

IOWA COUNTY, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2018

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DECEMBER 31, 2018
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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, 2018, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2018, Iowa County adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Our opinions are not modified with respect to this matter.

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, 2018, 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 and Company, Inc.
Mineral Point, Wisconsin
September 17, 2019

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2018

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, 2018. 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, 2018 by \$81,389,895 (net position). Of this amount, \$18,741,618 (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 \$854,700. The following factors contributed to the overall increase:
 - Increase in Current Assets by \$3,134,466.
 - Increase in capital assets by \$1,622,689 and an increase in accumulated depreciation of \$2,362,969.
 - Increase in current liabilities for payables, deferred revenue and current portion of long-term debt by \$845,404 and a decrease in long-term liabilities of \$273,440.
 - The County return on investments increased between 2018 and 2017 with an average interest rate of just under two percent for the year.
 - Resources were used to purchase additional capital assets. The County replaced five vehicles in the sheriff's department, one vehicle in the emergency management department, added insulation to the parts of the courthouse, added signage to the courthouse, and first phase of the upgrades and replacement of communication system at the sheriff's department.
- The property tax rate increased .02% for the year ended December 31, 2018 compared to the property tax rate for the year ended December 31, 2017. The 2018 property tax rate was \$5.920410 per \$1,000 of equalized valuation compared to the 2017 property tax rate was \$5.5919380 per \$1,000 of equalized valuation. The actual levy increased \$528,503 or 4.81% over the prior year's levy. The actual operating levy increased \$250,572 and the debt payments increased \$277,931. The County's equalized value increased \$88,945,000 or 4.79% from 2017. The combinations of these factors resulted in the increase to the property tax rate.
- As of December 31, 2018, the County's governmental funds reported combined ending fund balances of \$18,092,537, an increase of \$1,282,967 from the prior year.
- As of December 31, 2018, unassigned fund balance for the general fund was \$10,399,237, or approximately 109.0% of total general fund expenditures.

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2018

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.

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

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
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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.

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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 \$81,389,895 at the close of 2018 and 80,535,195 at the close of 2017.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	26,967,488	25,593,910	9,885,870	8,124,982	36,853,358	33,718,892
Restricted Assets			572,010	586,537	572,010	586,537
Unamortized Bond Issues Costs						
Loan due from other governmental units		1,349				1,349
Net Pension Asset	1,351,726		853,374		2,205,100	
Capital assets net of Accumulated Depreciation	54,064,823	55,403,981	6,775,210	6,176,332	60,840,033	61,580,313
Total assets	82,384,037	80,999,240	18,086,464	14,887,851	100,470,501	95,887,091
Deferred Outflows	2,509,826	2,775,222	1,599,908	1,881,191	4,109,734	4,656,413
Total Assets and Deferred Outflows of Resources	84,893,863	83,774,462	19,686,372	16,769,042	104,580,235	100,543,504
Current Liabilities	1,941,939	1,718,894	2,322,907	1,700,548	4,264,846	3,419,442
Long-term Liabilities outstanding	1,671,693	2,190,112	839,995	595,016	2,511,688	2,785,128
Total Liabilities	3,613,632	3,909,006	3,162,902	2,295,564	6,776,534	6,204,570
Deferred Inflows of Resources	10,246,166	9,004,286	6,167,640	4,799,453	16,413,806	13,803,739
Net Position:						
Invested in capital assets, net of related debt	52,788,277	53,459,550	5,486,210	5,268,332	58,274,487	58,727,882
Restricted	3,801,780	3,788,240	572,010	586,537	4,373,790	4,374,777
Unrestricted	14,444,008	13,613,380	4,297,610	3,819,156	18,741,618	17,432,536
Total Net Position	71,034,065	70,861,170	10,355,830	9,674,025	81,389,895	80,535,195
Total Liabilities, Deferred Inflows of Resources and Net Position	84,893,863	83,774,462	19,686,372	16,769,042	104,580,235	100,543,504

By far the largest portion of the County's net position (71.6%) 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 (5.4%) 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 \$18,741,618 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.

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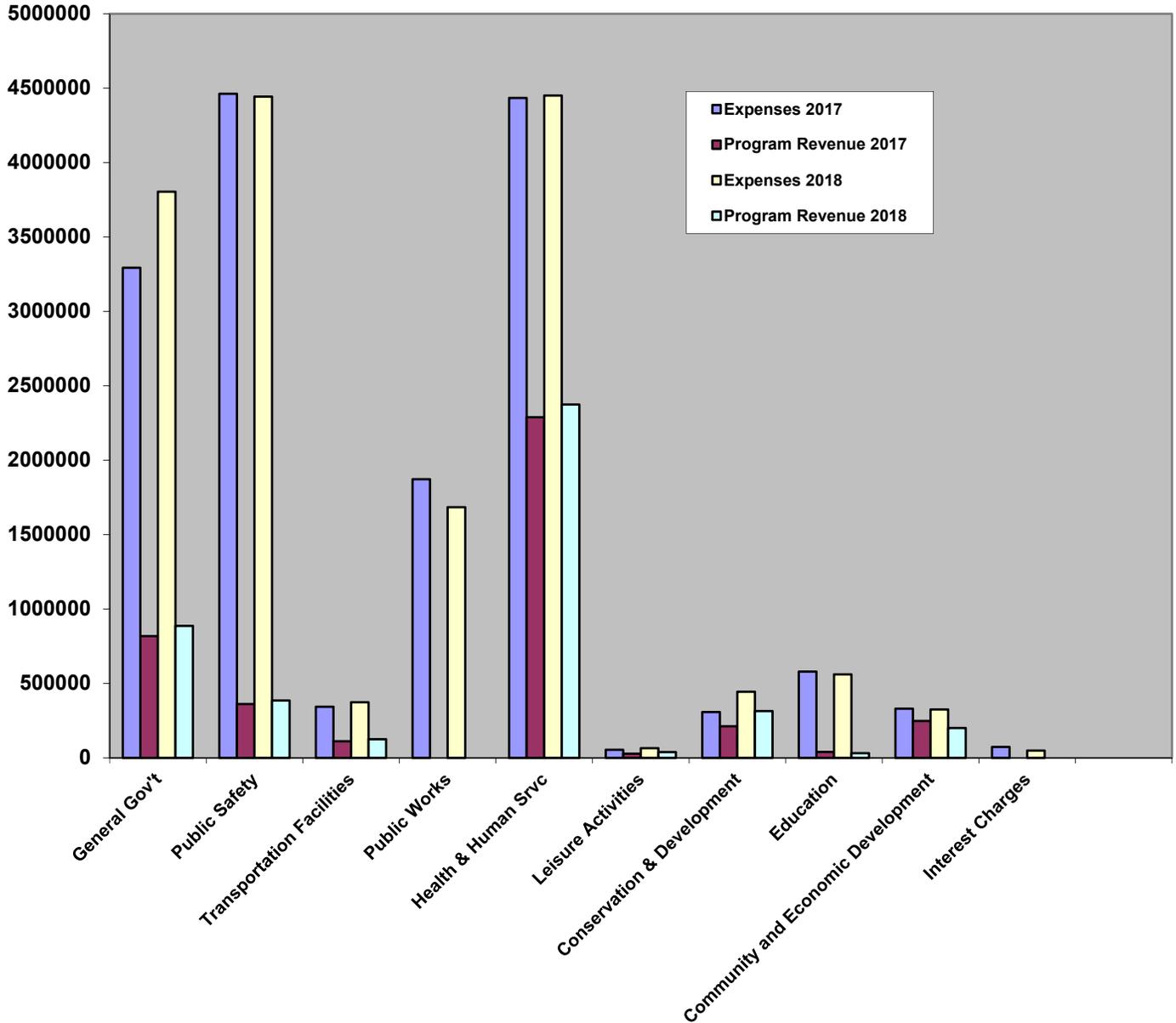
Iowa County's Change in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services and fees, fines and costs	1,261,953	1,293,741	7,312,747	7,631,883	8,574,700	8,925,624
Operating grants and contributions	3,083,224	2,760,607	2,281,994	1,963,806	5,365,218	4,724,413
Capital Grants and contributions	13,172	54,700	5,717	7,655	18,889	62,355
General revenues:						
Property taxes	7,874,316	7,817,097	4,031,467	3,565,386	11,905,783	11,382,483
Other Taxes	2,224,681	2,142,531	422,247	417,054	2,646,928	2,559,585
Grants and contributions not restricted to specific programs	539,991	544,422			539,991	544,422
Unrestricted Interest & Investment	402,075	165,987	9,344	17,127	411,419	183,114
Other	1,399,477	1,778,765	329	(13,324)	1,399,806	1,765,441
Total revenues	16,798,889	16,557,850	14,063,845	13,589,587	30,862,734	30,147,437
Expenses:						
General Government	3,804,700	3,293,312			3,804,700	3,293,312
Public Safety	4,443,712	4,462,951			4,443,712	4,462,951
Transportation facilities	373,215	343,696			373,215	343,696
Public Works	1,684,881	1,872,754			1,684,881	1,872,754
Health & Human services	4,450,669	4,435,001	5,489,324	5,762,763	9,939,993	10,197,764
Leisure activities	65,726	54,782			65,726	54,782
Conservation and development	444,551	307,974			444,551	307,974
Education	561,322	579,678			561,322	579,678
Community and economic dev.	325,474	330,598			325,474	330,598
Interest on long-term debt	49,488	73,208			49,488	73,208
Highway			7,465,062	8,452,546	7,465,062	8,452,546
Total Expenses	16,203,738	15,753,954	12,954,386	14,215,309	29,158,124	29,969,263
Increase (Decrease) in net position before transfers	595,151	803,896	1,109,459	(625,722)	1,704,610	178,174
Transfers	(18,582)	(815,980)	18,582	815,980		
Increase (Decrease) in net position	576,569	(12,084)	1,128,041	190,258	1,704,610	178,174
Net position–January 1, as previously stated	70,861,170	70,873,254	9,674,025	9,483,767	80,535,195	80,357,021
Prior Period Adjustment	(403,674)		(446,236)		(849,910)	
Net Position-January 1, restated	70,457,496	70,873,254	9,227,789	9,483,767	79,685,285	80,357,021
Net position – December 31	71,034,065	70,861,170	10,355,830	9,674,025	81,389,895	80,535,195

Governmental Activities: Governmental activities increased the County's net position by \$172,895 and the business type activities increased the County's net position by \$681,805. Key elements of this increase/decrease are as follows:

- Prior period adjustment in the Government activities.
- In the business type activities, there was an increase in the revenues and a decrease in costs.

