



JOHNSON BLOCK
CPAs

IOWA COUNTY, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2022

Johnson Block & Company, Inc.
Certified Public Accountants
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IOWA COUNTY, WISCONSIN
DECEMBER 31, 2022
TABLE OF CONTENTS

Independent Auditor’s Report.....	1
<u>Basic Financial Statements</u>	
A-1 Statement of Net Position.....	4
A-2 Statement of Activities.....	6
A-3 Balance Sheet - Governmental Funds	7
A-4 Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position	8
A-5 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
A-6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	10
A-7 Statement of Net Position - Proprietary Funds.....	11
A-8 Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	13
A-9 Statement of Cash Flows - Proprietary Funds.....	14
A-10 Statement of Fiduciary Net Position	16
A-11 Statement of Changes in Fiduciary Net Position.....	17
Notes to the Financial Statements.....	18
<u>Required Supplementary Information</u>	
Schedule 1 Budgetary Comparison Schedule - General Fund.....	63
Schedule 2 Budgetary Comparison Schedule - Social Services Fund	64
Schedule 3 Budgetary Comparison Schedule - Real Estate Tax Reduction Fund	65
Schedule 4 Budgetary Comparison Schedule - Broadband Fund	66
Schedule 5 Budgetary Comparison Schedule - ARPA	67
Schedule 6 Wisconsin Retirement System Schedules	68
Schedule 7 Local Retiree Life Insurance Fund Schedules.....	69
Schedule 8 Schedule of Changes in the County’s Total OPEB Liability and Related Ratios	70
Notes to the Required Supplementary Information	71

IOWA COUNTY, WISCONSIN
DECEMBER 31, 2022
TABLE OF CONTENTS

Supplementary Information

B-1	Combining Balance Sheet – All Nonmajor Governmental Funds	76
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds	77



INDEPENDENT AUDITOR'S REPORT

To the County Board
County of Iowa, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2022, the County adopted the provisions of GASB Statement No. 87, leases. Our opinions are not modified with respect to this matter.

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 schedules be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards

Required Supplementary Information (Continued)

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 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.

Supplementary 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.

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.
September 25, 2023

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Iowa County, Wisconsin
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 26,848,603	\$ 4,386,414	\$ 31,235,017	\$ 125,506
Receivables:				
Taxes receivable	13,034,932	3,920,752	16,955,684	
Accounts receivable	255,180	137,970	393,150	
Current portion of guaranteed payments	50,867		50,867	
Due from other governmental units	1,340,708	970,564	2,311,272	
Economic development loans	42,688		42,688	
Other accounts receivable				
Leases	70,739		70,739	
Interfund transactions	251,378	(251,378)		
Materials and supplies	56,002	1,501,189	1,557,191	
Prepaid expenses	301,786	3,182	304,968	
Total current assets	<u>42,252,883</u>	<u>10,668,693</u>	<u>52,921,576</u>	<u>125,506</u>
Noncurrent assets:				
Restricted cash and investments		576,651	576,651	193,667
Lease receivable	889,611		889,611	
Long-term note receivable	1,400,000		1,400,000	
Guaranteed payments	760,084		760,084	
Capital assets:				
Property and equipment	179,312,594	17,972,648	197,285,242	2,024,091
Property and equipment - held for sale		192,000	192,000	
Less: accumulated depreciation	(86,610,055)	(9,487,476)	(96,097,531)	(1,019,558)
Net book value of capital assets	<u>92,702,539</u>	<u>8,677,172</u>	<u>101,379,711</u>	<u>1,004,533</u>
Net pension asset	4,817,554	1,144,765	5,962,319	
Total noncurrent assets	<u>100,569,788</u>	<u>10,398,588</u>	<u>110,968,376</u>	<u>1,198,200</u>
Total assets	<u>142,822,671</u>	<u>21,067,281</u>	<u>163,889,952</u>	<u>1,323,706</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows	9,313,077	2,213,009	11,526,086	
OPEB - group life insurance plan outflows	252,860	168,574	421,434	
OPEB - County health insurance plan outflows	424,294	126,737	551,031	
Total deferred outflows of resources	<u>9,990,231</u>	<u>2,508,320</u>	<u>12,498,551</u>	
 Total assets and deferred outflows of resources	 <u>\$ 152,812,902</u>	 <u>\$ 23,575,601</u>	 <u>\$ 176,388,503</u>	 <u>\$ 1,323,706</u>

