest	14,807
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other inputs	(14,295)
Benefit payments	<u>(18,145)</u>
<b>Net Changes</b>	<u>18,410</u>
 <b>Balance at 12/31/2018</b>	 <u><u>\$ 432,526</u></u>

There were no changes of benefit terms.

There were no changes of assumptions.

Iowa County, Wisconsin  
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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

**Sensitivity of the total OPEB liability to changes in the discount rate**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current discount rate:

		1% Decrease 3.0%	Current Discount Rate 4.0%	1% Increase 5.0%
Total OPEB Liability	12/31/2018	\$ 461,577	\$ 432,526	\$ 405,345

**Sensitivity of the total OPEB liability to changes in healthcare cost trend rates**

The following represents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (Actual first year increase -1%, then 6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual first year increase, then 7.0% decreasing to 5.0%)	1% Increase (Actual first year increase +1%, then 8.0% decreasing to 6.0%)
Total OPEB Liability	12/31/2018	\$ 389,460	\$ 432,526	\$ 482,977

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended December 31, 2019, the County recognized OPEB expense of \$49,063.

OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the County.

At December 31, 2019 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ -
Changes of assumptions or other inputs	-	12,508
Contributions after the measurement date	18,365	-
Total	\$ 18,365	\$ 12,508

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

\$18,365 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:		
2020	\$	(1,787)
2021		(1,787)
2022		(1,787)
2023		(1,787)
2024		(1,787)
Thereafter		(3,573)
Total	\$	<u>(12,508)</u>

NOTE 11 DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The County also defers inflow recognition in connection with taxes levied for future periods. The various components of deferred inflow reported at December 31, 2019 were as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Taxes levied for 2019	\$ 8,448,598	\$ 4,621,619
Delinquent property taxes	156,033	
Economic development loans	77,496	
Total	<u>\$ 8,682,127</u>	<u>\$ 4,621,619</u>

The economic development loans receivable of \$77,496 consist of loans made to business entities from the proceeds of Community Development Block grants. These are to be repaid, together with interest, to the County out of the revenue of the entities. Repayment of principal and interest on the loans is recorded as revenue when received in the funds statements.

NOTE 12 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; employee health and accident insurance coverage; and natural disasters. These risks (except for collision coverage on vehicles) are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

The County is self-funded for its workers compensation coverage. Amounts have been provided from various departments and/or funds and are shown in the financial statements as a designation of Internal Service fund balance.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 13

COMPENSATED ABSENCES

Compensated absences consist of an accrual for time earned under the County's managed (paid) time off (MTO) plan, which became effective January 1, 2013, an accrual for sick leave accumulated prior to the implementation of the MTO plan, and an accrual for sick leave accumulated by employees covered under the union contract with the sheriff's department.

Under the Teamsters Union Local No. 695 contract covering sheriff department employees, full-time employees earn eight hours of sick leave per month with a maximum accumulation of 960 hours. All employees covered under the contract who retire and are eligible for the Wisconsin Retirement Fund annuity and/or social security benefits, or who die while in employ of the County (in case of death, their estates shall be entitled) shall be allowed to convert their accumulated sick leave to purchase continuing group health insurance and dental insurance under the County employees' insurance plan, or shall receive a cash payment for their accumulated sick leave based on their final base wage rate.

MTO accrual commences on an employee's initial date of employment on a prorated basis. The maximum amount of annual MTO that an employee can accumulate is calculated from the employee's anniversary date of initial employment. The maximum annual MTO accrual is as follows:

Accrual Periods	Maximum Annual Accrual for Employees Working 40 Hours per Week
0-1.99 year	136 hours
2-5 years	176 hours
6-10 years	208 hours
11-15 years	248 hours
16-20 years	288 hours
21 or more years	312 hours

On an employee's anniversary date, if the employee's accrued MTO hours exceed the maximum set forth in the accrual schedule, the excess hours are transferred to the employee's medical leave bank in the subsequent pay period. If the employee's medical leave bank accrual balance is at the maximum level at the time excess MTO hours are to be transferred, the excess MTO hours are deemed forfeited. MTO hours transferred to an employee's medical leave bank cannot be returned to the employee's MTO account. The medical leave bank is to provide additional medical leave to employees that have reached the maximum MTO accrual. Upon termination of employment, the employee's accrued MTO is paid out at the employee's current wage rate. The medical leave bank is not paid to an employee upon retirement or termination.