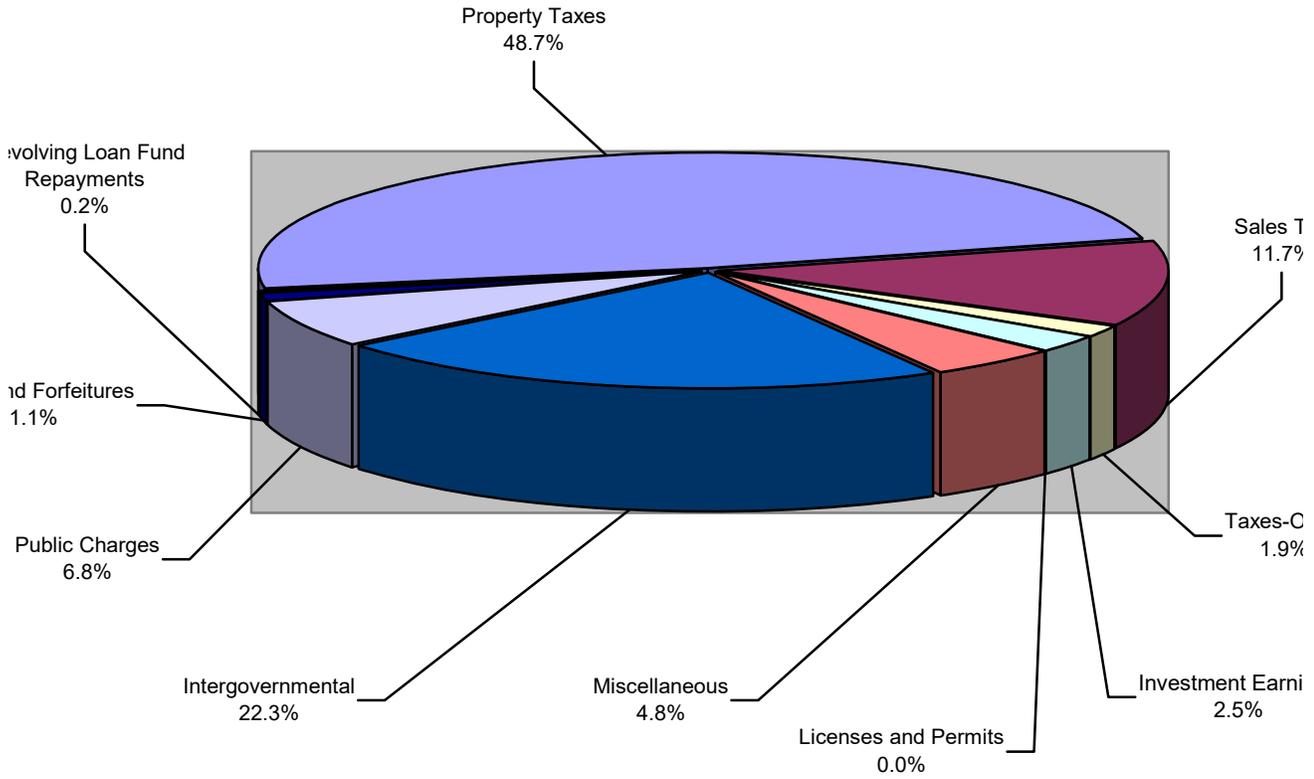
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Expenses and Program Revenues – Governmental Funds



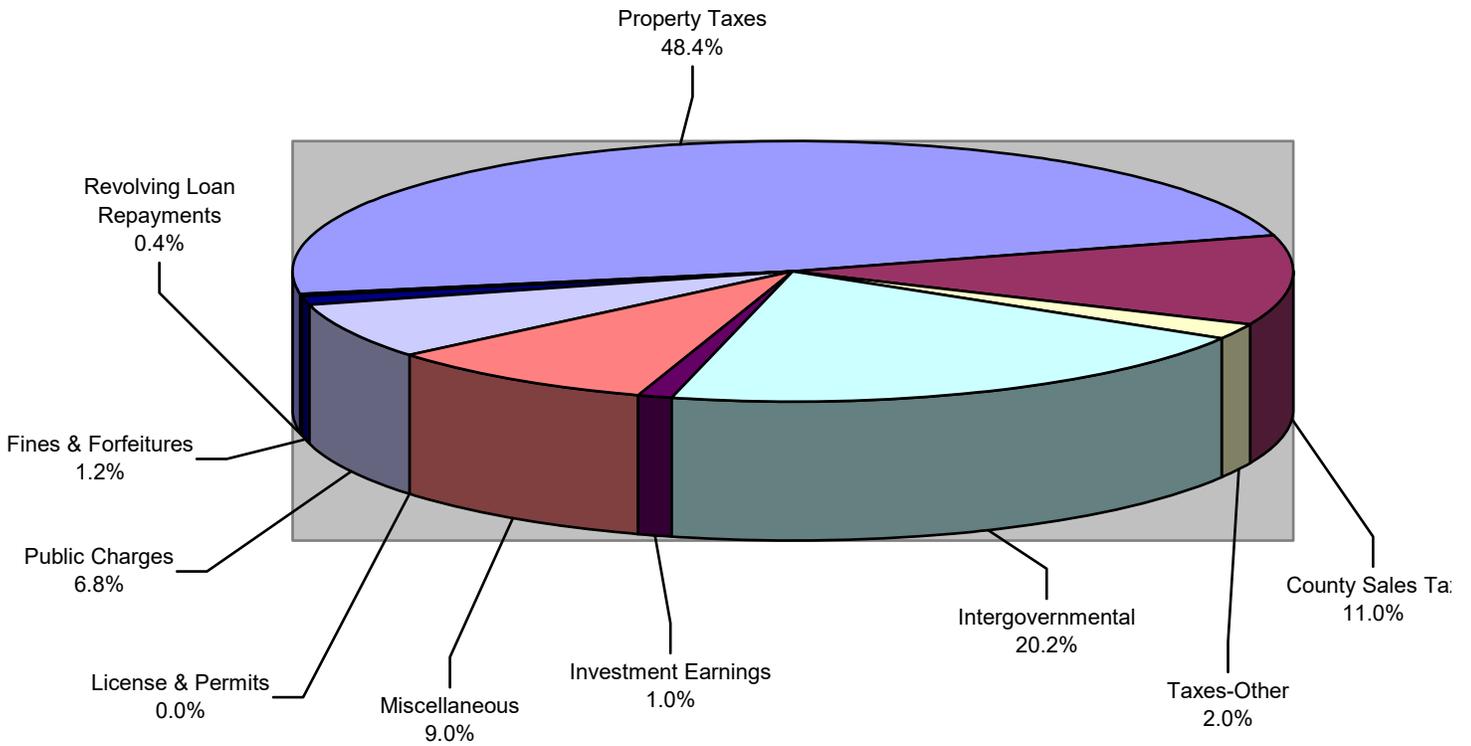
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2018 Revenues by Source-Governmental Funds



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2017 Revenues by Source-Governmental Funds