Exhibit A-1 (Continued)
Iowa County, Wisconsin
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total	Component Unit
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 451,705	\$ 180,914	\$ 632,619	\$ 1,761
Accrued payroll	327,766	147,375	475,141	
Accrued interest payable	78,263	48,430	126,693	
Due to other governments	307,949	46,870	354,819	4,446
Deposits	257		257	
Payroll liabilities				2,441
Unearned revenue	4,816,780	428,279	5,245,059	103,381
Current portion of compensated absences	525,002	191,326	716,328	
Current portion of long-term debt	2,239,474	2,199,541	4,439,015	
Total current liabilities	<u>8,747,196</u>	<u>3,242,735</u>	<u>11,989,931</u>	<u>112,029</u>
Noncurrent liabilities:				
Compensated absences	1,148,511	311,997	1,460,508	
OPEB - group life insurance plan liability	729,660	486,440	1,216,100	
OPEB - County health insurance plan liability	729,633	217,942	947,575	
General obligation debt and notes payable	27,885,938		27,885,938	
Premium on general obligation debt	470,234		470,234	
Note payable		4,622,774	4,622,774	
Less: current portion	(2,764,476)	(2,390,867)	(5,155,343)	
Total noncurrent liabilities	<u>28,199,500</u>	<u>3,248,286</u>	<u>31,447,786</u>	
Total liabilities	<u>36,946,696</u>	<u>6,491,021</u>	<u>43,437,717</u>	<u>112,029</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	12,541,890	3,920,752	16,462,642	
Leases	947,787		947,787	
Pension inflows	11,343,700	2,695,533	14,039,233	
OPEB - group life insurance plan inflows	86,632	57,754	144,386	
OPEB - County health insurance plan inflows	6,500	1,942	8,442	
Total deferred inflows of resources	<u>24,926,509</u>	<u>6,675,981</u>	<u>31,602,490</u>	
NET POSITION				
Net investment in capital assets	64,346,367	4,054,398	68,400,765	1,004,533
Restricted - Bloomfield Residents		576,651	576,651	
Real estate reduction	3,136,068		3,136,068	
Social services	1,002,604		1,002,604	
Aging Disability Resource Center	332,248		332,248	
Child support	78,569		78,569	
Iowa County Airport	191,371		191,371	
Donor restricted	33,481		33,481	
Drug Task Force	264,851		264,851	
Dog Licenses	1,000		1,000	
Grant restricted	263,292		263,292	
Restricted by statute	338,244		338,244	
Net pension asset	4,817,554	1,144,765	5,962,319	
Unrestricted	16,134,048	4,632,785	20,766,833	207,144
Total net position	<u>90,939,697</u>	<u>10,408,599</u>	<u>101,348,296</u>	<u>1,211,677</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 152,812,902</u>	<u>\$ 23,575,601</u>	<u>\$ 176,388,503</u>	<u>\$ 1,323,706</u>

See accompanying notes to the basic financial statements.

Exhibit A-2
Iowa County, Wisconsin
Statement of Activities
For the Year Ended December 31, 2022

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	\$ 2,874,459	\$ 678,540	\$ 99,157	\$	\$ (2,096,762)	\$	\$ (2,096,762)	\$
Public safety	6,409,787	594,047	388,205	17,728	(5,409,807)		(5,409,807)	
Transportation facilities	525,596	252,076		6,631	(266,889)		(266,889)	
Public works	1,950,605				(1,950,605)		(1,950,605)	
Health and human services	4,449,000	171,280	2,724,540	19,954	(1,533,226)		(1,533,226)	
Leisure activities	57,612		36,066		(21,546)		(21,546)	
Conservation of natural resources	1,095,625	46,751	2,914,254		1,865,380		1,865,380	
Education	636,931	4,772	24,114		(608,045)		(608,045)	
Community and economic development	355,717	260,030	493,094		397,407		397,407	
Interest and fiscal charges	557,493				(557,493)		(557,493)	
Insurance payments/claims	426,151	246,055			(180,096)		(180,096)	
Capital outlay	12,218				(12,218)		(12,218)	
Total governmental activities	19,351,194	2,253,551	6,679,430	44,313	(10,373,900)		(10,373,900)	
Business-type activities:								
Bloomfield Health Care and Rehabilitation Center	2,686,474	773,932	148,550	15		(1,763,977)	(1,763,977)	
Highway	12,689,111	4,116,660	1,527,431			(7,045,020)	(7,045,020)	
Total business-type activities	15,375,585	4,890,592	1,675,981	15		(8,808,997)	(8,808,997)	
Total primary government	\$ 34,726,779	\$ 7,144,143	\$ 8,355,411	\$ 44,328	(10,373,900)	(8,808,997)	(19,182,897)	
Component Unit:								
Cobb-Highland Recreation Commission	560,618	540,899						(19,719)
Total component unit	560,618	540,899						(19,719)
General revenues:								
Property taxes					11,833,797	3,492,748	15,326,545	
Sales taxes					2,741,185		2,741,185	
Other taxes					252,002	428,195	680,197	
State aid not restricted for specific purposes					740,195		740,195	
Interest and investment earnings					480,276	7,008	487,284	289
Gain (loss) on sale of capital assets					(112,365)	(367,992)	(480,357)	
Other revenue					718,155		718,155	2,137
Transfers					(878,278)	878,278		
Capitalized infrastructure costs					7,237,230		7,237,230	
Total general revenues					23,012,197	4,438,237	27,450,434	2,426
Changes in net position					12,638,297	(4,370,760)	8,267,537	(17,293)
Net position - beginning of year					78,301,400	14,779,359	93,080,759	1,228,970
Net position - ending	\$	\$	\$	\$	90,939,697	10,408,599	101,348,296	1,211,677

Exhibit A-3
Iowa County, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2022