Any accumulated sick leave accrued prior to January 1, 2013 is locked in a personal sick leave bank and used for qualifying events due to illness and medical appointments or qualified State or Federal FMLA leave. Sick leave is not earned after January 1, 2013. Any remaining balance in the personal sick leave bank at the time of retirement of employment is paid out at the employee's current wage rate.

Compensated absences as of December 31, 2019 consist of the following:

	Sick Leave	MTO	Total
General county employees	\$ 587,999	\$ 426,581	\$ 1,014,580
Bloomfield Healthcare and Rehabilitation Center employees	128,474	159,155	287,629
Highway department employees	154,989	187,678	342,667
Total	\$ 871,462	\$ 773,414	\$ 1,644,876

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 14

CONTINGENCIES

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants.

From time to time, the county is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the county's legal counsel 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.

NOTE 15

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

<u>Fund Transfer To</u>	<u>Fund Transfer From</u>	<u>Amount</u>
Governmental Funds		
Capital projects	General	\$ 358,504
General	Social services	411,735
General	COA fund	169,631
General	Real estate tax reduction	1,969,000
		<u>\$ 2,908,870</u>

Interfund advances were as follows on December 31, 2019:

<u>Fund Advanced To</u>	<u>Advanced From</u>	<u>Amount</u>
C.D.B.G Revolving Loan	General Fund	\$ 76,995
Bloomfield Manor	General Fund	662,754
	Total	<u>\$ 739,749</u>

No specific repayment schedule has been established for the current advance.

For the government-wide statement of net position, interfund balances which are owned within the governmental activities or business-type activities are netted and eliminated.

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move fund balances whose designated purpose has been removed.

NOTE 16

ECONOMIC DEPENDENCY

Bloomfield Healthcare and Rehabilitation Center receives reimbursement of its costs for the care of certain patients from different agencies of the federal government. During 2019, these reimbursements amounted to \$3,320,267 or 85.7% of total operating revenue.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 17

BLOOMFIELD RESIDENT ACCOUNTS RECEIVABLE

Bloomfield accounts receivable at December 31 consisted of the following amounts:

	2019	2018
Private/Insurance	\$ 160,912	\$ 295,438
Medical Assistance	191,143	222,600
Medicare	199,499	147,593
Veterans Affair	37,906	29,280
Family Care	82,841	66,960
Allowance for Doubtful Accounts	(31,394)	(15,288)
Total	\$ 640,907	\$ 746,583

NOTE 18

WISCONSIN COUNTY MUTUAL INSURANCE CORPORATION

Iowa County participates with other counties in the Wisconsin County Mutual Insurance Corporation. This joint venture began operation January 1, 1988 and provides liability insurance coverage to the counties. The creation of the mutual insurance corporation required the establishment of capital reserves. Each participating county deposited a portion of the required reserves. Iowa County's share of the capital reserves have been reported in the financial statements as an expenditure in the year of payment.

The governing body of the mutual insurance corporation is made up of twelve directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation.

Summary financial information as of, and for the year ended December 31, 2019 are available at the Corporation's offices in Madison, Wisconsin.

NOTE 19

TRI-COUNTY AIRPORT

Iowa County, Wisconsin is a participating member of the Tri-County Airport. Other members are Richland and Sauk Counties. The airport is operated under the supervision of a three-member commission composed of one member from each county. Funding for the airport is provided by rentals and county appropriations which are shared equally by the three counties.

