



IOWA COUNTY, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2020

Johnson Block and Company, Inc.
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IOWA COUNTY, WISCONSIN
DECEMBER 31, 2020
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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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2020, Iowa County adopted the provisions of GASB 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 59 through 65 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.

Management has omitted the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
November 19, 2021

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Iowa County, Wisconsin
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 18,985,982	\$ 5,797,781	\$ 24,783,763	\$ 108,069
Restricted cash	13,037,362		13,037,362	
Receivables:				
Taxes receivable	8,934,570	5,858,892	14,793,462	
Accounts receivable	164,489	635,381	799,870	22
Due from other governmental units	986,985	1,072,672	2,059,657	
Economic development loans	50,012		50,012	
Other accounts receivable		145,961	145,961	
Internal balances	546,902	(546,902)		
Materials and supplies	20,827	1,186,044	1,206,871	
Prepaid expenses	291,238		291,238	
Total current assets	<u>43,018,367</u>	<u>14,149,829</u>	<u>57,168,196</u>	<u>108,091</u>
Noncurrent assets:				
Restricted cash and investments		558,799	558,799	175,000
Capital assets:				
Property and equipment	156,849,112	22,643,906	179,493,018	1,730,864
Less: accumulated depreciation	(84,319,654)	(13,814,217)	(98,133,871)	(835,918)
Net book value of capital assets	<u>72,529,458</u>	<u>8,829,689</u>	<u>81,359,147</u>	<u>894,946</u>
Net pension asset	1,572,570	839,347	2,411,917	
Total noncurrent assets	<u>74,102,028</u>	<u>10,227,835</u>	<u>84,329,863</u>	<u>1,069,946</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows	3,672,501	1,960,169	5,632,670	
OPEB - group life insurance plan outflows	219,276	159,438	378,714	
OPEB - County health insurance plan outflows	20,626	21,383	42,009	
Total deferred outflows of resources	<u>3,912,403</u>	<u>2,140,990</u>	<u>6,053,393</u>	
Total assets and deferred outflows of resources	<u>\$ 121,032,798</u>	<u>\$ 26,518,654</u>	<u>\$ 147,551,452</u>	<u>\$ 1,178,037</u>

Exhibit A-1 (Continued)
Iowa County, Wisconsin
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total	Component Unit
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 3,304,986	\$ 298,121	\$ 3,603,107	\$ 2,360
Accrued payroll	264,851	178,520	443,371	
Accrued interest payable	322,046	17,438	339,484	
Due to other governments	290,974	77,747	368,721	2,583
Deposits	257		257	
Payroll liabilities				2,633
Unearned revenue	218,901	1,027	219,928	20,158
Note payable		2,428,475	2,428,475	
Current portion of compensated absences	519,855	356,534	876,389	
Current portion of long-term debt	842,872	213,906	1,056,778	
Total current liabilities	<u>5,764,742</u>	<u>3,571,768</u>	<u>9,336,510</u>	<u>27,734</u>
Noncurrent liabilities:				
Compensated absences	1,091,729	625,843	1,717,572	
OPEB - group life insurance plan liability	507,152	368,759	875,911	
OPEB - County health insurance plan liability	234,442	243,055	477,497	
General obligation debt and notes payable	27,000,000		27,000,000	
Premium on general obligation debt	524,232		524,232	
Capital lease	7,872	445,022	452,894	
Less: current portion	(1,362,727)	(570,440)	(1,933,167)	
Total noncurrent liabilities	<u>28,002,700</u>	<u>1,112,239</u>	<u>29,114,939</u>	
Total liabilities	<u>33,767,442</u>	<u>4,684,007</u>	<u>38,451,449</u>	<u>27,734</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	8,186,794	6,128,607	14,315,401	
Pension inflows	4,712,713	2,515,374	7,228,087	
OPEB - group life insurance plan inflows	86,936	63,214	150,150	
OPEB - County health insurance plan inflows	6,153	6,381	12,534	
Total deferred inflows of resources	<u>12,992,596</u>	<u>8,713,576</u>	<u>21,706,172</u>	
NET POSITION				
Net investment in capital assets	45,521,586	5,956,192	51,477,778	894,946
Restricted		1,398,146	1,398,146	
Real estate reduction	2,467,375		2,467,375	
Social services	626,282		626,282	
Aging Disability Resource Center	217,510		217,510	
Child support	43,914		43,914	
Iowa County Airport	102,213		102,213	
Donor restricted	7,272		7,272	
Drug Task Force	274,918		274,918	
Dog Licenses	670		670	
Grant restricted	179,601		179,601	
Restricted by statute	255,074		255,074	
Unrestricted	<u>24,576,345</u>	<u>5,766,733</u>	<u>30,343,078</u>	<u>255,357</u>
Total net position	<u>74,272,760</u>	<u>13,121,071</u>	<u>87,393,831</u>	<u>1,150,303</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 121,032,798</u>	<u>\$ 26,518,654</u>	<u>\$ 147,551,452</u>	<u>\$ 1,178,037</u>

See accompanying notes to the basic financial statements.

Exhibit A-2
Iowa County, Wisconsin
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Cobb-Highland Recreation Commission
Governmental activities:								
General government	\$ 3,797,982	\$ 594,024	\$ 315,692	\$	\$ (2,888,266)	\$	\$ (2,888,266)	\$
Public safety	4,734,538	112,967	338,019	12,889	(4,270,663)		(4,270,663)	
Transportation facilities	413,937	159,161		50,340	(204,436)		(204,436)	
Public works	1,597,325				(1,597,325)		(1,597,325)	
Health and human services	4,991,224	86,446	3,043,127		(1,861,651)		(1,861,651)	
Leisure activities	65,256		38,942		(26,314)		(26,314)	
Conservation of natural resources	1,110,275	56,550	470,692		(583,033)		(583,033)	
Education	613,098	2,502	86		(610,510)		(610,510)	
Community and economic development	383,038	228,016			(155,022)		(155,022)	
Interest and fiscal charges	446,487				(446,487)		(446,487)	
Insurance payments/claims	213,801	264,046			50,245		50,245	
Total governmental activities	18,366,961	1,503,712	4,206,558	63,229	(12,593,462)		(12,593,462)	
Business-type activities:								
Bloomfield Health Care and Rehabilitation Center	4,978,052	3,623,549	633,396	4,340		(716,767)	(716,767)	
Highway	8,312,556	4,045,100	1,238,235	225,194		(2,804,027)	(2,804,027)	
Total business-type activities	13,290,608	7,668,649	1,871,631	229,534		(3,520,794)	(3,520,794)	
Total primary government	\$ 31,657,569	\$ 9,172,361	\$ 6,078,189	\$ 292,763	(12,593,462)	(3,520,794)	(16,114,256)	
Component Unit:								
Cobb-Highland Recreation Commission	428,309	593,943	21,400					187,034
Total component unit	428,309	593,943	21,400					187,034
General revenues:								
Property taxes					8,787,516	4,621,618	13,409,134	
Sales taxes					2,100,664		2,100,664	
Other taxes					281,424	426,050	707,474	
State aid not restricted for specific purposes					704,522		704,522	
Interest and investment earnings					165,096	5,983	171,079	119
Gain (loss) on sale of capital assets					(126,756)		(126,756)	2,749
Other revenue					558,503		558,503	2,214
Transfers					(457,000)	457,000		
Capitalized infrastructure costs					1,872,951		1,872,951	
Total general revenues					13,886,920	5,510,651	19,397,571	5,082
Changes in net position					1,293,458	1,989,857	3,283,315	192,116
Net position - beginning of year					72,979,302	11,131,214	84,110,516	958,187
Net position - ending					\$ 74,272,760	\$ 13,121,071	\$ 87,393,831	\$ 1,150,303

Exhibit A-3
Iowa County, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2020