	General	Social Services	Real Estate Tax Reduction	Capital Projects	ARPA	Broadband	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 14,045,429	\$ 889,370	\$ 2,680,498	\$ 3,228,865	\$ 4,517,391	\$ 33,266	\$ 1,276,231	\$ 26,671,050
Receivables (net of allowances)								
Current property taxes	5,842,640	1,482,485		4,462,153			754,612	12,541,890
Accounts		204,284				42,582	8,314	255,180
Due from other governmental units	725,949		455,570	1,008			158,181	1,340,708
Delinquent property taxes	493,042							493,042
Economic development loans							42,688	42,688
Note						1,400,000		1,400,000
Guaranteed payments						810,951		810,951
Leases	914,546						45,804	960,350
Prepaid items	173,964			38,051			1,543	213,558
Inventories							56,002	56,002
Advance due from other funds	1,784,744							1,784,744
Total assets	\$ 23,980,314	\$ 2,576,139	\$ 3,136,068	\$ 7,730,077	\$ 4,517,391	\$ 2,286,799	\$ 2,343,375	\$ 46,570,163
LIABILITIES								
Accounts payable	\$ 358,315	\$ 13,140	\$	\$ 39,148	\$	\$	\$ 41,102	\$ 451,705
Accrued payroll	248,500	54,094					25,172	327,766
Due to other governments	272,647	23,816					11,486	307,949
Advances due to other funds						1,500,000	33,366	1,533,366
Deposits	257							257
Unearned revenue	295,719				4,517,391		3,670	4,816,780
Total liabilities	1,175,438	91,050		39,148	4,517,391	1,500,000	114,796	7,437,823
DEFERRED INFLOWS OF RESOURCES								
Deferred property tax revenue-current	5,842,640	1,482,485		4,462,153			754,612	12,541,890
Deferred property tax revenue-delinquent	111,461							111,461
Deferred revenue-other						2,210,951	42,688	2,253,639
Leases	901,983						45,804	947,787
Total deferred inflows of resources	6,856,084	1,482,485		4,462,153		2,210,951	843,104	15,854,777
FUND BALANCES								
Nonspendable	2,340,289			38,051			57,545	2,435,885
Restricted	483,502	1,002,604	3,136,068	151,515			1,361,296	6,134,985
Assigned				3,039,210				3,039,210
Unassigned	13,125,001					(1,424,152)	(33,366)	11,667,483
Total fund balances	15,948,792	1,002,604	3,136,068	3,228,776		(1,424,152)	1,385,475	23,277,563
Total liabilities, deferred inflows of resources and net position	\$ 23,980,314	\$ 2,576,139	\$ 3,136,068	\$ 7,730,077	\$ 4,517,391	\$ 2,286,799	\$ 2,343,375	\$ 46,570,163

Exhibit A-4
Iowa County, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2022

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

Total fund balances - governmental funds:		\$ 23,277,563
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	126,556,961	
Accumulated depreciation	(73,686,294)	52,870,667
Other governmental capital assets	52,755,633	
Accumulated depreciation	<u>(12,923,761)</u>	39,831,872
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements		
		4,817,554
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		9,990,231
Deferred inflows of resources		(11,436,832)
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	111,461	
Long term development loans	<u>2,253,639</u>	2,365,100
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:		
		265,781
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	27,885,938	
Bond premium	470,234	
Capital lease		
Accrued interest	78,263	
OPEB - group life insurance plan liability	729,660	
OPEB - County health insurance plan liability	729,633	
Compensated absences	<u>1,148,511</u>	(31,042,239)
Total net position - governmental activities		<u>\$ 90,939,697</u>

Exhibit A-5
Iowa County, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Social Services	Real Estate Tax Reduction	Capital Projects	ARPA	Broadband	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes								
Property	\$ 5,536,048	\$ 1,452,710	\$	\$ 4,158,783	\$	\$	\$ 709,980	\$ 11,857,521
Sales			2,722,043					2,722,043
Other	235,897							235,897
Intergovernmental	1,809,126	1,526,886		19,954	\$ 131,783		1,384,608	4,872,357
Charges for services	1,450,912	23,635					288,795	1,763,342
Fines and forfeitures	2,757,237							2,757,237
Investment earnings	430,528			44		42,582	7,123	480,277
Revolving loan repayments							3,952	3,952
Miscellaneous	432,892	2,218		28,747		27,090	75,798	566,745
Total revenues	12,652,640	3,005,449	2,722,043	4,207,528	131,783	69,672	2,470,256	25,259,371
EXPENDITURES								
Current:								
General government	3,253,538				11,866	125		3,265,529
Public safety	5,539,858						68,737	5,608,595
Transportation facilities							310,445	310,445
Health and human services	802,581	2,359,241			74,000		1,329,592	4,565,414
Leisure activities	57,612							57,612
Conservation of natural resources	1,099,260							1,099,260
Education	641,049							641,049
Community and Economic development	391,482						30,000	421,482
Capital outlay	167,225			2,374,501	45,917			2,587,643
Debt service:								
Principal				3,605,000				3,605,000
Interest				552,762				552,762
Total expenditures	11,952,605	2,359,241		6,532,263	131,783	125	1,738,774	22,714,791
Excess (deficiency) of revenues over expenditures	700,035	646,208	2,722,043	(2,324,735)		69,547	731,482	2,544,580
OTHER FINANCING SOURCES (USES)								
Gain on sale of capital assets				54,997				54,997
Long-term debt proceeds				2,845,938				2,845,938
Transfers in	2,974,000			20,000				2,994,000
Transfers (out)	(898,278)	(300,000)	(2,599,000)				(75,000)	(3,872,278)
Total other financing sources (uses)	2,075,722	(300,000)	(2,599,000)	2,920,935			(75,000)	2,022,657
Net change in fund balances	2,775,757	346,208	123,043	596,200		69,547	656,482	4,567,237
Fund balance-beginning of year	13,173,035	656,396	3,013,025	2,632,576		(1,493,699)	728,993	18,710,326
Fund balance-end of year	\$ 15,948,792	\$ 1,002,604	\$ 3,136,068	\$ 3,228,776	\$	\$ (1,424,152)	\$ 1,385,475	\$ 23,277,563