Financial transactions of the Tri-County Airport fund are handled as a separate fund by Sauk County.

NOTE 20

OPERATING LEASE

The County entered into an operating lease for copiers on March 24, 2016. The lease requires 60 monthly payments of \$2,550. During the year ending December 31, 2019, the County paid \$30,600 in lease payments.

NOTE 21

TAX LEVY LIMIT

Wisconsin law limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the County's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The County is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2014 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 22

CAPITAL LEASE

The following is an analysis of the original cost of leased property under capital leases by major classes as of December 31, 2019.

Equipment	<u>\$ 135,740</u>
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The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2019.

<u>Year Ended December 31,</u>	
2020	\$ 31,823
2021	<u>7,956</u>
Total minimum payments required	39,779
Less: amount representing interest	<u>(1,639)</u>
Present value of minimum lease payments	<u>\$ 38,140</u>

NOTE 23

COMMITMENTS/SUBSEQUENT EVENTS

In May 2020, the County entered into a capital lease to purchase five wheel loaders for \$668,125. The interest bears interest at 4.91% and has a final maturity date of May 15, 2022. The following is a schedule by years of future minimum lease payments under the capital lease with present value of the net minimum lease payments:

<u>Year ended December 31,</u>	
2020	\$ 233,456
2021	233,456
2022	<u>233,457</u>
Total payments	700,369
Less: interest	<u>(32,244)</u>
Minimum lease payments	<u>\$ 668,125</u>

In June 2020, the County issued \$27,000,000 in general obligation bonds to provide financing for the construction of the law enforcement center. The bonds bear interest rates ranging from 1.5% - 3.0% and have a final maturity date of June 1, 2040. Cash flow requirements for the retirement of the bonds are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 835,000	\$ 828,130	\$ 1,663,130
2022	1,125,000	540,851	1,665,851
2023	1,150,000	518,101	1,668,101
2024	1,170,000	494,901	1,664,901
2025	1,195,000	471,251	1,666,251
2026-2030	6,370,000	1,964,206	8,334,206
2031-2035	7,155,000	1,243,956	8,398,956
2036-2040	8,000,000	456,501	8,456,501
Totals	<u>\$ 27,000,000</u>	<u>\$ 6,517,897</u>	<u>\$ 33,517,897</u>

The total cost estimated for the law enforcement center is \$28,895,000.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

NOTE 24

COMPONENT UNIT

This report contains the Cobb-Highland Recreation Commission, which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities. Audited financial statements of the Commission are available at the Commission's office.

In addition to the basic financial statements and the preceding notes to the financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

A. Summary of Significant Accounting Policies

1. Fixed Assets

Fixed assets are capitalized at cost (or fair market value at date of contribution). Depreciation is recorded using the straight-line method over the estimated lives (3-25 years).

Total cost and accumulated depreciation of fixed assets on December 31 is as follows:

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Capital assets not being depreciated:				
Construction work in progress	\$ 9,607	\$	\$	\$ 9,607
Capital assets being depreciated:				
Buildings	928,860	17,766		946,626
Equipment & furnishings	189,809	64,527	(25,375)	228,961
Land improvements	416,869	44,707		461,576
Total capital assets	1,535,538	127,000	(25,375)	1,637,163
Less: accumulated depreciation:				
Buildings	422,310	25,790		448,100
Equipment & furnishings	142,010	21,209	(13,420)	149,799
Land improvements	150,345	23,818		174,163
Total accumulated depreciation	714,665	70,817	(13,420)	772,062
Net capital assets being depreciated	820,873	56,183	(11,955)	865,101
Total net capital assets	\$ 830,480	\$ 56,183	\$ (11,955)	\$ 874,708

2. Income Tax

The Commission is exempt from income taxes and therefore no income tax liability is recorded.

3. Cash

The cash accounts of the Cobb-Highland Recreation Commission (Blackhawk Lake Recreation Area) are deposited in banks and are fully insured by FDIC insurance.