	General	Social Services	Real Estate Tax Reduction	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 12,071,739	\$ 618,188	\$ 2,097,595	\$ 3,387,573	\$ 561,650	\$ 18,736,745
Restricted cash				13,037,362		13,037,362
Receivables (net of allowances)						
Current property taxes	4,933,899	1,450,375		1,153,148	649,372	8,186,794
Accounts		134,710			29,779	164,489
Due from other governmental units	459,346		369,780	11,770	146,089	986,985
Delinquent property taxes	747,776					747,776
Economic development loans					50,012	50,012
Prepaid items	200,297					200,297
Inventories					20,827	20,827
Advance from other funds	546,902					546,902
Due from other funds	46,604					46,604
Total assets	\$ 19,006,563	\$ 2,203,273	\$ 2,467,375	\$ 17,589,853	\$ 1,457,729	\$ 42,724,793
LIABILITIES						
Accounts payable	\$ 313,237	\$ 61,324		\$ 2,865,308	\$ 65,117	\$ 3,304,986
Accrued payroll	200,161	43,877			20,813	264,851
Due to other governments	258,856	21,415			10,703	290,974
Advances to other funds					45,866	45,866
Due to other funds					738	738
Deposits	257					257
Unearned revenue	217,979				922	218,901
Total liabilities	990,490	126,616		2,865,308	144,159	4,126,573
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax revenue-current	4,933,899	1,450,375		1,153,148	649,372	8,186,794
Deferred property tax revenue-delinquent	118,856					118,856
Deferred revenue-other					50,012	50,012
Total deferred inflows of resources	5,052,755	1,450,375		1,153,148	699,384	8,355,662
FUND BALANCES						
Nonspendable	1,376,119				20,827	1,396,946
Restricted	246,287	626,282	2,467,375	13,201,062	639,225	17,180,231
Assigned				370,335		370,335
Unassigned	11,340,912				(45,866)	11,295,046
Total fund balances	12,963,318	626,282	2,467,375	13,571,397	614,186	30,242,558
Total liabilities, deferred inflows of resources and net position	\$ 19,006,563	\$ 2,203,273	\$ 2,467,375	\$ 17,589,853	\$ 1,457,729	\$ 42,724,793

See accompanying notes to the basic financial statements.

Exhibit A-4
Iowa County, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2020

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

Total fund balances - governmental funds:		\$ 30,242,558
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	117,800,189	
Accumulated depreciation	(73,164,148)	44,636,041
Other governmental capital assets	39,048,923	
Accumulated depreciation	<u>(11,155,506)</u>	27,893,417
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements		
		1,572,570
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		3,912,403
Deferred inflows of resources		(4,805,802)
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	118,856	
Long term development loans	<u>50,012</u>	168,868
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:		
		340,178
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	27,000,000	
Bond premium	524,232	
Capital lease	7,872	
Accrued interest	322,046	
OPEB - group life insurance plan liability	507,152	
OPEB - County health insurance plan liability	234,442	
Compensated absences	<u>1,091,729</u>	(29,687,473)
Total net position - governmental activities		<u><u>\$ 74,272,760</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, 2020

	General	Social Services	Real Estate Tax Reduction	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$ 5,111,000	\$ 1,479,415	\$	\$ 1,564,243	\$ 691,419	\$ 8,846,077
Sales			2,083,467			2,083,467
Other	276,561					276,561
Intergovernmental	2,543,397	1,470,668			936,078	4,950,143
Charges for services	955,601	38,765			193,371	1,187,737
Fines and forfeitures	140,115					140,115
Investment earnings	134,062			24,850	6,182	165,094
Revolving loan repayments					27,485	27,485
Miscellaneous	528,443	3,898			88,468	620,809
Total revenues	9,689,179	2,992,746	2,083,467	1,589,093	1,943,003	18,297,488
EXPENDITURES						
Current:						
General government	3,150,480					3,150,480
Public safety	4,769,719				79,591	4,849,310
Transportation facilities					247,349	247,349
Health and human services	1,026,694	2,376,688			1,357,995	4,761,377
Leisure activities	65,256					65,256
Conservation of natural resources	1,124,531					1,124,531
Education	614,056					614,056
Community and Economic development	349,113				30,000	379,113
Capital outlay	10,075	5,273		14,502,620		14,517,968
Debt service:						
Principal	30,268			1,450,500		1,480,768
Interest	1,555			28,743		30,298
Total expenditures	11,141,747	2,381,961		15,981,863	1,714,935	31,220,506
Excess (deficiency) of revenues over expenditures	(1,452,568)	610,785	2,083,467	(14,392,770)	228,068	(12,923,018)
OTHER FINANCING SOURCES (USES)						
Gain on sale of capital assets					38,658	38,658
Long-term debt proceeds				27,000,000		27,000,000
Premium on sale of bonds				539,982		539,982
Bond issuance costs				(120,180)		(120,180)
Transfers in	2,561,621			50,500	4,747	2,616,868
Transfers (out)	(461,747)	(328,377)	(2,050,000)		(233,744)	(3,073,868)
Net change in fund balances	647,306	282,408	33,467	13,077,532	37,729	14,078,442
Fund balance-beginning of year	12,316,012	343,874	2,433,908	493,865	576,457	16,164,116
Fund balance-end of year	\$ 12,963,318	\$ 626,282	\$ 2,467,375	\$ 13,571,397	\$ 614,186	\$ 30,242,558

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, 2020

Net change in fund balances-total governmental funds		\$ 14,078,442
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	14,850,499	
Capitalized infrastructure costs	1,872,951	
Depreciation expenses reported in the statement of activities	<u>(2,801,268)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		13,922,182
The County sold property resulting in a reduction of capital assets and recapture of prior year depreciation expense and has no effect on the governmental funds balance sheet.		
The value of capital assets disposed of during the year was:	(739,300)	
The amount of depreciation recapture for the year was:	<u>594,182</u>	
The difference in the value of assets net of recaptured depreciation		(145,118)
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.		
The amount of long-term debt principal payments in the current year are:		1,450,500
The amount of long-term capital lease principal payments in the current year are:		30,268
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds but does not affect the statement of activities.		
		(27,000,000)
Debt premiums are reported in the governmental funds as revenue when those amounts are received. However, the premium shown in the statement of net position and allocated over the life of the debt as amortization expense in the statement of activities.		
Amount of debt premium received in the current year:		(524,232)
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		(77,149)
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources		(56,800)
Change in OPEB - County health insurance plan liability and related deferred outflows and inflows of resources		(46,879)
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		
		(27,484)
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	28,743	
The amount of interest accrued during the current period	<u>(340,502)</u>	
Interest paid is greater (less) than interest accrued by		(311,759)
Internal service fund gain (loss)		
		50,245
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		(37,177)
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>(11,581)</u>
Change in net position-governmental activities		<u>\$ 1,293,458</u>

Exhibit A-7
Iowa County, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2020

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
ASSETS				
Current assets:				
Cash	\$ 325	\$ 5,797,456	\$ 5,797,781	\$ 249,237
Receivables (net of allowance)				
Taxes-current	374,221	5,484,671	5,858,892	
Accounts	541,614	93,767	635,381	
Due from other governments		1,072,672	1,072,672	
Other accounts receivable		145,961	145,961	
Prepaid expenses				90,941
Materials and supplies	76,658	1,109,386	1,186,044	
Total current assets	<u>992,818</u>	<u>13,703,913</u>	<u>14,696,731</u>	<u>340,178</u>
Noncurrent assets:				
Restricted cash and investments	558,799		558,799	
Capital assets:				
Property and equipment	5,853,233	16,790,673	22,643,906	
Less: accumulated depreciation	(4,840,287)	(8,973,930)	(13,814,217)	
Net book value of capital assets	<u>1,012,946</u>	<u>7,816,743</u>	<u>8,829,689</u>	
Net pension asset	426,909	412,438	839,347	
Total noncurrent assets	<u>1,998,654</u>	<u>8,229,181</u>	<u>10,227,835</u>	
Total assets	<u>2,991,472</u>	<u>21,933,094</u>	<u>24,924,566</u>	<u>340,178</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows	996,983	963,186	1,960,169	
OPEB - group life insurance plan outflows	64,002	95,436	159,438	
OPEB - County health insurance plan outflows	8,786	12,597	21,383	
Total deferred outflows of resources	<u>1,069,771</u>	<u>1,071,219</u>	<u>2,140,990</u>	
Total assets and deferred outflows of resources	<u>\$ 4,061,243</u>	<u>\$ 23,004,313</u>	<u>\$ 27,065,556</u>	<u>\$ 340,178</u>

Exhibit A-7 (Continued)
Iowa County, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2020