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, 2022

Net change in fund balances-total governmental funds		\$ 4,567,237
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	2,325,241	
Capitalized infrastructure costs	7,237,230	
Depreciation expenses reported in the statement of activities	<u>(4,039,526)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		5,522,945
The County sold property resulting in a reduction of capital assets and recapture of prior year depreciation expense and has no affect on the governmental funds balance sheet.		
The value of capital assets disposed of during the year was:	(744,966)	
The amount of depreciation recapture for the year was:	<u>602,099</u>	
The difference in the value of assets net of recaptured depreciation		(142,867)
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:		3,605,000
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.		
		(2,845,938)
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:		26,999
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		(46,348)
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources		(112,369)
Change in OPEB - County health insurance plan liability and related deferred outflows and inflows of resources		(77,009)
Repayment of economic development loans is reflected as revenues in governmental funds, but is reported as a reduction of economic development loans receivable in the statement of net position and does not affect the statement of activities		
		806,999
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	540,851	
The amount of interest accrued during the current period	<u>(572,581)</u>	
Interest paid is greater (less) than interest accrued by		(31,730)
Internal service fund gain (loss)		33,999
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		7,605
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>1,323,774</u>
Change in net position-governmental activities		<u>\$ 12,638,297</u>

Exhibit A-7
Iowa County, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2022

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
ASSETS				
Current assets:				
Cash	\$	\$ 4,386,414	\$ 4,386,414	\$ 177,553
Receivables (net of allowance)				
Taxes-current		3,920,752	3,920,752	
Accounts	69,039	68,931	137,970	
Due from other governments		970,564	970,564	
Other accounts receivable				
Prepaid expenses		3,182	3,182	88,228
Materials and supplies		1,501,189	1,501,189	
Total current assets	69,039	10,851,032	10,920,071	265,781
Noncurrent assets:				
Restricted cash and investments	576,651		576,651	
Capital assets:				
Property and equipment		17,972,648	17,972,648	
Property and equipment - held for sale	192,000		192,000	
Less: accumulated depreciation		(9,487,476)	(9,487,476)	
Net book value of capital assets	192,000	8,485,172	8,677,172	
Net pension asset		1,144,765	1,144,765	
Total noncurrent assets	768,651	9,629,937	10,398,588	
 Total assets	 837,690	 20,480,969	 21,318,659	 265,781
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows		2,213,009	2,213,009	
OPEB - group life insurance plan outflows		168,574	168,574	
OPEB - County health insurance plan outflows		126,737	126,737	
 Total deferred outflows of resources		 2,508,320	 2,508,320	
 Total assets and deferred outflows of resources	 \$ 837,690	 \$ 22,989,289	 \$ 23,826,979	 \$ 265,781

Exhibit A-7 (Continued)
Iowa County, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2022

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 6,987	\$ 173,927	\$ 180,914	\$
Due to other governments	694	46,176	46,870	
Accrued payroll	1,980	145,395	147,375	
Unearned revenue		428,279	428,279	
Accrued interest payable		48,430	48,430	
Due to Other Funds	251,378		251,378	
Current portion of compensated absences		191,326	191,326	
Current portion of long-term debt		2,199,541	2,199,541	
Total current liabilities	261,039	3,233,074	3,494,113	
Noncurrent liabilities:				
Compensated absences		311,997	311,997	
OPEB - group life insurance plan liability		486,440	486,440	
OPEB - County health insurance plan liability		217,942	217,942	
Notes payable		4,622,774	4,622,774	
Less: current portion of compensated absences		(191,326)	(191,326)	
Less: current portion of long-term debt		(2,199,541)	(2,199,541)	
Total noncurrent liabilities		3,248,286	3,248,286	
Total liabilities	261,039	6,481,360	6,742,399	
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue		3,920,752	3,920,752	
Pension inflows		2,695,533	2,695,533	
OPEB - group life insurance plan inflows		57,754	57,754	
OPEB - County life insurance plan inflows		1,942	1,942	
Total deferred inflows of resources		6,675,981	6,675,981	
NET POSITION				
Net investment in capital assets	192,000	3,862,398	4,054,398	
Restricted - Net Pension Asset		1,144,765	1,144,765	
Restricted - Manor Residents	576,651		576,651	
Unrestricted	(192,000)	4,824,785	4,632,785	265,781
Total net position	576,651	9,831,948	10,408,599	265,781
Total liabilities, deferred inflows of resources and net position	\$ 837,690	\$ 22,989,289	\$ 23,826,979	\$ 265,781