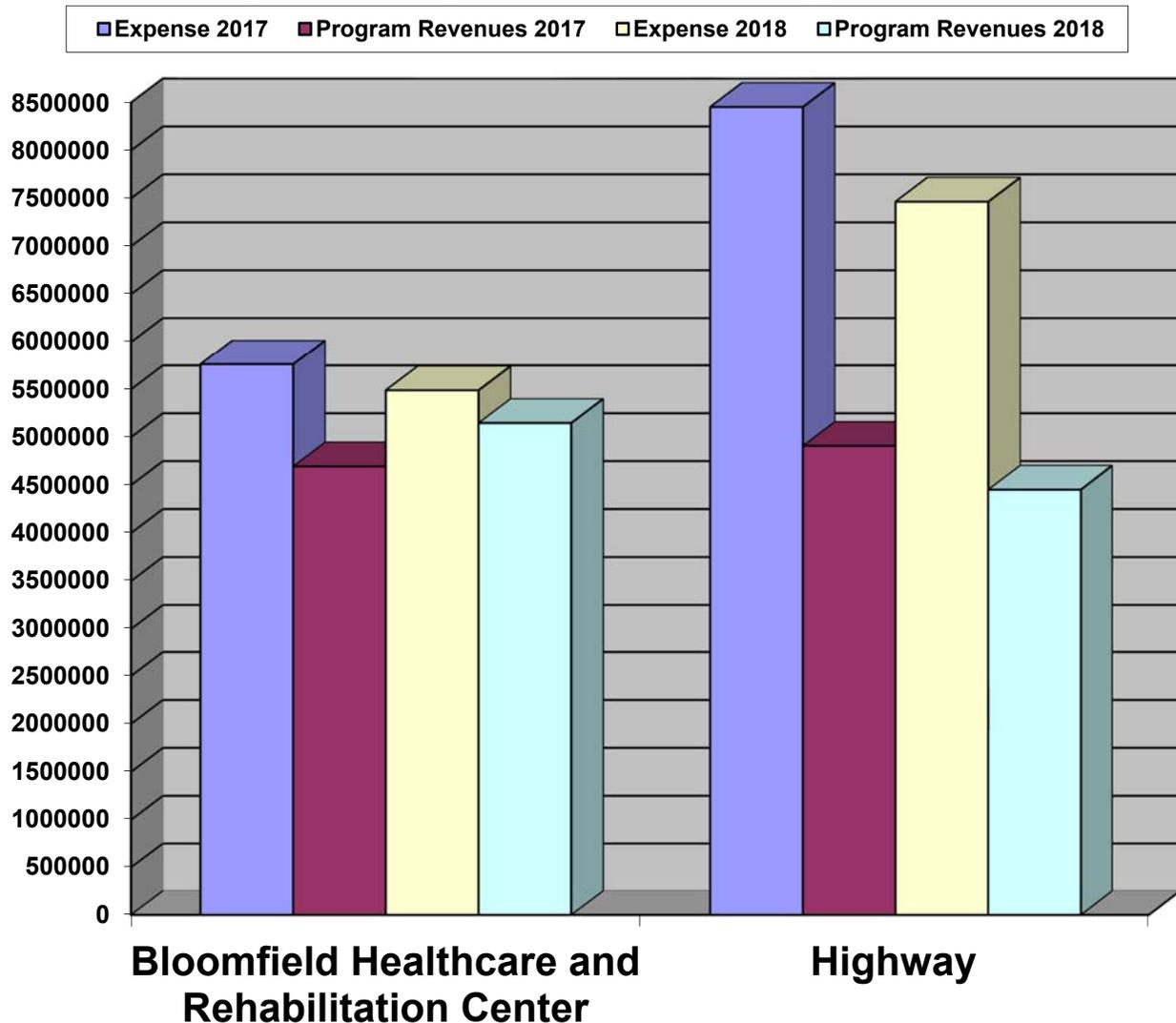


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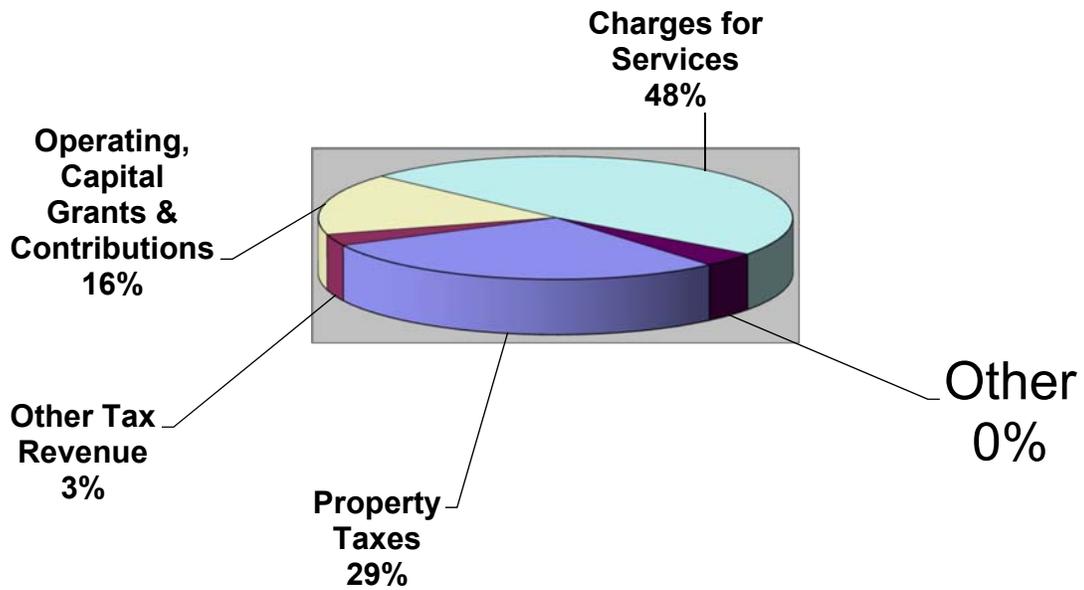
Business-type activities: Business-type activities increased Iowa County’s net position by \$681,805. Key elements of this increase are as follows:

- Operating expenditures for the Highway Department decreased \$991,261.
- Operating expenditures for Bloomfield Healthcare and Rehabilitation Center decreased \$273,439.
- Operating revenues for the Highway Department decreased \$427,890.
- Operating revenues for Bloomfield Healthcare and Rehabilitation Center increased \$108,754.
- Property tax revenue for the business type activities increased \$466,081.

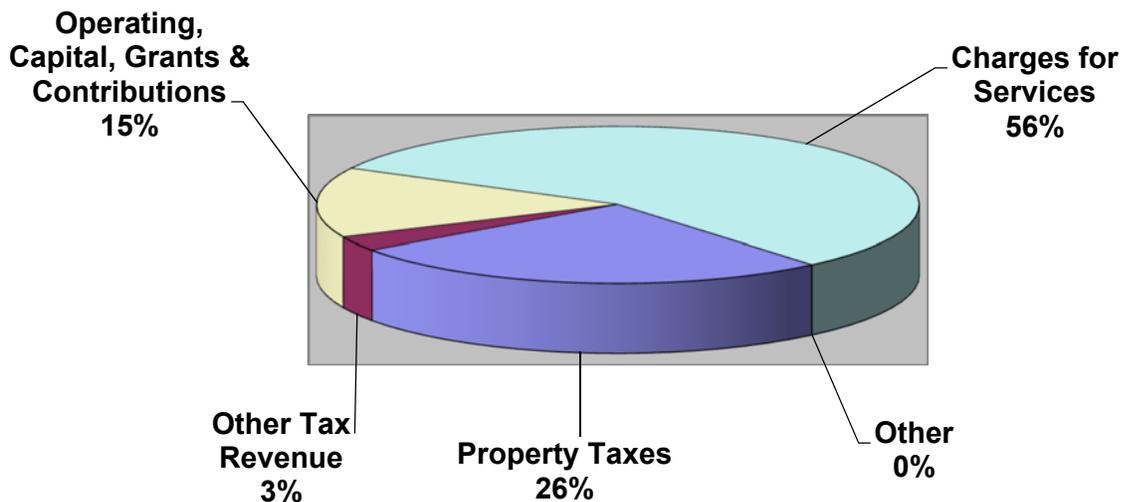
Expenses and Program Revenues – Business-type Activities



2018 Revenues by Source- Business Type Activites



2017 Revenues by Source- Business type Activites



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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, 2018, the County's governmental funds reported combined ending fund balances of \$18,092,537, an increase of \$1,282,967 from the prior year. Of the combined ending fund balance, \$10,399,237 or 57% constitutes *unassigned fund balance* that is available for spending at the County's discretion and \$2,457,296 or 14% constitutes *assigned fund balance* that reflects the government's intended use of resources. Of the combined ending fund balance, \$801,433 or 4% 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 \$4,434,571 or 25% 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 \$1,713; 2) D.A. Crime Prevention Surcharge \$3,680; 3) Register of Deeds – redaction project \$15,788; 4) Land Records retained fees \$31,180; 5) Land Records public access fees \$91,929; 6) Land records grant \$93,444; 7) K-9 Program \$14,549; 8) Bio-Terrorism grant \$16,316; 9) UW Extension pesticide program \$3,459; 10) UW Extension corporate grant \$6,240; 11) UW Extension Family Living Program \$2,759; 12) Veterans Donations \$3,750; 13) Land Conservation Donations \$1,439; 14) Social Services Fund \$413,912; 15) Social Services donor restricted \$7,550; 16) Capital Projects Fund for Jail Assessment \$143,196; 17) Aging Disability Resource Center \$222,816; 18) Child Support Fund \$26,085; 19) CDBG revolving loan funds \$468,209; 20) Real Estate Reduction Funds \$2,492,302; 21) Drug Task Force \$290,799; 22) Iowa County Airport \$82,456; 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 \$10,399,237 while total fund balance reached \$11,478,929. 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 109% of total general fund expenditures (the same as 2017), while total fund balance represents 120% of that same amount (the same as 2017).

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 (\$156,045) and \$4,453,655 respectively. Total decrease in unrestricted net position for Bloomfield Healthcare and Rehabilitation Center was (\$164,604) and total increase in unrestricted net position for Highway operations was \$643,058.

Bloomfield Healthcare and Rehabilitation Center's operating revenues increased \$108,754 from 2017, or 3%. There was a decrease of 447 resident days for the year, and the daily average census for 2018 was 50 and 2017 was 52, a decrease of 2 between the years. Per capita cost per day for 2018 was \$270.95 and for 2017 was \$278.82 which is a decrease of \$7.88 per day or (3%). Operating expenses decreased by \$273,439 or 5%.

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Intergovernmental Transfer Program increased 41% or \$343,724 to \$837,924 in 2018 from \$494,200 in 2017. There was a one-time additional payment of \$251,800 received in 2018.

Highway net position increased \$931,047 to \$8,690,303.

General Fund Budgetary Highlights

Differences between the original General Fund budget and the final amended General Fund budget amounted to a (\$582,925) decrease in appropriations or 5.85% decrease over the original budget. Differences can be briefly summarized as follows:

- Carryovers from 2017 to use for 2018 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 2019.
- Transfers to the general fund from other funds in the amount of \$1,819,000 transferred from the Real-Estate Tax Reduction Fund.

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 \$882,257. The primary reasons for these variances are as follows:

- Investment Earnings exceeded budget by \$279,989
- Intergovernmental exceeded budget by \$130,261
- Charges for services exceeded budget by \$159,745
- Fines and forfeitures did not meet budget by \$43,091
- Miscellaneous revenue exceeded budget by \$304,579

Actual expenditures were more than the revised budgeted expenditures by (\$151,927).

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, 2018 amounts to \$60,840,033 (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 decrease in the County's investment in capital assets for the current year was \$740,280 or 1.2% over the prior year.

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

Governmental activities:

- 911 equipment \$112,799.
- Purchased five vehicles for the Sheriff’s Department \$160,065.
- Purchase a rainfall simulator for the Land Conservation Department \$14,967
- Sheriff’s Department - communication system \$122,696
- Traded in current vehicle for a new vehicle for the Emergency Management Department \$31,680.

Business-type activities:

- The Highway Department and Bloomfield Healthcare and Rehabilitation Center purchased equipment and machinery in the amount of \$629,241.

Iowa County’s Capital Assets (net of accumulated depreciation)						
	Governmental activities		Business-type activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	1,407,897	1,389,574	46,557	46,557	1,454,454	1,436,131
Buildings & Improvements	10,116,921	10,490,873	1,197,655	1,300,726	11,314,576	11,791,599
Land Improvements			241,736	249,017	241,736	249,017
Machinery and Equipment	1,119,099	1,081,681	5,272,067	4,562,837	6,391,166	5,644,518
Infrastructure	41,344,478	42,228,246			41,344,478	42,228,246
Construction in progress	76,428	213,607	17,195	17,195	93,623	230,802
Total	54,064,823	55,403,981	6,775,210	6,176,332	60,840,033	61,580,313

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 \$2,499,000 all of which was backed by the full faith of the County.