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 111,082	\$ 187,039	\$ 298,121	\$
Due to other governments	40,665	37,082	77,747	
Accrued payroll	89,416	89,104	178,520	
Unearned revenue		1,027	1,027	
Note payable		2,428,475	2,428,475	
Accrued interest payable		17,438	17,438	
Current portion of compensated absences	148,472	208,062	356,534	
Current portion of long-term debt		213,906	213,906	
Total current liabilities	389,635	3,182,133	3,571,768	
Noncurrent liabilities:				
Compensated absences	257,359	368,484	625,843	
OPEB - group life insurance plan liability	148,029	220,730	368,759	
OPEB - County health insurance plan liability	99,870	143,185	243,055	
Advance from other funds	546,902		546,902	
Capital lease payable	10,353	434,669	445,022	
Less: current portion of compensated absences	(148,472)	(208,062)	(356,534)	
Less: current portion of long-term debt		(213,906)	(213,906)	
Total noncurrent liabilities	914,041	745,100	1,659,141	
Total liabilities	1,303,676	3,927,233	5,230,909	
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	643,936	5,484,671	6,128,607	
Pension inflows	1,279,371	1,236,003	2,515,374	
OPEB - group life insurance plan inflows	25,376	37,838	63,214	
OPEB - County life insurance plan inflows	2,622	3,759	6,381	
Total deferred inflows of resources	1,951,305	6,762,271	8,713,576	
NET POSITION				
Net investment in capital assets	1,002,593	4,953,599	5,956,192	
Restricted	985,708	412,438	1,398,146	340,178
Unrestricted	(1,182,039)	6,948,772	5,766,733	
Total net position	806,262	12,314,809	13,121,071	340,178
Total liabilities, deferred inflows of resources and net position	\$ 4,061,243	\$ 23,004,313	\$ 27,065,556	\$ 340,178

Exhibit A-8
Iowa County, Wisconsin
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
OPERATING REVENUES				
Charges for services	\$ 3,342,012	\$ 3,955,749	\$ 7,297,761	\$ 264,046
Other	281,537	89,351	370,888	
Total operating revenues	3,623,549	4,045,100	7,668,649	264,046
OPERATING EXPENSES				
Health care	4,840,816		4,840,816	
Highway		7,576,232	7,576,232	
Insurance payments and claims				213,801
Depreciation	137,236	705,689	842,925	
Total operating expenses	4,978,052	8,281,921	13,259,973	213,801
Operating (loss)	(1,354,503)	(4,236,821)	(5,591,324)	50,245
NONOPERATING REVENUES (EXPENSES)				
Property tax revenue	363,223	4,258,395	4,621,618	
Other tax revenue		426,050	426,050	
Intergovernmental grants	538,255	1,238,235	1,776,490	
Grant proceeds	95,141		95,141	
Interest expense	(671)	(29,964)	(30,635)	
Investment earnings	5,983		5,983	
Total nonoperating revenues (expenses)	1,001,931	5,892,716	6,894,647	
Income (loss) before contributions and transfers	(352,572)	1,655,895	1,303,323	50,245
Contributions	4,340	225,194	229,534	
Transfers in		457,000	457,000	
Changes in net position	(348,232)	2,338,089	1,989,857	50,245
Net position - beginning	1,154,494	9,976,720	11,131,214	289,933
Net position - ending	\$ 806,262	\$ 12,314,809	\$ 13,121,071	\$ 340,178

Exhibit A-9
Iowa County, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	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	\$ 3,992,557	\$ 3,684,986	\$ 7,677,543	\$
Receipts from departments				264,046
Payments to employees	(2,573,948)	(2,119,636)	(4,693,584)	
Payment for employee benefits	(1,026,734)	(831,821)	(1,858,555)	
Payments to suppliers and contractors	(1,383,644)	(4,605,172)	(5,988,816)	
Cash payments for other operating expenses				(216,633)
Net cash (used by) operating activities	(991,769)	(3,871,643)	(4,863,412)	47,413
CASH FLOWS FROM (USED BY) NON-CAPITAL FINANCING ACTIVITIES				
Property tax and other tax revenue	363,223	4,684,445	5,047,668	
Grants	633,396	1,238,235	1,871,631	
Net cash from non-capital financing activities	996,619	6,379,680	7,376,299	
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(29,393)	(1,659,446)	(1,688,839)	
Receipts from sale of fixed assets		117,953	117,953	
Debt payments - principal	10,353	1,623,144	1,633,497	
Debt payments - interest	(671)	(12,526)	(13,197)	
Contributions	4,340	225,194	229,534	
Net cash (used by) capital and related financing	(15,371)	294,319	278,948	
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES				
Receipt of interest	5,983		5,983	
Purchase of investments	(100,000)		(100,000)	
Receipt of investments maturing	100,000		100,000	
Net cash from investing activities	5,983		5,983	
Net increase (decrease) in cash and cash equivalents	(4,538)	2,802,356	2,797,818	47,413
Cash and cash equivalents-beginning of year	113,662	2,994,073	3,107,735	201,824
Cash and cash equivalents-end of year	\$ 109,124	\$ 5,796,429	\$ 5,905,553	\$ 249,237
Reconciliation of Cash and Cash Equivalents to Balance Sheet:				
Cash	\$ 325	\$ 5,797,456	\$ 5,797,781	\$ 249,237
Cash and investments (restricted)	558,799		558,799	
Total	559,124	5,797,456	6,356,580	249,237
Less: long-term investments(restricted)	(450,000)		(450,000)	
Total	\$ 109,124	\$ 5,797,456	\$ 5,906,580	\$ 249,237

Exhibit A-9 (Continued)
Iowa County, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	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)	\$ (1,354,503)	\$ (4,236,821)	\$ (5,591,324)	\$ 50,245
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	137,236	705,689	842,925	
Pension expense	35,622	15,038	50,660	
OPEB expense - group life insurance	(6,502)	14,609	8,107	
OPEB expense - County health insurance	(19,004)	(6,522)	(25,526)	
Changes in assets and liabilities:				
Receivables	99,293	(37,100)	62,193	
Due from other governments		(149,204)	(149,204)	
Inventories	(23,986)	27,613	3,627	
Prepaid expenses				(2,832)
Accounts payable	25,659	60,340	85,999	
Accrued liabilities	(5,588)	30,535	24,947	
Due to other governments	(3,589)	1,377	(2,212)	
Advance from other funds	(115,852)		(115,852)	
Unearned revenue	269,715	(323,014)	(53,299)	
Vested fringe benefits	(30,270)	25,817	(4,453)	
Net cash (used by) operating activities	\$ (991,769)	\$ (3,871,643)	\$ (4,863,412)	\$ 47,413

Exhibit A-10
Iowa County, Wisconsin
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	Custodial Fund
ASSETS	
Cash:	
Manor resident cash	\$ 10,992
Burial trust	1,400
Clerk of courts	152,185
District attorney	441
Total cash	165,018
Receivables:	
Current property taxes	348,382
Total assets	\$ 513,400
LIABILITIES	
Due to other governments	\$ 348,382
Funds held for others	165,018
Total liabilities	513,400
NET POSITION	
Restricted	
Total liabilities and net position	\$ 513,400

Exhibit A-11
Iowa County, Wisconsin
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	Custodial Fund
ADDITIONS	
D.A. restitution collections	\$ 11,418
Clerk of court fees	1,201,425
Property taxes collected for other gov.	3,405,010
Delinquent specials collected for other gov.	142,861
Manor resident collections	58,869
Total additions	4,819,583
DEDUCTIONS	
D.A. restitution payments	11,418
Clerk of court payments	1,201,425
Property taxes paid to other gov.	3,405,010
Special charges paid to other gov.	142,861
Manor resident payments	58,869
Total deductions	4,819,583
Net increase (decrease) in fiduciary net position	
Net position - beginning of year	
Net position - end of year	\$

NOTES TO THE BASIC FINANCIAL STATEMENTS

Iowa County, Wisconsin
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 December 31, 2020

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Iowa County, Wisconsin
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Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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, 2020

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 2020 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, 2020

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, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County also reports the following fiduciary funds:

Custodial 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, 2020

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, 2020

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, 2020
Tax bills mailed	December, 2020
Payment in full, or first installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale – 2019 delinquent real estate taxes	August, 2024

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, 2020 delinquent property taxes totaling \$594,795 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, 2020:

Tax Certificates	
2019 Sale	\$ 316,926
2018 Sale	163,542
2017 Sale	58,289
2016 Sale	31,866
2015 Sale	10,269
2014 Sale	3,623
2013 Sale	3,482
2012 Sale	1,910
2011 Sale	1,677
2010 Sale	1,642
2009 Sale	<u>1,569</u>
Total delinquent taxes	594,795
County purchased - nonspendable fund balance	<u>(450,635)</u>
County levied	<u><u>\$ 144,160</u></u>

Deferred inflows of resources at December 31, 2020 include tax certificates and tax deeds not "available" at that date as follows:

County portion of tax certificates and deeds 12/31/20	\$ 144,160
Less: tax certificates/deeds collected January and February 2021	<u>(25,304)</u>
Deferred inflows of resources 12/31/20 - tax certificates and deeds	<u><u>\$ 118,856</u></u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Compensated Absences

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

F. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Net interest costs during construction are capitalized.