4. Compensated Absences

Payments for vacation will be made at rates in effect when benefits are used. Vacation does not vest and employees do not earn any sick leave.

Iowa County, Wisconsin  
Notes to the Financial Statements  
December 31, 2019

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NOTE 24

COMPONENT UNIT (CONTINUED)

B. Net Position

The following calculation supports the Commission's net position net investment in capital assets at December 31, 2019:

Capital assets	\$ 1,646,770
Accumulated depreciation	<u>(772,062)</u>
Total net investment in capital assets	<u><u>\$ 874,708</u></u>

C. Employee Retirement Plan

The Commission contributed to individual retirement accounts for two full-time employees during the year. Contributions are 10% of the Park Manager's and Assistant Park Manager's current year salary. For the year ended December 31, 2019, employer contributions were \$9,555. There were no employee contributions.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1  
Required Supplementary Information  
Iowa County, Wisconsin  
Budgetary Comparison Schedule for the General Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
<b>REVENUES</b>					
Taxes:					
Property	\$ 4,817,198	\$ 4,817,198	\$ 4,823,448	\$ 6,250	\$ 6,250
Other	240,300	240,300	306,580	66,280	66,280
Intergovernmental	1,564,243	1,841,351	1,808,372	244,129	(32,979)
Charges for services	744,337	752,526	845,032	100,695	92,506
Fines and forfeitures	158,000	166,860	157,740	(260)	(9,120)
Investment earnings	226,250	227,138	483,724	257,474	256,586
Miscellaneous	341,606	341,606	337,912	(3,694)	(3,694)
Total revenues	8,091,934	8,386,979	8,762,808	670,874	375,829
<b>EXPENDITURES</b>					
Current:					
General government	3,660,225	4,001,906	3,628,196	32,029	373,710
Public safety	4,261,507	4,287,684	4,116,879	144,628	170,805
Health and human services	680,651	934,017	898,050	(217,399)	35,967
Leisure activities	60,352	87,172	84,017	(23,665)	3,155
Conservation of natural resources	457,169	495,831	443,743	13,426	52,088
Education	613,116	625,574	604,072	9,044	21,502
Community and economic development	327,914	327,914	310,807	17,107	17,107
Debt service:					
Principal			28,407	(28,407)	(28,407)
Interest			3,416	(3,416)	(3,416)
Total expenditures	10,060,934	10,760,098	10,117,587	(56,653)	642,511
Excess (deficiency) of revenues over expenditures	(1,969,000)	(2,373,119)	(1,354,779)	614,221	1,018,340
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,302,000	2,302,000	2,550,366	248,366	248,366
Transfers out	(333,000)	(358,504)	(358,504)	(25,504)	
Total other financing sources (uses)	1,969,000	1,943,496	2,191,862	222,862	248,366
Net change in fund balances		(429,623)	837,083	837,083	1,266,706
Fund balance-beginning of year	11,478,929	11,478,929	11,478,929		
Fund balance-end of year	\$ 11,478,929	\$ 11,049,306	\$ 12,316,012	\$ 837,083	\$ 1,266,706

Schedule 2  
 Required Supplementary Information  
 Iowa County, Wisconsin  
 Budgetary Comparison Schedule for the Social Services Fund  
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
<b>REVENUES</b>					
Property taxes	\$ 1,508,658	\$ 1,508,658	\$ 1,508,658	\$	\$
Intergovernmental	1,187,711	1,187,711	1,348,243	160,532	160,532
Charges for services	27,700	27,700	50,931	23,231	23,231
Miscellaneous			1,393	1,393	1,393
Total revenues	2,724,069	2,724,069	2,909,225	185,156	185,156
<b>EXPENDITURES</b>					
Current:					
Health and human services	2,724,069	2,732,019	2,575,078	148,991	156,941
Total expenditures	2,724,069	2,732,019	2,575,078	148,991	156,941
Excess (deficiency) of revenues over expenditures		(7,950)	334,147	334,147	342,097
Other Financing Sources (Uses):					
Transfers (out)			(411,735)	(411,735)	(411,735)
Net change in fund balance		(7,950)	(77,588)	(77,588)	(69,638)
Fund balance-beginning of year	421,462	421,462	421,462		
Fund balance-end of year	\$ 421,462	\$ 413,512	\$ 343,874	\$ (77,588)	\$ (69,638)