Exhibit A-8
Iowa County, Wisconsin
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Bloomfield Health Care and Rehabilitation Center	Highway	Total	
OPERATING REVENUES				
Charges for services	\$ 643,939	\$ 4,071,031	\$ 4,714,970	\$ 246,055
Other	129,993	45,629	175,622	214,095
Total operating revenues	<u>773,932</u>	<u>4,116,660</u>	<u>4,890,592</u>	<u>460,150</u>
OPERATING EXPENSES				
Health care	2,604,157		2,604,157	
Highway		11,645,336	11,645,336	
Insurance payments and claims				426,151
Depreciation	82,317	989,480	1,071,797	
Total operating expenses	<u>2,686,474</u>	<u>12,634,816</u>	<u>15,321,290</u>	<u>426,151</u>
Operating (loss)	<u>(1,912,542)</u>	<u>(8,518,156)</u>	<u>(10,430,698)</u>	<u>33,999</u>
NONOPERATING REVENUES (EXPENSES)				
Property tax revenue	221,825	3,270,923	3,492,748	
Other tax revenue		428,195	428,195	
Intergovernmental grants	148,550	1,527,431	1,675,981	
Interest expense	(669)	(53,626)	(54,295)	
Investment earnings	7,008		7,008	
Gain (loss) on sale of fixed assets	(463,667)	95,675	(367,992)	
Total nonoperating revenues (expenses)	<u>(86,953)</u>	<u>5,268,598</u>	<u>5,181,645</u>	
Income (loss) before contributions and transfers	<u>(1,999,495)</u>	<u>(3,249,558)</u>	<u>(5,249,053)</u>	<u>33,999</u>
Contributions	15		15	
Transfers in	823,981	54,297	878,278	
Changes in net position	<u>(1,175,499)</u>	<u>(3,195,261)</u>	<u>(4,370,760)</u>	<u>33,999</u>
Net position - beginning	1,752,150	13,027,209	14,779,359	231,782
Net position - ending	<u>\$ 576,651</u>	<u>\$ 9,831,948</u>	<u>\$ 10,408,599</u>	<u>\$ 265,781</u>

Exhibit A-9
Iowa County, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	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	\$ 1,190,817	\$ 4,555,506	\$ 5,746,323	\$
Receipts from departments				460,150
Payments to employees	(1,508,846)	(2,259,957)	(3,768,803)	
Payment for employee benefits	(561,385)	(1,054,835)	(1,616,220)	
Payments to suppliers and contractors	(557,712)	(8,365,189)	(8,922,901)	
Cash payments for other operating expenses				(424,101)
Due to other funds				
Net cash (used by) operating activities	(1,437,126)	(7,124,475)	(8,561,601)	36,049
CASH FLOWS FROM (USED BY) NON-CAPITAL FINANCING ACTIVITIES				
Property tax and other tax revenue	221,825	3,699,118	3,920,943	
Transfers from other funds	823,981	54,297	878,278	
Grants	148,550	1,527,431	1,675,981	
Net cash from non-capital financing activities	1,194,356	5,280,846	6,475,202	
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets		(588,285)	(588,285)	
Receipts from sale of fixed assets	217,593	179,219	396,812	
Proceeds from debt issued		240,000	240,000	
Debt payments - principal	(8,578)	3,920,236	3,911,658	
Debt payments - interest	(669)	(12,071)	(12,740)	
Contributions	15		15	
Net cash (used by) capital and related financing	208,361	3,739,099	3,947,460	
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES				
Receipt of interest	7,008		7,008	
Receipt of investments maturing	400,000		400,000	
Net cash from investing activities	407,008		407,008	
Net increase (decrease) in cash and cash equivalents	372,599	1,895,470	2,268,069	36,049
Cash and cash equivalents-beginning of year	104,052	2,490,944	2,594,996	141,504
Cash and cash equivalents-end of year	\$ 476,651	\$ 4,386,414	\$ 4,863,065	\$ 177,553
Reconciliation of Cash and Cash Equivalents to Balance Sheet:				
Cash	\$	\$ 4,386,414	\$ 4,386,414	\$ 177,553
Cash and investments (restricted)	576,651		576,651	
Total	576,651	4,386,414	4,963,065	177,553
Less: long-term investments (restricted)	(100,000)		(100,000)	
Total	\$ 476,651	\$ 4,386,414	\$ 4,863,065	\$ 177,553

Exhibit A-9 (Continued)
Iowa County, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	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)	\$ (1,912,542)	\$ (8,518,156)	\$ (10,430,698)	\$ 33,999
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	82,317	989,480	1,071,797	
Pension expense	325,386	(295,913)	29,473	
OPEB expense - group life insurance	(142,981)	179,711	36,730	
OPEB expense - County health insurance	(100,035)	(50,275)	(150,310)	
Changes in assets and liabilities:				
Receivables	416,885	(16,237)	400,648	
Other accounts receivable		27,329	27,329	
Due from other governments		483,314	483,314	
Inventories	79,426	(203,725)	(124,299)	
Prepaid expenses		1,117	1,117	2,050
Accounts payable	(85,573)	(180,953)	(266,526)	
Accrued liabilities	(86,015)	55,147	(30,868)	
Due to other governments	(32,549)	6,966	(25,583)	
Due to other funds	251,378		251,378	
Unearned revenue		427,754	427,754	
Vested fringe benefits	(232,823)	(30,034)	(262,857)	
Net cash (used by) operating activities	\$ (1,437,126)	\$ (7,124,475)	\$ (8,561,601)	\$ 36,049