Iowa County’s Outstanding Debt General Obligation Debt						
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation debt:						
State Trust Fund Loan		66,225				66,225
General Obligation Bond Issue	1,210,000	1,785,000			1,210,000	1,785,000
General Obligation – Promissory Note			1,289,000	908,000	1,289,000	908,000
Total	\$1,210,000	\$1,851,225	\$1,289,000	\$908,000	\$2,499,000	\$2,759,225

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2018

During the fiscal year, Iowa County's general obligation debt decreased by \$260,225. The decrease was due to combination of the scheduled loan payments made during 2018 and the issue of a promissory note in the amount of \$1,289,000 to purchase equipment and construction for the 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.

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 2.7% for July 2019. This compares to the July 2019 average unemployment rate not seasonally adjusted for State of Wisconsin's of 3.3% and the United States of 4.0%. The State of Wisconsin's seasonally adjusted rate was 3.4% for December 2018 as compared to the national average of 3.9% 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 and 2018 equalized valuations after a flat or declining growth of equalized valuation of property beginning in 2008 through 2014.

All of these factors were considered in preparing the County's budget for the 2019 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 2019, the County's operating rate of \$4.96 and the debt service levy was \$0.96 per \$1,000 of equalized valuation for a total tax levy rate of \$5.92. The County's operating and debt amount and rates for 2019 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, 2018

	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 16,825,158	\$ 3,449,085	\$ 20,274,243	\$ 123,968
Receivables:				
Taxes receivable	8,359,159	4,469,103	12,828,262	
Accounts receivable	291,178	890,872	1,182,050	5,080
Due from other governmental units	554,697	806,999	1,361,696	
Economic development loans	112,478		112,478	
Internal balances	539,915	(539,915)		
Materials and supplies	7,987	806,475	814,462	
Prepaid expenses	276,916	3,251	280,167	
Total current assets	<u>26,967,488</u>	<u>9,885,870</u>	<u>36,853,358</u>	<u>129,048</u>
Noncurrent assets:				
Restricted cash and investments		572,010	572,010	
Capital assets:				
Property and equipment	133,245,671	19,894,681	153,140,352	1,545,145
Less: accumulated depreciation	(79,180,848)	(13,119,471)	(92,300,319)	(714,665)
Net book value of capital assets	<u>54,064,823</u>	<u>6,775,210</u>	<u>60,840,033</u>	<u>830,480</u>
Net pension asset	1,351,726	853,374	2,205,100	
Total noncurrent assets	<u>55,416,549</u>	<u>8,200,594</u>	<u>63,617,143</u>	<u>830,480</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows	2,467,663	1,557,887	4,025,550	
OPEB - group life insurance plan outflows	34,802	31,237	66,039	
OPEB - County health insurance plan outflows	7,361	10,784	18,145	
Total deferred outflows of resources	<u>2,509,826</u>	<u>1,599,908</u>	<u>4,109,734</u>	
Total assets and deferred outflows of resources	<u>\$ 84,893,863</u>	<u>\$ 19,686,372</u>	<u>\$ 104,580,235</u>	<u>\$ 959,528</u>

Exhibit A-1 (Continued)
Iowa County, Wisconsin
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total	Component Unit
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 363,638	\$ 351,162	\$ 714,800	\$ 827
Accrued payroll	161,076	128,990	290,066	
Accrued interest payable	16,390		16,390	
Due to other governments	328,324	119,913	448,237	2,556
Deposits	757		757	
Payroll liabilities				2,961
Unearned revenue	32,298	104,545	136,843	12,560
Note payable		1,289,000	1,289,000	
Current portion of compensated absences	416,049	329,297	745,346	
Current portion of long-term debt	623,407		623,407	
Total current liabilities	<u>1,941,939</u>	<u>2,322,907</u>	<u>4,264,846</u>	<u>18,904</u>
Noncurrent liabilities:				
Compensated absences	962,957	650,640	1,613,597	
OPEB - group life insurance plan liability	303,648	272,534	576,182	
OPEB - County health insurance plan liability	167,998	246,118	414,116	
General obligation debt	1,210,000		1,210,000	
Capital lease	66,546		66,546	
Less: current portion	(1,039,456)	(329,297)	(1,368,753)	
Total noncurrent liabilities	<u>1,671,693</u>	<u>839,995</u>	<u>2,511,688</u>	
Total liabilities	<u>3,613,632</u>	<u>3,162,902</u>	<u>6,776,534</u>	<u>18,904</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	7,562,189	4,469,103	12,031,292	
Pension inflows	2,668,634	1,684,766	4,353,400	
OPEB - group life insurance plan inflows	15,343	13,771	29,114	
Total deferred inflows of resources	<u>10,246,166</u>	<u>6,167,640</u>	<u>16,413,806</u>	
NET POSITION				
Net investment in capital assets	52,788,277	5,486,210	58,274,487	830,480
Restricted	3,801,780	572,010	4,373,790	
Unrestricted	14,444,008	4,297,610	18,741,618	110,144
Total net position	<u>71,034,065</u>	<u>10,355,830</u>	<u>81,389,895</u>	<u>940,624</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 84,893,863</u>	<u>\$ 19,686,372</u>	<u>\$ 104,580,235</u>	<u>\$ 959,528</u>

Exhibit A-2
Iowa County, Wisconsin
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			Component Unit Cobb-Highland Recreation Commission
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental activities:								
General government	\$ 3,804,700	\$ 651,666	\$ 235,418	\$	\$ (2,917,616)	\$	\$ (2,917,616)	\$
Public safety	4,443,712	216,967	155,392	13,172	(4,058,181)		(4,058,181)	
Transportation facilities	373,215	125,334			(247,881)		(247,881)	
Public works	1,684,881				(1,684,881)		(1,684,881)	
Health and human services	4,450,669	61,670	2,312,822		(2,076,177)		(2,076,177)	
Leisure activities	65,726		38,794		(26,932)		(26,932)	
Conservation of natural resources	444,551		314,936		(129,615)		(129,615)	
Education	561,322	5,580	25,862		(529,880)		(529,880)	
Community and economic development	325,474	200,736			(124,738)		(124,738)	
Interest and fiscal charges	49,488				(49,488)		(49,488)	
Total governmental activities	16,203,738	1,261,953	3,083,224	13,172	(11,845,389)		(11,845,389)	
Business-type activities:								
Bloomfield Health Care and Rehabilitation Center	5,489,324	4,309,622	837,924			(341,778)	(341,778)	
Highway	7,465,062	3,003,125	1,444,070	5,717		(3,012,150)	(3,012,150)	
Total business-type activities	12,954,386	7,312,747	2,281,994	5,717		(3,353,928)	(3,353,928)	
Total primary government	\$ 29,158,124	\$ 8,574,700	\$ 5,365,218	\$ 18,889	(11,845,389)	(3,353,928)	(15,199,317)	
Component Unit:								
Cobb-Highland Recreation Commission	411,094	425,468						14,374
Total component unit	411,094	425,468						14,374
General revenues:								
Property taxes					7,874,316	4,031,467	11,905,783	
Sales taxes					1,908,704		1,908,704	
Other taxes					315,977	422,247	738,224	
State aid not restricted for specific purposes					539,991		539,991	
Interest and investment earnings					402,075	9,344	411,419	221
Gain (loss) on sale of capital assets					54,611	329	54,940	3,178
Grant proceeds								2,128
Other revenue					667,609		667,609	1,050
Transfers					(18,582)	18,582		
Capitalized infrastructure costs					677,257		677,257	
Total general revenues					12,421,958	4,481,969	16,903,927	6,577
Changes in net position					576,569	1,128,041	1,704,610	20,951
Net position - beginning, as previously reported					70,861,170	9,674,025	80,535,195	919,673
Prior period adjustment - implementation of GASB Statement No. 75					(403,674)	(446,236)	(849,910)	
Net position - beginning of year, restated					70,457,496	9,227,789	79,685,285	919,673
Net position - ending	\$	\$	\$	\$	71,034,065	10,355,830	81,389,895	\$ 940,624

Exhibit A-3
Iowa County, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2018

	General	Social Services	Real Estate Tax Reduction	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 10,554,545	\$ 338,442	\$ 2,175,499	\$ 2,662,866	\$ 1,030,192	\$ 16,761,544
Receivables (net of allowances)						
Current property taxes	4,483,550	1,508,658		935,035	634,946	7,562,189
Accounts	65,835	207,550			17,793	291,178
Due from other governmental units	148,052		316,803	8	89,834	554,697
Delinquent property taxes	793,407					793,407
Tax deed	3,563					3,563
Economic development loans					112,478	112,478
Prepaid items	186,211					186,211
Inventories					7,987	7,987
Advance to other funds	539,915					539,915
Loan due from other governmental units						
Total assets	\$ 16,775,078	\$ 2,054,650	\$ 2,492,302	\$ 3,597,909	\$ 1,893,230	\$ 26,813,169
LIABILITIES						
Accounts payable	\$ 218,083	\$ 63,472	\$	\$ 62,382	\$ 17,290	\$ 361,227
Accrued payroll	120,702	27,880			12,494	161,076
Due to other governments	278,867	33,178			16,279	328,324
Deposits	757					757
Unearned revenue	31,907				391	32,298
Total liabilities	650,316	124,530		62,382	46,454	883,682
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax revenue-current	4,483,550	1,508,658		935,035	634,946	7,562,189
Deferred property tax revenue-delinquent	162,283					162,283
Deferred revenue-other					112,478	112,478
Total deferred inflows of resources	4,645,833	1,508,658		935,035	747,424	7,836,950
FUND BALANCES						
Nonspendable	793,446				7,987	801,433
Restricted	286,246	421,462	2,492,302	143,196	1,091,365	4,434,571
Assigned				2,457,296		2,457,296
Unassigned	10,399,237					10,399,237
Total fund balances	11,478,929	421,462	2,492,302	2,600,492	1,099,352	18,092,537
Total liabilities, deferred inflows of resources and net position	\$ 16,775,078	\$ 2,054,650	\$ 2,492,302	\$ 3,597,909	\$ 1,893,230	\$ 26,813,169

Exhibit A-4
Iowa County, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2018

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

Total fund balances - governmental funds:		\$ 18,092,537
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	112,315,881	
Accumulated depreciation	(70,014,520)	42,301,361
Other governmental capital assets	20,929,790	
Accumulated depreciation	<u>(9,166,328)</u>	11,763,462
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements		
		1,351,726
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		2,509,826
Deferred inflows of resources		(2,683,977)
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	162,283	
Long term development loans	<u>112,478</u>	274,761
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:		
		151,908
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	1,210,000	
Capital lease	66,546	
Accrued interest	16,390	
OPEB - group life insurance plan liability	303,648	
OPEB - County health insurance plan liability	167,998	
Compensated absences	<u>962,957</u>	(2,727,539)
Total net position - governmental activities		<u><u>\$ 71,034,065</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, 2018