Schedule 3  
Iowa County, Wisconsin  
Wisconsin Retirement System Schedules  
December 31, 2019

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
Last 10 Calendar Years\*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2018	0.07420009%	\$ 2,639,806	\$ 10,260,366	25.73%	96.45%
2017	(0.07426786%)	(2,205,100)	10,036,742	(21.97%)	(102.93%)
2016	0.07333484%	604,454	9,805,105	6.16%	99.12%
2015	0.07343105%	1,193,240	9,785,834	12.19%	98.20%
2014	(0.07345647%)	(1,803,796)	9,310,865	(19.37%)	(102.74%)

\*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Calendar Years\*\*

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2019	\$ 796,271	\$ (796,271)		\$ 10,784,320	7.38%
2018	773,321	(773,321)		10,260,367	7.54%
2017	761,247	(761,247)		10,036,742	7.58%
2016	705,059	(705,059)		9,805,106	7.19%
2015	720,154	(720,154)		9,785,834	7.36%

\*\*The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

Schedule 4  
Iowa County, Wisconsin  
Local Retiree Life Insurance Fund Schedules  
December 31, 2019

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
Last 10 Calendar Years\*

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2018	0.19366200%	\$ 499,713	\$ 8,268,000	6.04%	48.69%
2017	0.19151300%	576,182	8,053,669	7.15%	44.81%

\*The proportionate share of the net OPEB liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Calendar Years\*\*

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2019	\$ 4,059	\$ (4,059)	\$	\$ 9,193,997	0.04%
2018	3,726	(3,726)		8,730,386	0.04%

\*\*The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year

Schedule 5  
Iowa County, Wisconsin  
Schedule of Changes in the County's Total OPEB Liability and Related Ratios  
For the Year Ended December 31, 2019

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	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>		
Service costs	\$ 36,043	\$ 36,043
Interest	14,807	13,516
Changes in benefit terms		
Differences between expected and actual experience		
Changes of assumptions or other inputs	(14,295)	
Benefit payments	(18,145)	(7,201)
Net change in total OPEB	\$ 18,410	\$ 42,358
Total OPEB liability- beginning	414,116	371,758
Total OPEB liability- ending	\$ 432,526	\$ 414,116
<b>Covered employee payroll</b>	<b>\$ 7,717,562</b>	<b>\$ 7,717,562</b>
 <b>Total OPEB liability as a percentage of covered- employee payroll</b>	5.60%	5.37%

Iowa County, Wisconsin  
Notes to the Required Supplementary Information  
December 31, 2019

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NOTE 1

EXCESS EXPENDITURES OVER APPROPRIATIONS

The County budget is adopted in accordance with state law. Budget amounts include appropriations authorized in the original budget resolution, subsequent revisions authorized by the County board of supervisors, and appropriations of prior year designated funds to expenditure accounts.

Such revisions are required by a statutory provision which states that no expenditure can be made from an expired appropriation. This requirement applies at the department level for the County. The statutes also require publication of these budget revisions. Revisions require a two-thirds majority of the County Board.

The County does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

The following expenditures exceeded budget appropriations in the general fund for the year ended December 31, 2019:

<u>Expenditure</u>	<u>Excess Expenditure</u>
<u>General Fund:</u>	
Debt service - Principal	\$ 28,407
Debt service - Interest	3,416
<u>Social Services Fund</u>	
Transfers out	411,735

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 5 preceding years.

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

***Changes of assumptions.*** Actuarial assumptions based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total pension liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

NOTE 3

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 8 preceding years.