Exhibit A-10
Iowa County, Wisconsin
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Custodial Fund
ASSETS	
Cash:	
Manor resident cash	\$
Burial trust	1,400
Sheriff	13,351
Clerk of courts	1,800,362
District attorney	3,748
Total cash	1,818,861
Receivables:	
Current property taxes	351,893
Total assets	\$ 2,170,754
LIABILITIES	
Due to other governments	\$ 351,893
Funds held for others	1,818,861
Total liabilities	2,170,754
NET POSITION	
Restricted	
Total liabilities and net position	\$ 2,170,754

Exhibit A-11
Iowa County, Wisconsin
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Custodial Fund
ADDITIONS	
Sheriff & District Attorney collections	\$ 62,624
Clerk of court fees	3,639,042
Property taxes collected for other gov.	4,110,302
Delinquent specials collected for other gov.	48,775
Total additions	7,860,743
DEDUCTIONS	
Huber account activity	32,864
D.A. restitution payments	29,761
Clerk of court payments	3,639,042
Property taxes paid to other gov.	4,110,302
Special charges paid to other gov.	48,774
Total deductions	7,860,743
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
 Index to Notes of the Financial Statements
 December 31, 2022

Note 1.	<u>Summary of Significant Accounting Policies</u>	18
	A. Reporting Entity	18 – 19
	B. Government-Wide and Fund Financial Statements	19 – 21
	C. Measurement Focus and Basis of Accounting	21 – 22
	D. Receivables	23 – 24
	E. Compensated Absences	24
	F. Unearned Revenue	24
	G. Capital Assets	24 – 25
	H. Fund Equity	25 – 26
	I. Client Revenues	27
	J. Allowance for Bad Debts	27
	K. Inventories	27
	L. Cash and Cash Equivalents/Investments	27
	M. Restricted Assets	27
	N. Pensions	28
	O. Other Postemployment Benefits	28
	P. Deferred Outflows and Inflows of Resources	28
	Q. Change in Accounting Principle	29
Note 2.	<u>Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements</u>	29
Note 3.	<u>Cash and Investments</u>	30 – 33
Note 4.	<u>Long-Term Obligations</u>	33 – 35
Note 5.	<u>Long-Term Note Receivable/Guaranteed Payments</u>	35 - 36
Note 6.	<u>Capital Assets</u>	37 – 38
Note 7.	<u>Leases</u>	39
Note 8.	<u>Governmental Activities Net Position/Fund Balances</u>	40 – 43
Note 9.	<u>Business-Type Activities Net Position</u>	43
Note 10.	<u>Defined Benefit Pension Plan</u>	43 – 48
Note 11.	<u>Other Postemployment Benefits – Multiple-Employer Life Insurance Plan</u>	48 – 53
Note 12.	<u>Other Postemployment Benefits – Single-Employer Health Insurance Plan</u>	53 – 56
Note 13.	<u>Deferred Inflows of Resources</u>	56
Note 14.	<u>Risk Management</u>	56
Note 15.	<u>Compensated Absences</u>	57
Note 16.	<u>Contingencies</u>	58

Iowa County, Wisconsin
Index to Notes of the Financial Statements
December 31, 2022

Note 17.	<u>Interfund Receivables/Payables and Transfers</u>	58
Note 18.	<u>Economic Dependency</u>	59
Note 19.	<u>Bloomfield Resident Accounts Receivable</u>	59
Note 20.	<u>Wisconsin County Mutual Insurance Corporation</u>	59
Note 21.	<u>Tax Levy Limit</u>	59
Note 22.	<u>Effect of New Accounting Standards on Current Financial Statements</u>	60
Note 23.	<u>Commitments/Subsequent Events</u>	60
Note 24.	<u>Discontinued Operations</u>	60
Note 25.	<u>Component Unit</u>	60 - 62
	A. Summary of Significant Accounting Policies.....	61
	1. Fixed Assets.....	61
	2. Income Tax.....	61
	3. Cash.....	61
	4. Compensated Absences.....	61
	B. Net Position.....	62
	C. Employee Retirement Plan.....	62

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

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, 2022

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 2022 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, 2022

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

ARPA Fund – Accounts for grant proceeds and expenses for the American Rescue Plan Act received in 2021.

Broadband Fund – Accounts for programs related to broadband internet in the County.

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 – operation ceased on April 6, 2022. 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
- Solar Farm Utility Fund
- CDBG Revolving Loan
- Unified Community Services
- Dog License
- Wisconsin River Rail Transit
- Opioid Settlement

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Fiduciary Funds (Not Included in Government-Wide Statements)

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as fiduciary when all of the following criteria are met: a) The government *controls* the assets that finance the activity, b) assets are *not* generated from the *government’s own-source revenues* or from government-mandated or voluntary nonexchange transactions, c) assets are administered through a *qualifying trust* or the government does *not* have *administrative involvement* and the assets are *not* generated from the *government’s delivery of goods or services* to the beneficiaries, or the assets are for the benefit of *entities that are not part of the government’s reporting entity*.