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

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

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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, 2020

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Client Revenues

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

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

I. Allowance for Bad Debts

Bloomfield resident receivables are reported net of the allowance for bad debts of \$31,394 for 2020 and \$31,394 for 2019.

J. Inventories

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

K. Cash and Cash Equivalents/Investments

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

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

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

L. Restricted Assets

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

Cash and Investments

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

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

N. Other Postemployment Benefits

Group life insurance plan

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

County health insurance plan

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

O. Deferred Outflows and Inflows of Resources

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Change in Accounting Principle

Effective January 1, 2020, the County Adopted GASB Statement No. 84, Fiduciary Activities. GASB 84 establishes criteria for determining what activities should be reported in the fiduciary funds that requires the recognition of a liability when an event has occurred that requires the disbursement of fiduciary resources. GASB No. 84 replaces agency fund types with custodial fund for the accumulation of assets for entities outside the governments reporting entity. Unlike agency funds, custodial funds present a statement of net position and a statement of changes in net position. The statement of changes in fiduciary net position report additions and deductions for custodial accounts.

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, 2020, cash and investments included the following:

Petty cash/cash on hand	\$ 1,075
Wisconsin Local Government Investment Pool	13,163,287
Wisconsin Investment Series Cooperative	14,824,341
Deposits with financial institutions	10,556,239
Total cash	<u>\$ 38,544,942</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 24,783,763
Restricted cash and investments	13,596,161
Exhibit A-10:	
Cash and investments	165,018
Total cash and investments	<u>\$ 38,544,942</u>

The Wisconsin Investment Series Cooperative investments consist of the following:

Money market accounts	\$ 11,584,441
Certificates of deposit	3,239,900
	<u>\$ 14,824,341</u>

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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

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

Investment Type	Amount	Remaining Maturity (in months)			
		12 months or less	13 months to 24 months	25 months to 36 months	More than 36 months
Certificate of deposit	\$ 3,941,505	\$ 3,841,505	\$	\$ 100,000	\$
Local Government Investment Pool	13,163,288	13,163,288			
Total	\$ 17,104,793	\$ 17,004,793	\$	\$	\$

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, 2020, the County's investments were rated as follows:

	<u>Amount</u>	<u>Rating</u>
Wisconsin Local Government Investment Pool	\$ 13,163,288	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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

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 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, 2020, \$1,099,359 was insured by FDIC insurance, \$9,481,001 was insured by collateral and \$797,450 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>\$ 797,450</u>
--------------------------------	-------------------

The uninsured and uncollateralized deposits 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.

Wisconsin Local Government Investment Pool

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.

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>.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Wisconsin Local Government Investment Pool (Continued)

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, 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, 2020 was: 86.76% in U.S. Government Securities, 2.39% in Bankers' Acceptances and 10.85% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Wisconsin Investment Series Cooperative

The County has investments in WISC consisting of the Investment Series Fund (IS) and Cash Management Class (CMS). The IS are pooled funds investing in U.S. government obligations, agencies and commercial paper. The Cash Management Class has no minimum balance requirements and no minimum amount requirements for deposits or withdrawals. The IS requires a 14-day minimum investment period and one business day withdrawal notice. Permitted Investments are in such a manner as to result in an average dollar weighted maturity for the Portfolio of no greater than sixty (60) days. The Permitted Investments are selected by the Fund's investment advisor, US Bank National Association (the "Investment Advisor") and its sub-advisor, Prudent Man Advisors, LLC (the "Subadvisor"), and consist of money market instruments having a maximum maturity of 397 days.

WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin Intergovernmental Cooperation Statutes, Section 66.0301. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin Law. Investment income is distributed to participants based on their relative participation during the period. Participants in WISC have the right to withdraw their funds in total on one day's notice.

A separate financial report for WISC is prepared in accordance with GASB. Copies of the report can be obtained by contacting the Wisconsin Investment Series Cooperative.

WISC and LGIP are exempt from fair value disclosure due to investments being valued at amortized costs.

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, 2020

NOTE 4

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2020 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>					
Notes from direct borrowings					
and direct placements	\$ 835,500	\$	\$ (835,500)	\$	
General obligation bond	615,000	27,000,000	(615,000)	27,000,000	835,000
Bond premium		539,982	(15,750)	524,232	
Other liabilities:					
Capital lease	38,140		(30,268)	7,872	7,872
Compensated absences	<u>1,014,580</u>	<u>77,149</u>		<u>1,091,729</u>	<u>519,855</u>
Total governmental activities					
long-term liabilities	<u>\$ 2,503,220</u>	<u>\$ 27,617,131</u>	<u>\$ (1,496,518)</u>	<u>\$ 28,623,833</u>	<u>\$ 1,362,727</u>
<u>Business-Type Activities</u>					
Notes from direct borrowings					
and direct placements	\$ 1,240,000	\$ 2,428,475	\$ (1,240,000)	\$ 2,428,475	\$ 2,428,475
Other liabilities:					
Capital lease		679,025	(234,003)	445,022	213,906
Compensated absences	<u>630,296</u>		<u>(4,453)</u>	<u>625,843</u>	<u>356,534</u>
Total business-type activities					
long-term liabilities	<u>\$ 1,870,296</u>	<u>\$ 3,107,500</u>	<u>\$ (1,478,456)</u>	<u>\$ 3,499,340</u>	<u>\$ 2,998,915</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, 2020

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, 2020 was \$117,935,045. Total general obligation debt outstanding at year-end was \$29,428,427.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2020
<u>Governmental Activities</u>					
General obligation bonds	6/9/20	6/1/40	1.5-3.0%	\$ 27,000,000	\$ 27,000,000
Total government activities - general obligation debt					<u>\$ 27,000,000</u>
<u>Business-Type Activities</u>					
Notes from direct borrowings and direct placements	10/28/20	4/27/21	0.95%	\$ 2,100,000	\$ 2,100,000
Notes from direct borrowings and direct placements	10/28/20	4/27/21	0.95%	328,745	328,745
Total business-type activities - general obligation debt					<u>\$ 2,428,745</u>

Debt service requirements to maturity are as follows:

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

Year	Business-Type Activities		
	Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2021	\$ 2,428,475	\$ 11,440	\$ 2,439,915

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, 2020

NOTE 5

CAPITAL ASSETS

Total cost and accumulated depreciation of fixed assets at December 31, 2020 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 910,061	\$ 1,365	\$	\$ 911,426
Right of way	880,455	950		881,405
Construction work in progress:				
Buildings	846,607	14,219,733		15,066,340
Roads		36,103		36,103
Bridges	223,554	44,599	(148,222)	119,931
Total capital assets not being depreciated:	2,860,677	14,302,750	(148,222)	17,015,205
Capital assets, being depreciated				
Infrastructure	115,448,609	1,939,521	(625,380)	116,762,750
Buildings and improvements	16,549,143	25,378		16,574,521
Machinery and equipment	6,006,533	604,023	(113,920)	6,496,636
Total	138,004,285	2,568,922	(739,300)	139,833,907
Less accumulated depreciation for:				
Infrastructure	72,047,085	1,597,325	(480,262)	73,164,148
Buildings and improvements	6,894,119	462,262		7,356,381
Machinery and equipment	3,171,364	741,681	(113,920)	3,799,125
Total accumulated depreciation	82,112,568	2,801,268	(594,182)	84,319,654
Net other capital assets	55,891,717	(232,346)	(145,118)	55,514,253
Total net capital assets	\$ 58,752,394	\$ 14,070,404	\$ (293,340)	\$ 72,529,458