***Changes of benefit terms.*** There were no changes of benefit terms for any participating employer in LRLIF.

***Changes of assumptions.*** Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on this experience study conducted in 2018, actuarial assumptions used to develop total OPEB liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

Iowa County, Wisconsin  
Notes to the Required Supplementary Information  
December 31, 2019

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NOTE 4      OTHER POSTEMPLOYMENT BENEFITS PLAN – COUNTY HEALTH INSURANCE

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 8 preceding years.

*Changes of benefit terms.* There were no changes of benefit terms during the year.

*Changes of assumptions.* The discount rate was changed to be reflective of a 20-year AA municipal bond rate (4.0%) as of the measurement date in order to be compliant with GASB 75. All other assumptions and methods remained unchanged from the valuation performed as of December 31, 2017, rolled forward to December 31, 2018.

*Assets.* There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

SUPPLEMENTARY INFORMATION

Exhibit B-1  
Iowa County, Wisconsin  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019

	Special Revenue Funds									Total Nonmajor Governmental Funds
	Aging Disability Resource Center	Child Support	C.D.B.G Revolving Loan	Drug Task Force	Iowa County Airport	Tri-County Airport	Unified Community Services	Dog License	Wisconsin River Rail Transit	
<b>ASSETS</b>										
Cash and investments	\$ 185,048	\$	\$	\$ 259,384	\$ 85,936	\$	\$	\$ 12,214	\$	\$ 542,582
Receivables:										
Current property taxes	309,267	21,384			76,437	10,705	243,626		30,000	691,419
Other					13,490					13,490
Economic development loans			77,496							77,496
Due from other governments	76,422	45,974		18,703						141,099
Inventories					18,464					18,464
<b>Total assets</b>	<b>\$ 570,737</b>	<b>\$ 67,358</b>	<b>\$ 77,496</b>	<b>\$ 278,087</b>	<b>\$ 194,327</b>	<b>\$ 10,705</b>	<b>\$ 243,626</b>	<b>\$ 12,214</b>	<b>\$ 30,000</b>	<b>\$ 1,484,550</b>
<b>LIABILITIES</b>										
Accounts payable	\$ 4,633	\$ 256	\$	\$ 4,240	\$ 8,173	\$	\$	\$ 10,573	\$	\$ 27,875
Accrued payroll	12,472	3,377								15,849
Due to other governments	7,935	2,115						641		10,691
Advance to other funds			76,995							76,995
Due to other funds		5,877								5,877
Unearned revenue					1,891					1,891
<b>Total liabilities</b>	<b>25,040</b>	<b>11,625</b>	<b>76,995</b>	<b>4,240</b>	<b>10,064</b>			<b>11,214</b>		<b>139,178</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred property tax revenue-current	309,267	21,384			76,437	10,705	243,626		30,000	691,419
Deferred revenue-other			77,496							77,496
<b>Total deferred inflows of resources</b>	<b>309,267</b>	<b>21,384</b>	<b>77,496</b>		<b>76,437</b>	<b>10,705</b>	<b>243,626</b>		<b>30,000</b>	<b>768,915</b>
<b>FUND BALANCES</b>										
Nonspendable					18,464					18,464
Restricted	236,430	34,349		273,847	89,362			1,000		634,988
Unassigned			(76,995)							(76,995)
<b>Total fund balances</b>	<b>236,430</b>	<b>34,349</b>	<b>(76,995)</b>	<b>273,847</b>	<b>107,826</b>			<b>1,000</b>		<b>576,457</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 570,737</b>	<b>\$ 67,358</b>	<b>\$ 77,496</b>	<b>\$ 278,087</b>	<b>\$ 194,327</b>	<b>\$ 10,705</b>	<b>\$ 243,626</b>	<b>\$ 12,214</b>	<b>\$ 30,000</b>	<b>\$ 1,484,550</b>

Exhibit B-2  
Iowa County, Wisconsin  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2019