	General	Social Services	Real Estate Tax Reduction	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$ 4,732,593	\$ 1,582,565		\$ 941,341	\$ 588,344	\$ 7,844,843
Sales			1,884,497			1,884,497
Other	306,705					306,705
Intergovernmental	1,406,149	1,355,404			834,135	3,595,688
Charges for services	913,971	35,894			147,775	1,097,640
Fines and forfeitures	177,591					177,591
Investment earnings	380,239				20,962	401,201
Revolving loan repayments					28,489	28,489
Miscellaneous	666,089	1,674		38,850	58,621	765,234
Total revenues	8,583,337	2,975,537	1,884,497	980,191	1,678,326	16,101,888
EXPENDITURES						
Current:						
General government	3,556,465					3,556,465
Public safety	4,044,530				80,990	4,125,520
Transportation facilities					194,708	194,708
Health and human services	538,731	2,564,013			1,140,001	4,242,745
Leisure activities	65,726					65,726
Conservation of natural resources	440,010					440,010
Education	560,853					560,853
Community and Economic development	292,637				30,037	322,674
Capital outlay				560,278		560,278
Debt service:						
Principal	26,660			641,224		667,884
Interest	5,163			58,313		63,476
Total expenditures	9,530,775	2,564,013		1,259,815	1,445,736	14,800,339
Excess (deficiency) of revenues over expenditures	(947,438)	411,524	1,884,497	(279,624)	232,590	1,301,549
OTHER FINANCING SOURCES (USES)						
Loss on sale of capital assets						
Transfers in	2,570,971			2,060,122		4,631,093
Transfers (out)	(2,078,704)	(536,836)	(1,819,000)		(215,135)	(4,649,675)
Net change in fund balances	(455,171)	(125,312)	65,497	1,780,498	17,455	1,282,967
Fund balance-beginning of year	11,934,100	546,774	2,426,805	819,994	1,081,897	16,809,570
Fund balance-end of year	\$ 11,478,929	\$ 421,462	\$ 2,492,302	\$ 2,600,492	\$ 1,099,352	\$ 18,092,537

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, 2018

Net change in fund balances-total governmental funds		\$ 1,282,967
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	463,216	
Capitalized infrastructure costs	677,257	
Depreciation expenses reported in the statement of activities	<u>(2,466,392)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		(1,325,919)
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:	(182,906)	
The amount of depreciation recapture for the year was:	<u>169,667</u>	
The difference in the value of assets net of recaptured depreciation		(13,239)
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		
		667,885
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		(26,608)
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources		(28,408)
Change in OPEB - County health insurance plan liability and related deferred outflows and inflows of resources		(12,744)
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		
		(28,490)
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	59,565	
The amount of interest accrued during the current period	<u>(45,579)</u>	
Interest paid is greater (less) than interest accrued by		13,986
Internal service fund gain (loss)		151,908
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		26,473
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.		<u>(131,242)</u>
Change in net position-governmental activities		<u>\$ 576,569</u>

Exhibit A-7
Iowa County, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2018

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
ASSETS				
Current assets:				
Cash	\$ 5,370	\$ 3,443,715	\$ 3,449,085	\$ 63,614
Receivables (net of allowance)				
Taxes-current	260,373	4,208,730	4,469,103	
Accounts	746,583	144,289	890,872	
Due from other governments	1,478	805,521	806,999	
Prepaid expenses		3,251	3,251	90,705
Materials and supplies	40,596	765,879	806,475	
Total current assets	1,054,400	9,371,385	10,425,785	154,319
Noncurrent assets:				
Restricted cash and investments	572,010		572,010	
Capital assets:				
Property and equipment	5,835,302	14,059,379	19,894,681	
Less: accumulated depreciation	(4,585,740)	(8,533,731)	(13,119,471)	
Net book value of capital assets	1,249,562	5,525,648	6,775,210	
Net pension asset	465,276	388,098	853,374	
Total noncurrent assets	2,286,848	5,913,746	8,200,594	
 Total assets	3,341,248	15,285,131	18,626,379	154,319
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows	849,391	708,496	1,557,887	
OPEB - group life insurance plan outflows	13,538	17,699	31,237	
OPEB - County health insurance plan outflows	4,793	5,991	10,784	
 Total noncurrent assets	867,722	732,186	1,599,908	
 Total assets and deferred outflows of resources	\$ 4,208,970	\$ 16,017,317	\$ 20,226,287	\$ 154,319

Exhibit A-7 (Continued)
Iowa County, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2018

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield			
	Health Care and Rehabilitation Center	Highway	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 177,553	\$ 173,609	\$ 351,162	2,411
Due to other governments	65,868	54,045	119,913	
Accrued payroll	73,723	55,267	128,990	
Unearned revenue		104,545	104,545	
Note payable		1,289,000	1,289,000	
Current portion of compensated absences	144,155	185,142	329,297	
Total current liabilities	461,299	1,861,608	2,322,907	2,411
Noncurrent liabilities:				
Compensated absences	273,965	376,675	650,640	
OPEB - group life insurance plan liability	118,117	154,417	272,534	
OPEB - County health insurance plan liability	109,394	136,724	246,118	
Advance from other funds	539,915		539,915	
Less: current portion of compensated absences	(144,155)	(185,142)	(329,297)	
Total noncurrent liabilities	897,236	482,674	1,379,910	
Total liabilities	1,358,535	2,344,282	3,702,817	2,411
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	260,373	4,208,730	4,469,103	
Pension inflows	918,567	766,199	1,684,766	
OPEB - group life insurance plan inflows	5,968	7,803	13,771	
Total deferred inflows of resources	1,184,908	4,982,732	6,167,640	
NET POSITION				
Net investment in capital assets	1,249,562	4,236,648	5,486,210	
Restricted	572,010		572,010	151,908
Unrestricted	(156,045)	4,453,655	4,297,610	
Total net position	1,665,527	8,690,303	10,355,830	151,908
Total liabilities, deferred inflows of resources and net position	\$ 4,208,970	\$ 16,017,317	\$ 20,226,287	\$ 154,319

Exhibit A-8
Iowa County, Wisconsin
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
OPERATING REVENUES				
Charges for services	\$ 3,794,859	\$ 2,983,851	\$ 6,778,710	\$ 254,161
Other	514,763	19,274	534,037	
Total operating revenues	4,309,622	3,003,125	7,312,747	254,161
OPERATING EXPENSES				
Health care	5,333,631		5,333,631	
Highway		6,998,227	6,998,227	
Insurance payments and claims				102,253
Depreciation	155,693	461,831	617,524	
Total operating expenses	5,489,324	7,460,058	12,949,382	102,253
Operating (loss)	(1,179,702)	(4,456,933)	(5,636,635)	151,908
NONOPERATING REVENUES (EXPENSES)				
Property tax revenue	254,364	3,777,103	4,031,467	
Other tax revenue		422,247	422,247	
Intergovernmental grants	837,924	1,444,070	2,281,994	
Interest expense		(5,004)	(5,004)	
Investment earnings	9,344		9,344	
Gain (loss) on sale of fixed assets	329		329	
Total nonoperating revenues (expenses)	1,101,961	5,638,416	6,740,377	
Income (loss) before contributions and transfers	(77,741)	1,181,483	1,103,742	151,908
Contributions	5,717		5,717	
Transfers in	18,582		18,582	
Changes in net position	(53,442)	1,181,483	1,128,041	151,908
Net position - beginning, as previously reported	1,914,769	7,759,256	9,674,025	
Prior period adjustment - implementation of GASB Statement No. 75	(195,800)	(250,436)	(446,236)	
Net position - beginning of year, restated	1,718,969	7,508,820	9,227,789	
Net position - ending	\$ 1,665,527	\$ 8,690,303	\$ 10,355,830	\$ 151,908

Exhibit A-9
Iowa County, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Totals	
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES				
Receipts from customers	\$ 4,195,392	\$ 3,551,407	\$ 7,746,799	\$
Receipts from departments				254,161
Payments to employees	(2,724,542)	(2,058,484)	(4,783,026)	
Payment for employee benefits	(1,176,562)	(818,457)	(1,995,019)	
Payments to suppliers and contractors	(1,344,123)	(3,964,397)	(5,308,520)	
Cash payments for other operating expenses				(190,547)
Net cash (used by) operating activities	<u>(1,049,835)</u>	<u>(3,289,931)</u>	<u>(4,339,766)</u>	<u>63,614</u>
CASH FLOWS FROM (USED BY) NON-CAPITAL FINANCING ACTIVITIES				
Property tax and Other Tax Revenue	254,364	4,199,350	4,453,714	
Transfers from other funds	18,582		18,582	
Grants	837,924	1,444,070	2,281,994	
Net cash from non-capital financing activities	<u>1,110,870</u>	<u>5,643,420</u>	<u>6,754,290</u>	
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(85,582)	(1,245,529)	(1,331,111)	
Receipts from sale of fixed assets	329	114,709	115,038	
Proceeds from debt issued		1,289,000	1,289,000	
Debt payments - principal		(908,000)	(908,000)	
Debt payments - interest		(5,004)	(5,004)	
Contributions	5,717		5,717	
Net cash (used by) capital and related financing	<u>(79,536)</u>	<u>(754,824)</u>	<u>(834,360)</u>	
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES				
Receipt of interest	9,344		9,344	
Purchase of investments	(550,000)		(550,000)	
Receipt of investments maturing	550,000		550,000	
Net cash from investing activities	<u>9,344</u>		<u>9,344</u>	
Net increase (decrease) in cash and cash equivalents	(9,157)	1,598,665	1,589,508	63,614
Cash and cash equivalents-Beginning of year	36,537	1,845,050	1,881,587	
Cash and cash equivalents-End of year	<u>\$ 27,380</u>	<u>\$ 3,443,715</u>	<u>\$ 3,471,095</u>	<u>\$ 63,614</u>
Reconciliation of Cash and Cash Equivalents to Balance Sheet:				
Cash	\$ 5,370	\$ 3,443,715	\$ 3,449,085	\$ 63,614
Cash and investments (restricted)	572,010		572,010	
Total	577,380	3,443,715	4,021,095	63,614
Less: long-term investments(restricted)	(550,000)		(550,000)	
Total	<u>\$ 27,380</u>	<u>\$ 3,443,715</u>	<u>\$ 3,471,095</u>	<u>\$ 63,614</u>