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 572,507
Public safety	235,313
Public works, which includes the depreciation of infrastructure	1,777,919
Health and social services	211,381
Conservation of natural resources	4,148
Total governmental activities depreciation expense	\$ 2,801,268

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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	444,317		461,512
Total capital assets not being depreciated	<u>63,752</u>	<u>444,317</u>		<u>508,069</u>
Capital assets being depreciated:				
Land improvements	692,232			692,232
Buildings	6,171,675	40,347		6,212,022
Machinery and equipment	14,523,537	1,204,175	(496,129)	15,231,583
Total capital assets being depreciated	<u>21,387,444</u>	<u>1,244,522</u>	<u>(496,129)</u>	<u>22,135,837</u>
Less: accumulated depreciation for:				
Land improvements	468,627	7,856		476,483
Buildings	4,418,560	145,524		4,564,084
Machinery and equipment	8,462,281	689,545	(378,176)	8,773,650
Total accumulated depreciation	<u>13,349,468</u>	<u>842,925</u>	<u>(378,176)</u>	<u>13,814,217</u>
Net capital assets being depreciated	<u>8,037,976</u>	<u>401,597</u>	<u>(117,953)</u>	<u>8,321,620</u>
Total net capital assets	<u>\$ 8,101,728</u>	<u>\$ 845,914</u>	<u>\$ (117,953)</u>	<u>\$ 8,829,689</u>

Depreciation expense was charged to the following function:

Business-Type Activities:

Bloomfield Healthcare and Rehabilitation Center	\$ 137,236
Highway	705,689
Total business-type activities (exhibit A-8)	<u>\$ 842,925</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 6

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2020 includes the following:

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets	
Land and right-of-ways	\$ 1,792,831
Construction work-in-progress	15,222,374
Other capital assets, net of accumulated depreciation	55,514,253
Less: related long-term debt outstanding	(27,007,872)
Add: unpent bond proceeds	13,037,362
Total net investment in capital assets	45,521,586
Restricted:	
Real estate reduction	2,467,375
Social services	626,282
Aging Disability Resource Center	217,510
Child support	43,914
Iowa County Airport	102,213
Donor restricted	7,272
Dog License	670
Drug Task Force	274,918
Grant restricted	179,601
Restricted by statute	255,074
Total restricted	4,174,829
Unrestricted	24,576,345
Total governmental activities net position	\$ 74,272,760

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2020 includes the following:

Nonspendable fund balance as of December 31, 2020 includes the following items:

Major Funds:	
General Fund:	
Advances	\$ 546,902
Delinquent taxes	628,920
Prepaid items	200,297
Non-Major Funds:	
Iowa County Airport:	
Inventories	20,827
Total nonspendable	\$ 1,396,946

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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

Restricted fund balances as of December 31, 2020 includes the following items:

Restricted

Major Funds:

General Fund:

County Clerk election grant	\$ 839
D.A. - Crime Prevention Surcharge	7,703
Register of deeds-Redaction Project	13,330
Land records-retained fees	28,195
Land records-public access fees	32,808
Land records-grants	104,328
K-9 program	7,505
Project life saver	326
UW Extension Pesticide program	9,338
Library aids	4,661
UW Extension Family living program	2,359
Veterans donations	3,750
Land conservation donations	837
Land conservation - phosphorus reductions	62,108
Land conservation - clean water	160
Total – General Fund	<u>278,247</u>

Special Revenue:

Social services	618,466
Donor restricted	7,816
Total – Special Revenue Fund	<u>626,282</u>

Real-Estate Tax Reduction

2,467,375

Capital Projects:

Unspent bond proceeds	13,037,362
Jail assessment	163,700
Total – Capital Projects Fund	<u>13,201,062</u>

Non-Major Funds:

Aging Disability Resource Center	217,510
Child support	43,914
Drug task force	274,918
Iowa county airport	102,213
Dog license	670
Total restricted	<u>\$ 4,174,829</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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

Assigned fund balance as of December 31, 2020 includes the following items:

Major Funds	
Capital Projects Fund:	<u>\$ 370,335</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	\$ 558,799
Net pension asset	<u>839,347</u>
Total restricted	<u>\$ 1,398,146</u>

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

Plant in service	\$ 22,643,906
Accumulated depreciation	(13,814,217)
Less: related debt outstanding	<u>(2,873,497)</u>
Total net position net investment in capital assets	<u>\$ 5,956,192</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 issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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, 2020

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
2010	(1.3%)	22%
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17
2019	0.0	(10)

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 \$787,844 in contributions from the employer.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contribution rates as of December 31, 2020 are:

	2020	
	Employee	Employer
General (including teachers)	6.75%	6.75%
Protective with social security	6.75%	11.65%
Protective without social security	6.75%	16.25%

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

At December 31, 2020, the County reported a liability (asset) of (\$2,411,917) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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, 2019, the County's proportion was 0.07480074%, which was an increase of 0.00060065% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized pension expense of \$913,865.

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, 2020, 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	\$ 4,578,370	\$ 2,291,168
Changes of assumptions	187,952	
Net differences between projected and actual earnings on pension plan investments		4,930,816
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,797	6,103
Employer contributions subsequent to the measurement date	858,551	
Total	\$ 5,632,670	\$ 7,228,087

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$858,551 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, 2021. 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
2021	\$ (729,245)
2022	(544,573)
2023	87,367
2024	(1,267,517)
Total	\$ (2,453,968)

Actuarial assumptions. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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 geometric 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, 2019			
<u>Core Fund Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term</u> <u>Expected Nominal</u> <u>Rate of Return %</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return %</u>
	%		
Global Equities	49	8.0	5.1
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9
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 7.00% was used to measure the total pension liability-for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond 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, 2020

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Iowa County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
County's proportionate share of the net pension liability (asset)	\$ 6,211,118	(\$ 2,411,917)	(\$ 8,858,628)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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, 2020 are:

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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

Member 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, 2019 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2019		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$3,718 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, 2020, the LRLIF Employer reported a liability (asset) of \$875,911 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. 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, 2019, the County's proportion was 0.20570000%, which was an increase of 0.012038% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized OPEB expense of \$95,400.

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, 2020

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

At December 31, 2020, 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	\$	\$ 39,240
Changes of assumptions	323,127	96,344
Net differences between projected and actual earnings on OPEB plan investments	16,523	
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,856	14,566
Employer contributions subsequent to the measurement date	4,208	
Totals	\$ 378,714	\$ 150,150

\$4,208 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Outflows (Inflows) of Resources
Year ended December 31:	
2021	\$ 37,536
2022	37,536
2023	35,754
2024	33,919
2025	29,887
Thereafter	49,724
Total	\$ 224,356

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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

Actuarial assumptions. The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.87%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

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

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2019**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5%	2.90%
US Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. 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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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

Single Discount rate. A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

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 2.87 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 (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
County’s proportionate share of the net OPEB liability (asset)	\$1,209,486	\$875,911	\$622,125

OPEB plan fiduciary net position. Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <http://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN

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

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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

Employees Covered by Benefit Terms – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	
Active employees	177
	181

Total OPEB Liability – The County’s total OPEB Liability of \$477,497 was measured at December 31, 2019, and was determined by an actuarial valuation as of December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2019 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, 2019
Measurement date	December 31, 2019
Actuarial cost method	Entry age normal (level percent of salary)
Inflation	2.0 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	2.75 percent
Healthcare cost trend rates	Actual first year plan option increases, then 6.40% decreasing by 0.10% per year down to 5.00%, 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 2018 Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuation, were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2018	\$ 432,526
Changes for the year:	
Service cost	34,900
Interest	17,632
Changes of benefit terms	
Differences between expected and actual experience	(2,072)
Changes in assumptions or other inputs	12,876
Benefit payments	(18,365)
Net Changes	44,971
 Balance at 12/31/2019	 \$ 477,497

There were no changes of benefit terms.