The County also reports the following fiduciary funds:

Custodial Funds – The County accounts for collections and payments as a fiduciary agent for various governments and individuals.

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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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. Resources (typically cash) received before all eligibility requirements have been met are reported as assets and offset by unearned revenue (a liability) unless only a time requirement has not been met. In that case, deferred inflows of resources are reported rather than a liability.

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. In subsequent periods, when both revenue recognition criteria are met, 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, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Receivables

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, 2022
Tax bills mailed	December, 2022
Payment in full, or first installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023

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, 2022 delinquent property taxes totaling \$491,023 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, 2022:

Tax Certificates	
2021 Sale	\$ 250,507
2020 Sale	122,914
2019 Sale	62,542
2018 Sale	23,463
2017 Sale	15,563
2016 Sale	5,131
2015 Sale	3,427
2014 Sale	1,891
2013 Sale	1,988
2012 Sale	1,910
2011 Sale	1,677
2010 Sale	10
Total tax certificates	<u>491,023</u>
Tax deeds	<u>2,019</u>
Total delinquent taxes	493,042
County purchased - nonspendable fund balance	<u>(363,477)</u>
County levied	<u>\$ 129,565</u>

Deferred inflows of resources at December 31, 2022 include tax certificates and tax deeds not "available" at that date as follows:

County portion of tax certificates and deeds 12/31/22	\$ 129,565
Less: tax certificates/deeds collected January and February 2023	<u>(18,104)</u>
Deferred inflows of resources 12/31/22 - tax certificates and deeds	<u><u>\$ 111,461</u></u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Receivables (Continued)

Lease Receivable

The County's lease receivables are measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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. Unearned Revenue

The County reports unearned revenue on its governmental funds balance sheet. Unearned revenue arises 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 the County has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

G. 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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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 Healthcare & Rehabilitation Center</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.

H. 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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Equity (Continued)

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 for the general unassigned fund balance of between 20.0 and 25.0 percent of total budgeted expenditures from the previous year. 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. As of December 31, 2022, the general unassigned fund balance was \$13,125,001, or 110% of expenditures.

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, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Client Revenues

The major portion of the Bloomfield Healthcare and Rehabilitation Center's revenues for patient care was funded pursuant to federal and state medical assistance programs. The continuation of these revenues were 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.

J. Allowance for Bad Debts

Bloomfield resident receivables are reported net of the allowance for bad debts of \$0 for 2022.

K. 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.

L. 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.

M. 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, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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.

O. 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(revenue), 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 member 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.

P. 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, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Change in Accounting Principle

Effective January 1, 2022, the County adopted GASB Statement No. 87, Leases. GASB 87 replaces previous lease accounting methodology and establishes a single model for lease accounting based on the foundation principle that leases are a financing right to use an underlying asset. GASB No. 87 requires recognition of certain lease assets and liabilities for lessee agreements and lease receivables and deferred inflows of resources for lessor agreements. The adoption of GASB 87 has no effect on the beginning balance on the statement of activities.

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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 3

CASH AND INVESTMENTS

At December 31, 2022, cash and investments included the following:

Petty cash/cash on hand	\$ 1,075
Wisconsin Local Government Investment Pool	10,184,545
Deposits with financial institutions	<u>23,444,909</u>
Total cash	<u><u>\$ 33,630,529</u></u>

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 31,235,017
Restricted cash and investments	576,651
Exhibit A-10:	
Cash and investments	<u>1,818,861</u>
Total cash and investments	<u><u>\$ 33,630,529</u></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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

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

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

Investment Type	Amount	Remaining Maturity (in months)			
		12 months or less	13 months to 24 months	25 months to 36 months	More than 36 months
Certificate of deposit	\$ 370,883	\$ 369,246	\$	\$	\$ 1,637
Local Government Investment Pool	10,184,545	10,184,545			
Total	<u>\$ 10,555,428</u>	<u>\$ 10,553,791</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,637</u>

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, 2022, the County's investments were rated as follows:

	<u>Amount</u>	<u>Rating</u>
Wisconsin Local Government Investment Pool	\$ 10,184,545	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, 2022

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, 2022, \$1,144,067 was insured by FDIC insurance, \$14,780,782 was insured by collateral and \$19,246 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>\$ 19,246</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, 2022

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, 2022, 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, 2022 was: 88% in U.S. Government Securities, 2% in Bankers' Acceptances and 10% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk

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

NOTE 4

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2022 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	\$ 2,480,000	\$ 2,845,938	\$ (2,480,000)	\$ 2,845,938	\$ 1,089,474
General obligation bond	26,165,000		(1,125,000)	25,040,000	1,150,000
Bond premium	497,233		(26,999)	470,234	
Other liabilities:					
Compensated absences	1,102,163	46,348		1,148,511	525,002
Total governmental activities long-term liabilities	<u>\$ 30,244,396</u>	<u>\$ 2,892,286</u>	<u>\$ (3,631,999)</u>	<u>\$ 29,504,683</u>	<u>\$ 2,764,476</u>
<u>Business-Type Activities</u>					
Notes from direct borrowings and direct placements	\$ 240,000	\$ 4,622,774	\$ (240,000)	\$ 4,622,774	\$ 2,199,541
Other liabilities:					
Capital lease	231,116		(231,116)		
Compensated absences	574,854		(262,857)	311,997	191,326
Total business-type activities long-term liabilities	<u>\$ 1,045,970</u>	<u>\$ 4,622,774</u>	<u>\$ (733,973)</u>	<u>\$ 4,934,771</u>	<u>\$ 2,390,867</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 4

LONG-TERM OBLIGATIONS (CONTINUED)

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.