Exhibit A-9 (Continued)
Iowa County, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
Reconciliation of operating (loss) to net cash provided (used) by operating activities:				
Operating (loss)	\$ (1,179,702)	\$ (4,456,933)	\$ (5,636,635)	\$ 151,908
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	155,693	461,831	617,524	
Pension expense	94,328	48,182	142,510	
OPEB expense - group life insurance	11,050	14,447	25,497	
OPEB expense - County health insurance	8,298	10,371	18,669	
Changes in assets and liabilities:				
Receivables	(117,362)	407,954	290,592	
Due from other governments	3,132	(23,426)	(20,294)	
Inventories	517	48,237	48,754	
Prepaid expenses		(408)	(408)	(90,705)
Accounts payable	116,723	41,967	158,690	2,411
Accrued liabilities	7,876	8,864	16,740	
Due to other governments	(21,199)	(7,004)	(28,203)	
Due to other funds				
Advance from other funds	(73,644)		(73,644)	
Unearned revenue		140,328	140,328	
Vested fringe benefits	(55,545)	15,659	(39,886)	
Net cash (used by) operating activities	\$ (1,049,835)	\$ (3,289,931)	\$ (4,339,766)	\$ 63,614

Exhibit A-10
Iowa County, Wisconsin
Statement of Net Position
Fiduciary Funds
December 31, 2018

	Agency Fund
ASSETS	
Cash:	
Manor resident cash	\$ 7,218
Burial trust	1,400
Sheriff	89,704
Clerk of courts	193,856
County Treasurer	69,585
District attorney	163
Total cash	361,926
Receivables:	
Current property taxes	353,136
Total assets	\$ 715,062
 LIABILITIES	
Due to other governments	\$ 422,721
Funds held for others	292,341
Total liabilities	\$ 715,062

NOTES TO THE BASIC FINANCIAL STATEMENTS

Iowa County, Wisconsin
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 December 31, 2018

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Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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, 2018

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 2018 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, 2018

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, 2018

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, 2018

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, 2018

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, 2018
Tax bills mailed	December, 2018
Payment in full, or first installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale – 2018 delinquent real estate taxes	August, 2021

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, 2018 delinquent property taxes totaling \$793,407 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, 2018:

Tax Certificates	
2017 Sale	\$ 508,669
2016 Sale	165,636
2015 Sale	63,680
2014 Sale	30,444
2013 Sale	10,100
2012 Sale	4,834
2011 Sale	4,412
2010 Sale	1,777
2009 Sale	1,569
2008 Sale	1,456
2007 Sale	830
Total delinquent taxes	<u>793,407</u>
County purchased - nonspendable fund balance	<u>(607,235)</u>
County levied	<u><u>\$ 186,172</u></u>

Deferred inflows of resources at December 31, 2018 include tax certificates and tax deeds not "available" at that date as follows:

County portion of tax certificates and deeds 12/31/18	\$ 186,172
Less: tax certificates/deeds collected January and February 2018	<u>(23,889)</u>
Deferred inflows of resources 12/31/18 - tax certificates and deeds	<u><u>\$ 162,283</u></u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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 2 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, 2018

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, 2018

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 \$15,288 for 2018 and \$12,935 for 2017.

J. Inventories

Inventories of proprietary fund types 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, 2018

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.

P. Change in Accounting Principle

Effective January 1, 2018, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Implementation of GASB 75 required net position in the governmental activities and business-type activities to be decreased by \$403,674 and \$446,236, respectively.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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, 2018, cash and investments included the following:

Petty cash/cash on hand	\$ 1,494
Wisconsin Local Government Investment Pool	8,861,569
Deposits with financial institutions	12,345,116
Total cash	\$ 21,208,179

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 20,274,243
Restricted cash and investments	572,010
Exhibit A-10:	
Cash and investments	361,926
Total cash and investments	\$ 21,208,179

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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
Certificate of deposit	\$ 830,104	\$ 728,543	\$ 100,000	\$ 1,561
Local Government Investment Pool	8,861,569	8,861,569		
Total	\$ 9,691,673	\$ 9,590,112	\$ 100,000	\$ 1,561

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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, 2018, the County's investments were rated as follows:

	<u>Amount</u>	<u>Rating</u>
Wisconsin Local Government Investment Pool	\$ 8,861,569	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, 2018

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, 2018, 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, 2018 was: 87.25% in U.S. Government Securities, 2.19% in Bankers' Acceptances and 10.56% 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, 2018, \$1,100,027 was insured by FDIC insurance, \$11,640,476 was insured by collateral and \$178,543 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>\$ 178,543</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, 2018

NOTE 4

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<u>Governmental Activities</u>					
Bonds and notes payable:					
General obligation debt	\$ 1,851,225	\$	\$ (641,225)	\$ 1,210,000	\$ 595,000
Other liabilities:					
Capital lease	93,206		(26,660)	66,546	28,407
Compensated absences	<u>936,349</u>	<u>26,608</u>		<u>962,957</u>	<u>416,049</u>
Total governmental activities long-term liabilities	<u>\$ 2,880,780</u>	<u>\$ 26,608</u>	<u>\$ (667,885)</u>	<u>\$ 2,239,503</u>	<u>\$ 1,039,456</u>
<u>Business-Type Activities</u>					
Note payable:					
General obligation debt	\$ 908,000	\$ 1,289,000	\$ (908,000)	\$ 1,289,000	\$ 1,289,000
Other liabilities:					
Compensated absences	<u>690,526</u>		<u>(39,886)</u>	<u>650,640</u>	<u>329,297</u>
Total business-type activities long-term liabilities	<u>\$ 1,598,526</u>	<u>\$ 1,289,000</u>	<u>\$ (947,886)</u>	<u>\$ 1,939,640</u>	<u>\$ 1,618,297</u>

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, 2018

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, 2018 was \$104,447,950. Total general obligation debt outstanding at year-end was \$2,499,000.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2018
<u>Governmental Activities</u>					
General obligation debt					
Bonds	4/1/10	8/1/20	3.20 - 3.30%	5,310,000	\$ 1,210,000
Total government activities - general obligation debt					\$ 1,210,000
<u>Business-Type Activities</u>					
General obligation debt					
Promissory note	10/25/18	4/25/19	2.25%	600,000	\$ 600,000
Promissory note	10/25/18	4/25/19	2.25%	689,000	689,000
Total business-type activities - general obligation debt					\$ 1,289,000

Debt service requirements to maturity are as follows:

Years	General Obligation Debt Governmental Activities			General Obligation Debt Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
	2019	\$ 595,000	\$ 39,335	\$ 634,335	\$ 1,289,000	\$ 14,662
2020	615,000	20,295	635,295			
Totals	\$ 1,210,000	\$ 59,630	\$ 1,269,630	\$ 1,289,000	\$ 14,662	\$ 1,303,662

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, 2018

NOTE 5

CAPITAL ASSETS

Total cost and accumulated depreciation of fixed assets at December 31, 2018 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 522,442	\$ 5,000	\$	\$ 527,442
Right of way	867,132	13,323		880,455
Construction work in progress:				
Roads	168,583		(168,583)	
Culverts				
Bridges	45,024	31,404		76,428
Total capital assets not being depreciated:	1,603,181	49,727	(168,583)	1,484,325
Capital assets, being depreciated				
Infrastructure	110,604,434	801,113	(46,549)	111,358,998
Buildings and improvements	16,479,780	69,363		16,549,143
Machinery and equipment	3,600,709	388,853	(136,357)	3,853,205
Total	130,684,923	1,259,329	(182,906)	131,761,346
Less accumulated depreciation for:				
Infrastructure	68,376,188	1,684,881	(46,549)	70,014,520
Buildings and improvements	5,988,907	443,315		6,432,222
Machinery and equipment	2,519,028	338,196	(123,118)	2,734,106
Total accumulated depreciation	76,884,123	2,466,392	(169,667)	79,180,848
Net other capital assets	53,800,800	(1,207,063)	(13,239)	52,580,498
Total net capital assets	\$ 55,403,981	\$ (1,157,336)	\$ (181,822)	\$ 54,064,823

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 249,605
Public safety	165,785
Public works, which includes the depreciation of infrastructure	1,863,406
Health and social services	183,183
Conservation of natural resources	4,413
Total governmental activities depreciation expense	\$ 2,466,392

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

NOTE 5

CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Removals</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>				
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	5,476,022	35,881		5,511,903
Machinery and equipment	12,997,553	1,295,230	(665,989)	13,626,794
Total capital assets being depreciated	<u>19,165,807</u>	<u>1,331,111</u>	<u>(665,989)</u>	<u>19,830,929</u>
Less: accumulated depreciation for:				
Land improvements	443,215	7,281		450,496
Buildings	4,175,296	138,952		4,314,248
Machinery and equipment	8,434,716	471,291	(550,380)	8,355,627
Total accumulated depreciation	<u>13,053,227</u>	<u>617,524</u>	<u>(550,380)</u>	<u>13,120,371</u>
Net capital assets being depreciated	<u>6,112,580</u>	<u>713,587</u>	<u>(115,609)</u>	<u>6,710,558</u>
 Total net capital assets	 <u>\$ 6,176,332</u>	 <u>\$ 713,587</u>	 <u>\$ (115,609)</u>	 <u>\$ 6,774,310</u>

Depreciation expense was charged to the following function:

Business-Type Activities:

Bloomfield Healthcare and Rehabilitation Center	\$ 155,693
Highway	461,831
Total business-type activities (exhibit A-8)	<u>\$ 617,524</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

NOTE 6

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2018 includes the following:

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets	
Land and right-of-ways	\$ 1,407,898
Construction work-in-progress	76,428
Other capital assets, net of accumulated depreciation	52,580,497
Less: related long-term debt outstanding	<u>(1,276,546)</u>
Total net investment in capital assets	<u>52,788,277</u>
Restricted:	
Real estate reduction	2,492,302
Donor restricted	21,738
CDBG revolving loan	580,687
Grant restricted	126,022
Restricted by statute	<u>581,031</u>
Total restricted	<u>3,801,780</u>
Unrestricted	<u>14,444,008</u>
Total governmental activities net position	<u><u>\$ 71,034,065</u></u>