	Special Revenue Funds									Total Nonmajor Governmental Funds
	Aging Disability Resource Center	Child Support	C.D.B.G Revolving Loan	Drug Task Force	Iowa County Airport	Tri-County Airport	Unified Community Services	Dog License	Wisconsin River Rail Transit	
<b>REVENUES</b>										
Taxes:										
Property taxes	\$ 295,557	\$ 6,238	\$	\$	\$ 76,437	\$ 16,422	\$ 210,292	\$	\$ 30,000	\$ 634,946
Intergovernmental	617,487	198,024		81,351						896,862
Public charges for services					146,060			12,814		158,874
Interest income	1,509		13,760	8,728						23,997
Revolving loan repayments			4,782							4,782
Miscellaneous income	109,758			470						110,228
<b>Total revenues</b>	<b>1,024,311</b>	<b>204,262</b>	<b>18,542</b>	<b>90,549</b>	<b>222,497</b>	<b>16,422</b>	<b>210,292</b>	<b>12,814</b>	<b>30,000</b>	<b>1,829,689</b>
<b>EXPENDITURES</b>										
Current:										
Transportation facilities					205,114	16,422				221,536
Public safety				107,501				12,814		120,315
Health and human services	841,066	195,998					210,292			1,247,356
Community and Economic development			563,746						30,000	593,746
<b>Total expenditures</b>	<b>841,066</b>	<b>195,998</b>	<b>563,746</b>	<b>107,501</b>	<b>205,114</b>	<b>16,422</b>	<b>210,292</b>	<b>12,814</b>	<b>30,000</b>	<b>2,182,953</b>
Excess (deficiency) of revenues over expenditures	183,245	8,264	(545,204)	(16,952)	17,383					(353,264)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers (out)	(169,631)									(169,631)
Net change in fund balances	13,614	8,264	(545,204)	(16,952)	17,383					(522,895)
Fund balances-beginning of year	222,816	26,085	468,209	290,799	90,443			1,000		1,099,352
Fund balances-end of year	\$ 236,430	\$ 34,349	\$ (76,995)	\$ 273,847	\$ 107,826	\$	\$	\$ 1,000	\$	\$ 576,457

Bloomfield Healthcare and Rehabilitation Center  
Per Capita Costs  
For the year then ended December 31, 2019

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Per Capita Cost

The daily average per capita cost of maintaining residents at Bloomfield Healthcare and Rehabilitation Center for the period January 1, 2019 to December 31, 2019 is computed below:

Expenses (Exhibit A-8)	\$ 5,447,556
<u>Other (Income) Expenses</u>	
Other Operating Revenue	<u>(343,414)</u>
Net Cost of Maintaining Residents	<u>\$ 5,104,142</u>
Resident Days	<u>15,994</u>
Per Capita Cost Per Day	<u>\$ 319.13</u>

Bloomfield Healthcare and Rehabilitation Center  
Daily Rates  
For the year then ended December 31, 2019

Amounts charged for daily care during 2019 are given below:

	<u>Residential</u>	<u>Personal</u>	<u>Skilled</u>	<u>DD-1A</u>	<u>DD-1B</u>	<u>DD3</u>
<u>Private:</u>						
01/1/19 - 02/28/19			270.00			
03/1/19 - 12/31/19			280.00			
<u>Medical Assistance:</u>						
01/1/19 - 03/31/19			176.14			
04/1/19 - 06/30/19			172.79			
07/1/19 - 09/30/19			182.85			
10/1/19 - 12/31/19			179.92			
<u>VA:</u>						
01/1/19 - 12/31/19			144.02			
<u>Medicare:</u>						
01/1/19 - 09/30/19*			297.64			
<u>Patient Driven Payment Model (PDPM), effective 10/1/19</u>						
<u>Non Therapy Ancillary</u>						
				NTA Rate	NTA Rate	
<u>Nursing CMG/HIPPS</u>	<u>NTA</u>	<u>NTA CMI</u>	<u>NTA Rate</u>	<u>Days 1-3</u>	<u>Days 4-100</u>	
ES3 / A	79.91	3.24	258.91	776.73	258.91	
ES2 / B	79.91	2.53	202.17	606.51	202.17	
ES1 / C	79.91	1.84	147.03	441.09	147.03	
HDE2 / D	79.91	1.33	106.28	318.84	106.28	
HDE1 / E	79.91	0.96	76.71	230.13	76.71	
HBC2 / F	79.91	0.72	57.54	172.62	57.54	
<u>Non-Case Mix: \$94.84</u>						
<u>SLP PDPM Therapy</u>						
			Subtotal	Wage		
<u>SLP Group</u>	<u>SLP Rate</u>	<u>SLP CMI</u>	<u>SLP</u>	<u>Index</u>	<u>SLP Adjusted Therapy</u>	
A	22.68	0.68	15.42	1.0573	16.30	
B	22.68	1.82	41.28	1.0573	43.65	
C	22.68	2.67	60.56	1.0573	64.03	
D	22.68	1.46	33.11	1.0573	35.01	
E	22.68	2.34	53.07	1.0573	56.11	
F	22.68	2.98	67.59	1.0573	71.46	
G	22.68	2.04	46.27	1.0573	48.92	
H	22.68	2.86	64.86	1.0573	68.58	
I	22.68	3.53	80.06	1.0573	84.65	
J	22.68	2.99	67.81	1.0573	71.70	
K	22.68	3.7	83.92	1.0573	88.73	
L	22.68	4.21	95.48	1.0573	100.95	

Bloomfield Healthcare and Rehabilitation Center  
 Daily Rates  
 For the year then ended December 31, 2019

Amounts charged for daily care during 2019 are given below (continued):

<u>Nursing CMG before VBP and Sequestration adjustments:</u>						
<u>HIPPS</u>	<u>Nursing CMG</u>	<u>Nursing</u>	<u>Nursing CMI</u>	<u>Subtotal</u>	<u>Wage Index</u>	<u>Adjusted Nursing</u>
A	ES3	105.92	4.06	430.04	1.0573	454.68
B	ES2	105.92	3.07	325.17	1.0573	343.80
C	ES1	105.92	2.93	310.35	1.0573	328.13
D	HDE2	105.92	2.4	254.21	1.0573	268.78
E	HDE1	105.92	1.99	210.78	1.0573	222.86
F	HBC2	105.92	2.24	237.26	1.0573	250.85
G	HBC1	105.92	1.86	197.01	1.0573	208.30
H	LDE2	105.92	2.08	220.31	1.0573	232.93
I	LDE1	105.92	1.73	183.24	1.0573	193.74
J	LBC2	105.92	1.72	182.18	1.0573	192.62
K	LBC1	105.92	1.43	151.47	1.0573	160.15
L	LDE2	105.92	1.87	198.07	1.0573	209.42
M	CDE1	105.92	1.62	171.59	1.0573	181.42
N	CBC2	105.92	1.55	164.18	1.0573	173.59
O	CA2	105.92	1.09	115.45	1.0573	122.07
P	CBC1	105.92	1.34	141.93	1.0573	150.06
Q	CA1	105.92	0.94	99.56	1.0573	105.26
R	BAB2	105.92	1.04	110.16	1.0573	116.47
Z	BAB1	105.92	0.99	104.86	1.0573	110.87
T	PDE2	105.92	1.57	166.29	1.0573	175.82
U	PDE1	105.92	1.47	155.70	1.0573	164.62
V	PBC2	105.92	1.22	129.22	1.0573	136.62
W	PA2	105.92	0.71	75.20	1.0573	79.51
X	PBC1	105.92	1.13	119.69	1.0573	126.55
Y	PA1	105.92	0.66	69.91	1.0573	73.92

\*As of October 1, 2019, Medicare switched to the Patient Driven Payment Model (PDPM).  
 The amount actually reimbursed by Medicare varied depending on various categories which patients were placed.