There were no changes of assumptions.

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 (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current discount rate:

		1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB Liability	12/31/2019	\$ 507,824	\$ 477,497	\$ 448,588

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 (5.4 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.4 decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (Actual first year increase -1%, then 5.4% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual first year increase, then 6.4% decreasing to 5.0%)	1% Increase (Actual first year increase +1%, then 7.4% decreasing to 6.0%)
Total OPEB Liability	12/31/2019	\$ 430,060	\$ 477,497	\$ 532,983

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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

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

For the year ended December 31, 2020, the County recognized OPEB expense of \$52,096.

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, 2020 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	\$	\$ 1,813
Changes of assumptions or other inputs	11,266	10,721
Contributions after the measurement date	30,743	
Total	\$ 42,009	\$ 12,534

\$30,743 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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:		
2020	\$	(436)
2021		(436)
2022		(436)
2023		(436)
2024		(436)
Thereafter		912
Total	\$	(1,268)

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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, 2020 were as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Taxes levied for 2020	\$ 8,186,794	\$ 5,858,893
Delinquent property taxes	118,856	
Economic development loans	50,012	
Provider relief grant - COVID		269,714
Total	\$ 8,355,662	\$ 6,128,607

The economic development loans receivable of \$50,012 consist of loans made to business entities from the proceeds of Community Development Block grants. These are to be repaid, together with interest, to the County out of the revenue of the entities. Repayment of principal and interest on the loans is recorded as revenue when received in the funds statements.

NOTE 12

RISK MANAGEMENT

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

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

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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 13

COMPENSATED ABSENCES (CONTINUED)

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, 2020 consist of the following:

	Sick Leave	MTO	Total
General county employees	\$ 571,874	\$ 519,855	\$ 1,091,729
Bloomfield Healthcare and Rehabilitation Center employees	108,887	148,472	257,359
Highway department employees	160,422	208,062	368,484
Total	\$ 841,183	\$ 876,389	\$ 1,717,572

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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 15

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

The following is a schedule of interfund transfers:

<u>Fund Transfer To</u>	<u>Fund Transfer From</u>	<u>Amount</u>
Governmental Funds		
Capital projects	Iowa county airport	\$ 50,500
General	Social services	328,377
General	COA fund	183,244
General	Real estate tax reduction	2,050,000
Tri-County airport	General	4,747
		<u>\$ 2,616,868</u>
Proprietary Funds		
Highway	General	<u>\$ 457,000</u>
	Total	<u>\$ 3,073,868</u>

Interfund advances were as follows on December 31, 2020:

<u>Fund Advanced To</u>	<u>Advanced From</u>	<u>Amount</u>
C.D.B.G Revolving Loan	General Fund	\$ 45,866
Bloomfield Manor	General Fund	546,902
	Total	<u>\$ 592,768</u>

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

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

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

NOTE 16

ECONOMIC DEPENDENCY

Bloomfield Healthcare and Rehabilitation Center receives reimbursement of its costs for the care of certain patients from different agencies of the federal government. During 2020, these reimbursements amounted to \$2,989,595 or 82.5% of total operating revenue.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 17

BLOOMFIELD RESIDENT ACCOUNTS RECEIVABLE

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

	2020	2019
Private/Insurance	\$ 111,324	\$ 160,912
Medical Assistance	187,447	191,143
Medicare	123,837	199,499
Veterans Affair	69,771	37,906
Family Care	80,629	82,841
Allowance for Doubtful Accounts	(31,394)	(31,394)
Total	\$ 541,614	\$ 640,907

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, 2020 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, 2020, the County paid \$30,600 in lease payments.

NOTE 21

TAX LEVY LIMIT

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

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, 2020.

Governmental Activities:

Equipment	\$ 135,740
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Business-Type Activities:

Equipment	\$ 668,125
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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, 2020.

Governmental Activities:

Year Ended December 31,	
2021	\$ 7,956
Total minimum payments required	7,956
Less: amount representing interest	(84)
Present value of minimum lease payments	\$ 7,872

Business-Type Activities:

Year Ended December 31,	
2021	\$ 236,340
2022	236,340
2023	2,884
2024	2,884
2025	1,922
Total minimum payments required	480,370
Less: amount representing interest	(35,348)
Present value of minimum lease payments	\$ 445,022

NOTE 23

COMMITMENTS/SUBSEQUENT EVENTS

In June 2020, the County issued \$27,000,000 in general obligation bonds to provide financing for the construction of the law enforcement center. As of December 31, 2020, the County has costs of \$14,284,777 remaining for the construction and \$183,125 for general administrative costs.

Prior to December 31, 2020, Bloomfield Health Care and Rehabilitation Center approved and began the installation of a new air conditioning unit for \$82,000. As of December 31, 2020, \$8,127 of costs were completed and the remaining amount will be completed in 2021.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 24

COMPONENT UNIT

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

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

A. Summary of Significant Accounting Policies

1. Fixed Assets

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

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

	Balance 1/1/20	Additions	Deletions	Balance 12/31/20
Capital assets not being depreciated:				
Construction work in progress	\$ 9,607	\$ 27,829	\$	\$ 37,436
Capital assets being depreciated:				
Buildings	946,626	1,684		948,310
Equipment & furnishings	228,961	25,924	(20,470)	234,415
Land improvements	461,576	49,127		510,703
Total capital assets	1,637,163	76,735	(20,470)	1,693,428
Less: accumulated depreciation:				
Buildings	448,100	25,859		473,959
Equipment & furnishings	149,799	21,738	(13,019)	158,518
Land improvements	174,163	29,278		203,441
Total accumulated depreciation	772,062	76,875	(13,019)	835,918
Net capital assets being depreciated	865,101	(140)	(7,451)	857,510
Total net capital assets	\$ 874,708	\$ 27,689	\$ (7,451)	\$ 894,946

2. Income Tax

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

3. Cash

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

4. Compensated Absences

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2020

NOTE 24

COMPONENT UNIT (CONTINUED)

B. Net Position

The following calculation supports the Commission's net position net investment in capital assets at December 31, 2020:

Capital assets	\$ 1,730,864
Accumulated depreciation	<u>(835,918)</u>
Total net investment in capital assets	<u><u>\$ 894,946</u></u>

C. Employee Retirement Plan

The Commission contributed to individual retirement accounts for two full-time employees during the year. Contributions are 10% of the Park Manager's and Assistant Park Manager's current year salary. For the year ended December 31, 2020, employer contributions were \$9,599. 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, 2020

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Taxes:					
Property	\$ 5,073,823	\$ 5,073,823	\$ 5,111,000	\$ 37,177	\$ 37,177
Other	165,409	165,409	276,561	111,152	111,152
Intergovernmental	1,795,922	2,170,312	2,543,397	747,475	373,085
Charges for services	711,769	725,571	955,601	243,832	230,030
Fines and forfeitures	155,000	162,252	140,115	(14,885)	(22,137)
Investment earnings	286,250	286,250	134,062	(152,188)	(152,188)
Miscellaneous	368,545	406,988	528,443	159,898	121,455
Total revenues	8,556,718	8,990,605	9,689,179	1,132,461	698,574
EXPENDITURES					
Current:					
General government	3,144,925	3,221,505	3,150,480	(5,555)	71,025
Public safety	4,543,757	4,616,079	4,769,719	(225,962)	(153,640)
Health and human services	920,235	1,023,903	1,026,694	(106,459)	(2,791)
Leisure activities	60,352	62,804	65,256	(4,904)	(2,452)
Conservation of natural resources	1,168,421	1,280,007	1,124,531	43,890	155,476
Education	639,508	647,521	614,056	25,452	33,465
Community and economic development	356,036	356,036	349,113	6,923	6,923
Capital outlay			10,075	(10,075)	(10,075)
Debt service:					
Principal			30,268	(30,268)	(30,268)
Interest			1,555	(1,555)	(1,555)
Total expenditures	10,833,234	11,207,855	11,141,747	(308,513)	66,108
Excess (deficiency) of revenues over expenditures	(2,276,516)	(2,217,250)	(1,452,568)	823,948	764,682
OTHER FINANCING SOURCES (USES)					
Transfers in	2,557,000	2,557,000	2,561,621	4,621	4,621
Transfers out	(228,500)	(228,500)	(461,747)	(233,247)	(233,247)
Total other financing sources (uses)	2,328,500	2,328,500	2,099,874	(228,626)	(228,626)
Net change in fund balances	51,984	111,250	647,306	595,322	536,056
Fund balance-beginning of year	12,316,012	12,316,012	12,316,012		
Fund balance-end of year	\$ 12,367,996	\$ 12,427,262	\$ 12,963,318	\$ 595,322	\$ 536,056