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2018 includes the following:

Nonspendable fund balance as of December 31, 2018 includes the following items:

Major Funds:	
General Fund:	
Delinquent taxes	\$ 607,235
Prepaid items	186,211
Non-Major Funds:	
Iowa County Airport:	
Inventories	<u>7,987</u>
Total nonspendable	<u><u>\$ 801,433</u></u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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

Restricted fund balances as of December 31, 2018 includes the following items:

Restricted

Major Funds:

General Fund:

County Clerk election grant	\$ 1,713
D.A. - Crime Prevention Surcharge	3,680
Register of deeds-Redaction Project	15,788
Land records-retained fees	31,180
Land records-public access fees	91,929
Land records-grants	93,444
K-9 program	14,549
Bio-Terrorism grant	16,316
UW Extension Pesticide program	3,459
UW Extension Corporate grant	6,240
UW Extension Family living program	2,759
Veterans donations	3,750
Land conservation donations	1,439
Total – General Fund	<u>286,246</u>

Special Revenue:

Social services	413,912
Donor restricted	7,550
Total – Special Revenue Fund	<u>421,462</u>

Real-Estate Tax Reduction	<u>2,492,302</u>
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Capital Projects:

Jail assessment	<u>143,196</u>
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Non-Major Funds:

Aging Disability Resource Center	222,816
Child support	26,085
CDBG revolving loan	468,209
Drug task force	290,799
Iowa county airport	82,456
Dog license	1,000
Total restricted	<u>\$ 4,434,571</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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

Assigned fund balance as of December 31, 2018 includes the following items:

Major Funds	
Capital Projects Fund:	<u>\$ 2,457,296</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>\$ 572,010</u>
Total restricted	<u>\$ 572,010</u>

The following calculation supports the proprietary net position net investment in capital assets:

Plant in service	\$ 19,894,681
Accumulated depreciation	(13,119,471)
Less: related debt outstanding	<u>(1,289,000)</u>
Total net position net investment in capital assets	<u>\$ 5,486,210</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, 2018

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
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0

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 \$755,880 in contributions from the employer.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contribution rates as of December 31, 2018 are:

	2018	
	Employee	Employer
General (including teachers)	6.7%	6.7%
Protective with social security	6.7%	10.7%
Protective without social security	6.7%	14.9%

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

At December 31, 2018, the County reported a liability (asset) of (\$2,205,100) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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, 2017, the County's proportion was 0.07426786%, which was an increase of 0.00093302% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized pension expense of \$962,458.

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, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,801,635	\$ 1,310,512
Changes of assumptions	435,684	
Net differences between projected and actual earnings on pension plan investments		3,030,706
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,910	12,182
Employer contributions subsequent to the measurement date	773,321	
Total	\$ 4,025,550	\$ 4,353,400

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$773,321 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, 2019. 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
2019	\$ 244,528
2020	(17,310)
2021	(758,503)
2022	(575,151)
2023	5,265
Total	\$ (1,101,171)

Actuarial assumptions. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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:

Asset Allocation Targets and Expected Returns			
As of December 31, 2017			
<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	50	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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 7.20 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 5,705,348	(\$ 2,205,100)	(\$ 8,217,287)

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, 2018 are:

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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, 2017 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2017	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$3,636 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, 2018, the LRLIF Employer reported a liability (asset) of \$576,182 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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, 2017, the County's proportion was 0.19151300%, which was a decrease of 0.009972% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized OPEB expense of \$57,755.

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, 2018

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

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 8,118
Changes of assumptions	55,678	
Net differences between projected and actual earnings on OPEB plan investments	6,635	
Changes in proportion and differences between employer contributions and proportionate share of contributions		20,996
Employer contributions subsequent to the measurement date	3,726	
Totals	\$ 66,039	\$ 29,114

\$3,726 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Net Outflows (Inflows) of Resources
2019	\$ 5,727
2020	5,727
2021	5,727
2022	5,727
2023	4,068
Thereafter	6,223
Total	\$ 33,199

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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

Actuarial assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases	
Inflation:	3.20%
Seniority/Merit:	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

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, 2017**

<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%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. 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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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

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 3.63 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 (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
County’s proportionate share of the net OPEB liability (asset)	\$814,364	\$576,182	\$393,402

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

Iowa County implemented GASB Statement No. 75, “Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions” for the year ended December 31, 2018. This implementation requires reporting of an actuarially determined other post-employment benefits liability for the present value of projected future benefits for retired and active employees.

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, 2017, 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 \$414,116 was measured at December 31, 2017, and was determined by an actuarial valuation as of December 31, 2017.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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, 2017
Actuarial cost method	Entry age normal (level percent of salary)
Inflation	2.5 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	3.5 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 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>
Balance at 12/31/2016	<u>\$ 371,758</u>
Changes for the year:	
Service cost	36,043
Interest	13,516
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	<u>(7,201)</u>
Net Changes	<u>42,358</u>
 Balance at 12/31/2017	 <u><u>\$ 414,116</u></u>

There were no changes of benefit terms.

There were no changes of assumptions.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

		1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	12/31/2017	\$ 442,011	\$ 414,116	\$ 387,849

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	12/31/2017	\$ 374,670	\$ 414,116	\$ 460,216

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

For the year ended December 31, 2018, the County recognized OPEB expense of \$49,559.

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, 2018 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	-	-
Contributions after the measurement date	18,145	-
Total	\$ 18,145	\$ -

\$18,145 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, 2019. There are no other amounts reported as deferred outflows of resources or deferred inflows of resources related to pension that will be recognized in pension expense in future years.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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, 2018 were as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Taxes levied for 2018	\$ 7,562,189	\$ 4,469,103
Delinquent property taxes	162,283	
Economic development loans	112,478	
Total	<u>\$ 7,836,950</u>	<u>\$ 4,469,103</u>

The economic development loans receivable of \$112,478 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. These repayments are then being reloaned to entities based on pre-established criteria. 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, 2018

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, 2018 consist of the following:

	Sick Leave	MTO	Total
General county employees	\$ 546,908	\$ 416,049	\$ 962,957
Bloomfield Healthcare and Rehabilitation Center employees	129,810	144,155	273,965
Highway department employees	191,533	185,142	376,675
Total	\$ 868,251	\$ 745,346	\$ 1,613,597

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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

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:

Fund Transfer To	Fund Transfer From	Amount
Governmental Funds		
Capital projects	General	\$ 2,060,122
General	Social services	536,836
General	Child support	29,299
General	COA fund	185,836
General	Real estate tax reduction	1,819,000
		<u>\$ 4,631,093</u>
Proprietary Funds		
Bloomfield Manor	General	\$ 18,582
		<u>18,582</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) 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 2018, these reimbursements amounted to \$3,172,381 or 74% of total operating revenue.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

NOTE 17

BLOOMFIELD RESIDENT ACCOUNTS RECEIVABLE

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

	2018	2017
Private/Insurance	\$ 295,438	\$ 255,435
Medical Assistance	222,600	132,730
Medicare	147,593	146,754
Veterans Affair	29,280	26,086
Family Care	66,960	81,151
Allowance for Doubtful Accounts	(15,288)	(12,935)
Total	\$ 746,583	\$ 629,221

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, 2018 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, 2018, the County paid \$30,600 in lease payments.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

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.

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, 2018.

Equipment	<u><u>\$ 135,740</u></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, 2018.

<u>Year Ended December 31,</u>	
2019	\$ 31,823
2020	31,823
2021	<u>7,956</u>
Total minimum payments required	71,602
Less: amount representing interest	<u>(5,056)</u>
Present value of minimum lease payments	<u><u>\$ 66,546</u></u>

NOTE 23

COMMITMENTS/SUBSEQUENT EVENTS

Prior to December 31, 2018, the County approved an architectural contract for the new Law Enforcement Center at a cost of approximately \$565,000.

Prior to December 31, 2018, the County also approved nine acres of land for the new Law Enforcement Center at a cost of \$382,619.

Subsequent to December 31, 2018, the County approved building a new law enforcement center at a cost not to exceed \$29,895,800.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

NOTE 24

PRIOR PERIOD ADJUSTMENT

Prior period adjustments have been recorded as follows:

	Governmental Activities	Business-Type Activities	Total Net Position
Total net position as of			
January 1, 2018 as previously reported	\$ 70,861,170	\$ 9,674,025	\$ 80,535,195
Cumulative effect of change in accounting principle effective January 1, 2018 (GASB Statement No. 75):			
OPEB - Group life insurance plan	(255,781)	(229,571)	(485,352)
OPEB - County health insurance plan	(147,893)	(216,665)	(364,558)
Net position, January 1, 2018 as restated	\$ 70,457,496	\$ 9,227,789	\$ 79,685,285

Implementation of GASB Statement No. 75 required net position to be decreased. The decrease in net position was to reflect the OPEB liability balances as of January 1, 2018 and beginning deferred outflows of resources for County contributions to the OPEB plans after the actuarial measurement dates.

NOTE 25

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).

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2018

NOTE 25

COMPONENT UNIT (CONTINUED)

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

	Balance 1/1/18	Additions	Deletions	Balance 12/31/18
Capital assets not being depreciated:				
Construction work in progress	\$ 9,607	\$	\$	\$ 9,607
Capital assets being depreciated:				
Buildings	925,635	3,225		928,860
Equipment & furnishings	210,716	6,777	(27,684)	189,809
Land improvements	323,438	112,118	(18,687)	416,869
Total capital assets	1,459,789	122,120	(46,371)	1,535,538
Less: accumulated depreciation:				
Buildings	396,598	25,712		422,310
Equipment & furnishings	146,974	21,739	(26,703)	142,010
Land improvements	143,790	21,756	(15,201)	150,345
Total accumulated depreciation	687,362	69,207	(41,904)	714,665
Net capital assets being depreciated	772,427	52,913	(4,467)	820,873
Total net capital assets	\$ 782,034	\$ 52,913	\$ (4,467)	\$ 830,480

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.