Schedule 2
Required Supplementary Information
Iowa County, Wisconsin
Budgetary Comparison Schedule for the Social Services Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Property taxes	\$ 1,479,415	\$ 1,479,415	\$ 1,479,415	\$	\$
Intergovernmental	1,342,548	1,342,548	1,470,668	128,120	128,120
Charges for services	39,700	39,700	38,765	(935)	(935)
Miscellaneous			3,898	3,898	3,898
Total revenues	2,861,663	2,861,663	2,992,746	131,083	131,083
EXPENDITURES					
Current:					
Health and human services	2,708,621	2,711,506	2,381,961	326,660	329,545
Capital outlay	2,637	2,637	5,273	(2,636)	(2,636)
Total expenditures	2,708,621	2,711,506	2,381,961	326,660	329,545
Excess (deficiency) of revenues over expenditures	153,042	150,157	610,785	457,743	460,628
Other Financing Sources (Uses):					
Transfers (out)			(328,377)	(328,377)	(328,377)
Net change in fund balance	153,042	150,157	282,408	129,366	132,251
Fund balance-beginning of year	343,874	343,874	343,874		
Fund balance-end of year	\$ 496,916	\$ 494,031	\$ 626,282	\$ 129,366	\$ 132,251

Schedule 3
Iowa County, Wisconsin
Wisconsin Retirement System Schedules
December 31, 2020

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)
2019	(0.07480074%)	\$ (2,411,917)	\$ 10,776,439	(22.38%)	(102.96%)
2018	0.07420009%	2,639,806	10,260,366	25.73%	96.45%
2017	(0.07426786%)	(2,205,100)	10,036,742	(21.97%)	(102.93%)
2016	0.07333484%	604,454	9,805,105	6.16%	99.12%
2015	0.07343105%	1,193,240	9,785,834	12.19%	98.20%
2014	(0.07345647%)	(1,803,796)	9,310,865	(19.37%)	(102.74%)

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

SCHEDULE OF CONTRIBUTIONS
Last 10 Calendar Years**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2020	\$ 858,551	\$ (858,551)		\$ 10,890,237	7.88%
2019	796,271	(796,271)		10,776,439	7.39%
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, 2020

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)
2019	0.20570000%	\$ 875,911	\$ 8,891,000	9.85%	37.58%
2018	0.19366200%	499,713	8,268,000	6.04%	48.69%
2017	0.19151300%	576,182	8,053,669	7.15%	44.81%

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

Schedule 5
Iowa County, Wisconsin
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
For the Year Ended December 31, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service costs	\$ 34,900	\$ 36,043	\$ 36,043
Interest	17,632	14,807	13,516
Changes in benefit terms			
Differences between expected and actual experience	(2,072)		
Changes of assumptions or other inputs	12,876	(14,295)	
Benefit payments	(18,365)	(18,145)	(7,201)
Net change in total OPEB	\$ 44,971	\$ 18,410	\$ 42,358
Total OPEB liability- beginning	432,526	414,116	371,758
Total OPEB liability- ending	<u>\$ 477,497</u>	<u>\$ 432,526</u>	<u>\$ 414,116</u>
Covered employee payroll	<u>\$ 9,835,497</u>	<u>\$ 7,717,562</u>	<u>\$ 7,717,562</u>
Total OPEB liability as a percentage of covered-employee payroll	4.85%	5.60%	5.37%

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2020

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, 2020:

<u>Expenditure</u>	<u>Excess Expenditure</u>
General Fund:	
Public safety	\$ 153,640
Health and human services	2,791
Leisure activities	2,452
Capital outlay	10,075
Debt service - Principal	30,268
Debt service - Interest	1,555
Transfers out	233,247
Social Services Fund	
Capital outlay	2,636
Transfers out	328,377

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 4 preceding years.

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

Changes of assumptions. No significant change in assumptions were noted from the prior year.

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 7 preceding years.

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

Changes of assumptions. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2020

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 7 preceding years.

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

Changes of assumptions. The discount rate was changed to be reflective of a 20-year AA municipal bond rate (2.75%) as of the measurement date in order to be compliant with GASB 75. All other assumptions and methods remained unchanged.

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

SUPPLEMENTARY INFORMATION

Exhibit B-1
Iowa County, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	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	\$ 226,905			\$ 241,648	\$ 81,364			\$ 11,733		\$ 561,650
Receivables:										
Current property taxes	280,778	25,531			76,437		236,626		30,000	649,372
Other					29,779					29,779
Economic development loans			50,012							50,012
Due from other governments	58,891	53,388		33,810						146,089
Inventories					20,827					20,827
Total assets	\$ 566,574	\$ 78,919	\$ 50,012	\$ 275,458	\$ 208,407	\$ 236,626	\$ 11,733	\$ 30,000	\$ 1,457,729	
LIABILITIES										
Accounts payable	\$ 43,116	\$ 2,083		\$ 540	\$ 8,930			\$ 10,448		\$ 65,117
Accrued payroll	16,318	4,495								20,813
Due to other governments	7,930	2,158						615		10,703
Advance to other funds			45,866							45,866
Due to other funds		738								738
Unearned revenue	922									922
Total liabilities	68,286	9,474	45,866	540	8,930			11,063		144,159
DEFERRED INFLOWS OF RESOURCES										
Deferred property tax revenue-current	280,778	25,531			76,437		236,626		30,000	649,372
Deferred revenue-other			50,012							50,012
Total deferred inflows of resources	280,778	25,531	50,012		76,437		236,626		30,000	699,384
FUND BALANCES										
Nonspendable					20,827					20,827
Restricted	217,510	43,914		274,918	102,213			670		639,225
Unassigned			(45,866)							(45,866)
Total fund balances	217,510	43,914	(45,866)	274,918	123,040			670		614,186
Total liabilities, deferred inflows of resources and fund balances	\$ 566,574	\$ 78,919	\$ 50,012	\$ 275,458	\$ 208,407	\$ 236,626	\$ 11,733	\$ 30,000	\$ 1,457,729	

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, 2020

	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	\$ 309,267	\$ 21,384			\$ 76,437	\$ 10,705			\$ 30,000	\$ 691,419
Intergovernmental	608,219	219,574		57,945	50,340					936,078
Public charges for services	13,838			8,039	159,161			12,333		193,371
Interest income	583		3,644	1,955						6,182
Revolving loan repayments			27,485							27,485
Miscellaneous income	76,735			60	11,673					88,468
Total revenues	1,008,642	240,958	31,129	67,999	297,611	10,705	243,626	12,333	30,000	1,943,003
EXPENDITURES										
Current:										
Transportation facilities					231,897	15,452				247,349
Public safety				66,928				12,663		79,591
Health and human services	882,976	231,393					243,626			1,357,995
Community and Economic development									30,000	30,000
Total expenditures	882,976	231,393		66,928	231,897	15,452	243,626	12,663	30,000	1,714,935
Excess (deficiency) of revenues over expenditures	125,666	9,565	31,129	1,071	65,714	(4,747)		(330)		228,068
OTHER FINANCING SOURCES (USES)										
Gain on sale of capital assets	38,658									38,658
Transfers in						4,747				4,747
Transfers (out)	(183,244)				(50,500)					(233,744)
Net change in fund balances	(18,920)	9,565	31,129	1,071	15,214			(330)		37,729
Fund balances-beginning of year	236,430	34,349	(76,995)	273,847	107,826			1,000		576,457
Fund balances-end of year	\$ 217,510	\$ 43,914	\$ (45,866)	\$ 274,918	\$ 123,040	\$	\$	\$ 670	\$	\$ 614,186

Bloomfield Healthcare and Rehabilitation Center
Per Capita Costs
For the year then ended December 31, 2020

Per Capita Cost

The daily average per capita cost of maintaining residents at Bloomfield Healthcare and Rehabilitation Center for the period January 1, 2020 to December 31, 2020 is computed below:

Expenses (Exhibit A-8)	\$ 4,978,723
<u>Other (Income) Expenses</u>	
Other Operating Revenue	<u>(281,537)</u>
Net Cost of Maintaining Residents	<u>\$ 4,697,186</u>
Resident Days	<u>14,337</u>
Per Capita Cost Per Day	<u>\$ 327.63</u>

Bloomfield Healthcare and Rehabilitation Center
Daily Rates
For the year then ended December 31, 2020

Amounts charged for daily care during 2020 are given below:

	<u>Residential</u>	<u>Personal</u>	<u>Skilled</u>	<u>DD-1A</u>	<u>DD-1B</u>	<u>DD3</u>
<u>Private:</u>						
01/01/2020-12/31/2020			280.00			
<u>Medical Assistance:</u>						
01/01/2020-03/31/2020			186.55			
04/01/2020-06/30/2020			181.58			
07/01/2020-09/30/2020			215.24			
10/01/2020-12/31/2020			210.90			
<u>VA:</u>						
01/01/2020-07/31/2020			144.02			
08/01/2020-12/31/2020			208.82			
<u>Medicare:</u>						
01/1/19 - 09/30/19*			297.64			
<u>Patient Driven Payment Model (PDPM), effective 10/1/19</u>						
<u>Non Therapy Ancillary</u>						
<u>Nursing CMG/HIPPS</u>	<u>NTA</u>	<u>NTA CMI</u>	<u>NTA Rate</u>	<u>NTA Rate Days 1-3</u>	<u>NTA Rate Days 4-100</u>	
ES3 / A	79.91	3.24	258.91	776.73	258.91	
10/01/2020-12/31/2020			269.55	808.65	269.55	
ES2 / B	79.91	2.53	202.17	606.51	202.17	
10/01/2020-12/31/2020			210.48	631.44	210.48	
ES1 / C	79.91	1.84	147.03	441.09	147.03	
10/01/2020-12/31/2020			153.08	459.23	153.08	
HDE2 / D	79.91	1.33	106.28	318.84	106.28	
10/01/2020-12/31/2020			110.65	331.94	110.65	
HDE1 / E	79.91	0.96	76.71	230.13	76.71	
10/01/2020-12/31/2020			79.87	239.60	79.87	
HBC2 / F	79.91	0.72	57.54	172.62	57.54	
10/01/2020-12/31/2020			59.90	179.70	59.9	
<u>Non-Case Mix: \$94.84 01/01/2020- 09/30/2020</u>			\$98.74 10/01/2020-12/31/2020			

Bloomfield Healthcare and Rehabilitation Center
Daily Rates
For the year then ended December 31, 2020

Amounts charged for daily care during 2020 are given below (continued):

<u>SLP PDPM Therapy</u>					
<u>SLP Group</u>	<u>SLP Rate</u>	<u>SLP CMI</u>	<u>Subtotal SLP</u>	<u>Wage Index</u>	<u>SLP Adjusted Therapy</u>
A	22.68	0.68	15.42	1.0573	16.30
10/01/2020-12/31/2020					16.06
B	22.68	1.82	41.28	1.0573	43.65
10/01/2020-12/31/2020					42.97
C	22.68	2.67	60.56	1.0573	64.03
10/01/2020-12/31/2020					63.05
D	22.68	1.46	33.11	1.0573	35.01
10/01/2020-12/31/2020					34.47
E	22.68	2.34	53.07	1.0573	56.11
10/01/2020-12/31/2020					55.25
F	22.68	2.98	67.59	1.0573	71.46
10/01/2020-12/31/2020					70.37
G	22.68	2.04	46.27	1.0573	48.92
10/01/2020-12/31/2020					48.17
H	22.68	2.86	64.86	1.0573	68.58
10/01/2020-12/31/2020					67.53
I	22.68	3.53	80.06	1.0573	84.65
10/01/2020-12/31/2020					83.35
J	22.68	2.99	67.81	1.0573	71.70
10/01/2020-12/31/2020					70.60
K	22.68	3.7	83.92	1.0573	88.73
10/01/2020-12/31/2020					87.37
L	22.68	4.21	95.48	1.0573	100.95
10/01/2020-12/31/2020					99.41

<u>Nursing CMG before VBP and Sequestration adjustments:</u>						
<u>HIPPS</u>	<u>Nursing CMG</u>	<u>Nursing</u>	<u>Nursing CMI</u>	<u>Subtotal</u>	<u>Wage Index</u>	<u>Adjusted Nursing</u>
A	ES3	105.92	4.06	430.04	1.0573	454.68
10/01/2020-12/31/2020	ES3					447.71
B	ES2	105.92	3.07	325.17	1.0573	343.80
10/01/2020-12/31/2020	ES2					338.54
C	ES1	105.92	2.93	310.35	1.0573	328.13
10/01/2020-12/31/2020	ES1					323.10
D	HDE2	105.92	2.4	254.21	1.0573	268.78
10/01/2020-12/31/2020	HDE2					264.66
E	HDE1	105.92	1.99	210.78	1.0573	222.86
10/01/2020-12/31/2020	HDE1					219.44
F	HBC2	105.92	2.24	237.26	1.0573	250.85
10/01/2020-12/31/2020	HBC2					247.01
G	HBC1	105.92	1.86	197.01	1.0573	208.30
10/01/2020-12/31/2020	HBC1					205.11

Bloomfield Healthcare and Rehabilitation Center
Daily Rates
For the year then ended December 31, 2020

Amounts charged for daily care during 2020 are given below (continued):

<u>Nursing CMG before VBP and Sequestration adjustments:</u>						
<u>HIPPS</u>	<u>Nursing CMG</u>	<u>Nursing</u>	<u>Nursing CMI</u>	<u>Subtotal</u>	<u>Wage Index</u>	<u>Adjusted Nursing</u>
H	LDE2	105.92	2.08	220.31	1.0573	232.93
10/01/2020-12/31/2020	LDE2					229.37
I	LDE1	105.92	1.73	183.24	1.0573	193.74
10/01/2020-12/31/2020	LDE1					190.77
J	LBC2	105.92	1.72	182.18	1.0573	192.62
10/01/2020-12/31/2020	LBC2					189.67
K	LBC1	105.92	1.43	151.47	1.0573	160.15
10/01/2020-12/31/2020	LBC1					157.69
L	LDE2	105.92	1.87	198.07	1.0573	209.42
10/01/2020-12/31/2020	LDE2					206.21
M	CDE1	105.92	1.62	171.59	1.0573	181.42
10/01/2020-12/31/2020	CDE1					178.64
N	CBC2	105.92	1.55	164.18	1.0573	173.59
10/01/2020-12/31/2020	CBC2					170.92
O	CA2	105.92	1.09	115.45	1.0573	122.07
10/01/2020-12/31/2020	CA2					120.20
P	CBC1	105.92	1.34	141.93	1.0573	150.06
10/01/2020-12/31/2020	CBC1					147.77
Q	CA1	105.92	0.94	99.56	1.0573	105.26
10/01/2020-12/31/2020	CA1					103.66
R	BAB2	105.92	1.04	110.16	1.0573	116.47
10/01/2020-12/31/2020	BAB2					114.68
S	BAB1	105.92	0.99	104.86	1.0573	110.87
10/01/2020-12/31/2020	BAB1					109.17
T	PDE2	105.92	1.57	166.29	1.0573	175.82
10/01/2020-12/31/2020	PDE2					173.13
U	PDE1	105.92	1.47	155.70	1.0573	164.62
10/01/2020-12/31/2020	PDE1					162.10
V	PBC2	105.92	1.22	129.22	1.0573	136.62
10/01/2020-12/31/2020	PBC2					134.53
W	PA2	105.92	0.71	75.20	1.0573	79.51
10/01/2020-12/31/2020	PA2					78.29
X	PBC1	105.92	1.13	119.69	1.0573	126.55
10/01/2020-12/31/2020	PBC1					124.61
Y	PA1	105.92	0.66	69.91	1.0573	73.92
10/01/2020-12/31/2020	PA1					72.78