B. Net Position

The following calculation supports the Commission's net position net investment in capital assets at December 31, 2018:

Capital assets	\$ 1,545,145
Accumulated depreciation	(714,665)
Total net investment in capital assets	\$ 830,480

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, 2018, employer contributions were \$9,430. 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, 2018

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Taxes:					
Property	\$ 4,759,066	\$ 4,759,066	\$ 4,732,593	\$ (26,473)	\$ (26,473)
Other	315,640	315,640	306,705	(8,935)	(8,935)
Intergovernmental	1,220,429	1,275,888	1,406,149	185,720	130,261
Charges for services	727,164	754,226	913,971	186,807	159,745
Fines and forfeitures	128,500	134,500	177,591	49,091	43,091
Investment earnings	100,250	100,250	380,239	279,989	279,989
Miscellaneous	308,799	361,510	666,089	357,290	304,579
Total revenues	<u>7,559,848</u>	<u>7,701,080</u>	<u>8,583,337</u>	<u>1,023,489</u>	<u>882,257</u>
EXPENDITURES					
Current:					
General government	3,917,727	3,441,083	3,556,465	361,262	(115,382)
Public safety	4,087,909	4,068,070	4,044,530	43,379	23,540
Health and human services	502,241	463,403	538,731	(36,490)	(75,328)
Leisure activities	65,726	54,782	65,726		(10,944)
Conservation of natural resources	467,673	443,547	440,010	27,663	3,537
Education	600,036	587,528	560,853	39,183	26,675
Community and economic development	320,461	320,435	292,637	27,824	27,798
Capital outlay					
Debt service:					
Principal			26,660	(26,660)	(26,660)
Interest			5,163	(5,163)	(5,163)
Total expenditures	<u>9,961,773</u>	<u>9,378,848</u>	<u>9,530,775</u>	<u>430,998</u>	<u>(151,927)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,401,925)</u>	<u>(1,677,768)</u>	<u>(947,438)</u>	<u>1,454,487</u>	<u>730,330</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,819,000	2,570,971	2,570,971	751,971	
Transfers out	(2,024,307)	(2,024,307)	(2,078,704)	(54,397)	(54,397)
Total other financing sources (uses)	<u>(205,307)</u>	<u>546,664</u>	<u>492,267</u>	<u>697,574</u>	<u>(54,397)</u>
Net change in fund balances	<u>(2,607,232)</u>	<u>(1,131,104)</u>	<u>(455,171)</u>	<u>2,152,061</u>	<u>675,933</u>
Fund balance-beginning of year	11,934,100	11,934,100	11,934,100		
Fund balance-end of year	<u>\$ 9,326,868</u>	<u>\$ 10,802,996</u>	<u>\$ 11,478,929</u>	<u>\$ 2,152,061</u>	<u>\$ 675,933</u>

Schedule 2
Required Supplementary Information
Iowa County, Wisconsin
Budgetary Comparison Schedule for the Social Services Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Property taxes	\$ 1,582,565	\$ 1,582,565	\$ 1,582,565	\$	\$
Intergovernmental	1,229,120	1,229,120	1,355,404	126,284	126,284
Charges for services	30,150	30,150	35,894	5,744	5,744
Miscellaneous			1,674	1,674	1,674
Total revenues	<u>2,841,835</u>	<u>2,841,835</u>	<u>2,975,537</u>	<u>133,702</u>	<u>133,702</u>
EXPENDITURES					
Current:					
Health and human services	2,851,722	2,841,835	2,564,013	287,709	277,822
Total expenditures	<u>2,851,722</u>	<u>2,841,835</u>	<u>2,564,013</u>	<u>287,709</u>	<u>277,822</u>
Excess (deficiency) of revenues over expenditures	(9,887)		411,524	421,411	411,524
Other Financing Sources (Uses):					
Transfers (out)	(536,836)	(536,836)	(536,836)		
Net change in fund balance	(546,723)	(536,836)	(125,312)	421,411	411,524
Fund balance-beginning of year	546,774	546,774	546,774		
Fund balance-end of year	<u>\$ 51</u>	<u>\$ 9,938</u>	<u>\$ 421,462</u>	<u>\$ 421,411</u>	<u>\$ 411,524</u>

Schedule 3
Iowa County, Wisconsin
Wisconsin Retirement System Schedules
December 31, 2018

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)
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
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, 2018

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)
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
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, 2018

	2017
Total OPEB Liability	
Service costs	\$ 36,043
Interest	13,516
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments	(7,201)
Net change in total OPEB	\$ 42,358
Total OPEB Liability- Beginning	371,758
Total OPEB Liability- Ending	\$ 414,116
Covered Employee Payroll	\$ 7,717,562
 Total OPEB liability as a percentage of covered- employee payroll	 5.37%

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2018

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, 2018:

Expenditure	Excess Expenditure
General Fund:	
General government	\$ 115,382
Health and human services	75,328
Leisure activities	10,944
Debt service - Principal	26,660
Debt service - Interest	5,163
Transfers out	54,397

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 7 preceding years.

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

Changes of assumptions. A change in actuarial assumptions was made in 2015. Rates used in mortality tables were updated based on actual WRS experience and adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%). The mortality table was adopted by the Board in connection with the 2012-2014 Experience Study. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

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 9 preceding years.

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

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

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2018

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 9 preceding years.

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

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

SUPPLEMENTARY INFORMATION

Exhibit B-1
Iowa County, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	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	
ASSETS										
Cash and investments	\$ 208,957	\$ (7,967)	\$ 468,209	\$ 282,701	\$ 66,025		\$	\$ 12,267		\$ 1,030,192
Receivables:										
Current property taxes	295,557	6,238			76,437	16,422	210,292		30,000	634,946
Other					17,793					17,793
Economic development loans			112,478							112,478
Due from other governments	40,492	39,981		9,361						89,834
Inventories					7,987					7,987
Total assets	\$ 545,006	\$ 38,252	\$ 580,687	\$ 292,062	\$ 168,242	\$ 16,422	\$ 210,292	\$ 12,267	\$ 30,000	\$ 1,893,230
LIABILITIES										
Accounts payable	\$ 4,742	\$ 943			\$ 971			\$ 10,634		\$ 17,290
Accrued payroll	10,148	2,346								12,494
Due to other governments	11,743	2,640		1,263				633		16,279
Unearned revenue					391					391
Total liabilities	26,633	5,929		1,263	1,362			11,267		46,454
DEFERRED INFLOWS OF RESOURCES										
Deferred property tax revenue-current	295,557	6,238			76,437	16,422	210,292		30,000	634,946
Deferred revenue-other			112,478							112,478
Total deferred inflows of resources	295,557	6,238	112,478		76,437	16,422	210,292		30,000	747,424
FUND BALANCES										
Nonspendable					7,987					7,987
Restricted	222,816	26,085	468,209	290,799	82,456			1,000		1,091,365
Total fund balances	222,816	26,085	468,209	290,799	90,443			1,000		1,099,352
Total liabilities, deferred inflows of resources and fund balances	\$ 545,006	\$ 38,252	\$ 580,687	\$ 292,062	\$ 168,242	\$ 16,422	\$ 210,292	\$ 12,267	\$ 30,000	\$ 1,893,230

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, 2018

	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
REVENUES										
Taxes:										
Property taxes	\$ 256,594				\$ 77,036	\$ 16,422	\$ 210,292		\$ 28,000	\$ 588,344
Intergovernmental	607,314	189,966		36,855						834,135
Public charges for services				9,780	125,334			12,661		147,775
Interest income	1,399		12,379	7,184						20,962
Revolving loan repayments			28,489							28,489
Miscellaneous income	56,434			874	1,313					58,621
Total revenues	921,741	189,966	40,868	54,693	203,683	16,422	210,292	12,661	28,000	1,678,326
EXPENDITURES										
Current:										
Transportation facilities					178,286	16,422				194,708
Public safety				68,329				12,661		80,990
Health and human services	765,828	163,881					210,292			1,140,001
Community and Economic development			2,037						28,000	30,037
Total expenditures	765,828	163,881	2,037	68,329	178,286	16,422	210,292	12,661	28,000	1,445,736
Excess (deficiency) of revenues over expenditures	155,913	26,085	38,831	(13,636)	25,397					232,590
OTHER FINANCING SOURCES (USES)										
Transfers (out)	(185,836)	(29,299)								(215,135)
Net change in fund balances	(29,923)	(3,214)	38,831	(13,636)	25,397					17,455
Fund balances-beginning of year	252,739	29,299	429,378	304,435	65,046			1,000		1,081,897
Fund balances-end of year	\$ 222,816	\$ 26,085	\$ 468,209	\$ 290,799	\$ 90,443	\$	\$	\$ 1,000	\$	\$ 1,099,352

Bloomfield Healthcare and Rehabilitation Center
Per Capita Costs
For the year then ended December 31, 2018

Per Capita Cost

The daily average per capita cost of maintaining residents at Bloomfield Healthcare and Rehabilitation Center for the period January 1, 2018 to December 31, 2018 is computed below:

Expenses (Exhibit A-8)	\$ 5,489,324
<u>Other (Income) Expenses</u>	
Other Operating Revenue	<u>(514,763)</u>
Net Cost of Maintaining Residents	<u>\$ 4,974,561</u>
Resident Days	<u>18,360</u>
Per Capita Cost Per Day	<u>\$ 270.95</u>

Bloomfield Healthcare and Rehabilitation Center
 Daily Rates
 For the year then ended December 31, 2018

Amounts charged for daily care during 2018 are given below:

	Residential	Personal	Skilled	DD-1A	DD-1B	DD2	DD3
<u>Private:</u> 01/1/18-12/31/18			270.00				
<u>Medical Assistance:</u> 01/1/18-03/31/18	146.43	146.43	146.43	262.19	262.19	262.19	262.19
04/1/18-06/30/18	154.63	154.63	154.63	262.19	262.19	262.19	262.19
07/1/18-09/30/18	166.08	166.08	166.08	271.11	271.11	271.11	271.11
10/1/18-12/31/18	166.09	166.09	166.09	271.12	271.12	271.12	271.12
<u>VA:</u> 01/1/18-03/31/18			176.17				
04/1/18-12/31/18			144.02				
<u>Medicare:</u> 01/1/18-09/30/18			299.43				
10/1/18-12/31/18			297.64				

The amount actually reimbursed by Medicare varied depending on various categories which patients were placed.