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, 2022 was \$145,402,065. Total general obligation debt outstanding at year-end was \$32,508,712.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2022
<u>Governmental Activities</u>					
General obligation bonds	6/9/20	6/1/40	2.0-3.0%	\$ 27,000,000	\$ 25,040,000
Bank note	4/19/22	4/29/27	1.95%	2,174,530	2,174,530
Bank note	10/18/22	4/26/23	3.25%	671,408	671,408
Total government activities - general obligation debt					<u>\$ 27,885,938</u>
<u>Business-Type Activities</u>					
Bank note	4/16/22	4/29/27	1.95%	\$ 3,000,000	\$ 3,000,000
Bank note	10/18/22	4/26/23	3.25%	678,592	678,592
Bank note	10/18/22	4/26/23	3.25%	944,182	944,182
Total business-type activities - general obligation debt					<u>\$ 4,622,774</u>

Debt service requirements to maturity are as follows:

Year	Governmental Activities					
	General Obligation Bonds			Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,150,000	\$ 518,101	\$ 1,668,101	\$ 1,089,474	\$ 54,024	\$ 1,143,498
2024	1,170,000	494,901	1,664,901	426,236	34,822	461,058
2025	1,195,000	471,251	1,666,251	434,758	26,300	461,058
2026	1,220,000	447,101	1,667,101	443,354	17,704	461,058
2027	1,245,000	422,451	1,667,451	452,116	8,939	461,055
2028-2032	6,655,000	1,677,756	8,332,756			
2033-2037	7,500,000	947,059	8,447,059			
2038-2040	4,905,000	170,294	5,075,294			
Totals	<u>\$ 25,040,000</u>	<u>\$ 5,148,914</u>	<u>\$ 30,188,914</u>	<u>\$ 2,845,938</u>	<u>\$ 141,789</u>	<u>\$ 2,987,727</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 4

LONG-TERM OBLIGATIONS (CONTINUED)

Year	Business-Type Activities		
	Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2023	\$ 2,199,541	\$ 85,976	\$ 2,285,517
2024	588,038	48,041	636,079
2025	599,796	36,283	636,079
2026	611,654	24,425	636,079
2027	623,745	12,332	636,077
	\$ 4,622,774	\$ 207,057	\$ 4,829,831

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.

NOTE 5

LONG-TERM NOTE RECEIVABLE/GUARANTEED PAYMENTS

The County has entered into an agreement with a communication business, for the purpose of expanding broadband internet service and communication within Iowa County and other participating counties within Wisconsin. To finance the project the participating Counties have issued \$92,900,000 in taxable revenue bonds and has awarded the proceeds to the communications business. The business is obligated to pay back the \$92,900,000 revenue bonds with a final repayment date of November 1, 2051. As part of this agreement the business has agreed to make guaranteed payments to each County that is 0.40 basis points of the outstanding loan balance. The County will recognize the guarantee payments as deferred revenue. Below is a guarantee payments receivable schedule.

Year	Guarantee Payments
2023	\$ 50,867
2024	42,000
2025	42,000
2026	42,000
2027	41,555
2028-2032	193,390
2033-2037	165,196
2038-2042	129,149
2043-2047	82,288
2048-2051	22,506
Total	\$ 810,951

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 5 LONG-TERM NOTE RECEIVABLE/GUARANTEED PAYMENTS (CONTINUED)

The Public Service Commission of Wisconsin has approved an award to the County in the amount of \$732,310 for eligible activities related to the Broadband project. The County agreed to use these funds and others to provide a contribution in the form of a loan to the communication business in the amount of \$1,500,000 at an interest rate of 3%. The business will pay the County back \$1,400,000 for this note, \$100,000 less than the issuance of \$1,500,000 for the construction of a “river crossing.” Below is a receivable schedule for the County for the loan.

Year	Note Receivable		
	Principal	Interest	Total
2023	\$ 98,414	\$ 42,582	\$ 140,996
2024	101,407	39,589	140,996
2025	104,492	36,505	140,997
2026	107,670	33,326	140,996
2027	110,945	30,051	140,996
2028-2032	607,441	97,540	704,981
2033-2034	269,631	12,364	281,995
Totals	\$ 1,400,000	\$ 291,957	\$ 1,691,957

Below is a calculation of the total deferred revenue for the County related to the Communication Business agreement.

Total guaranteed payments	810,951
Principal on note receivable	1,400,000
Deferred revenue	\$ 2,210,951

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 6

CAPITAL ASSETS

Total cost and accumulated depreciation of fixed assets at December 31, 2022 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 911,426	\$ 19,112	\$	\$ 930,538
Right of way	1,103,975			1,103,975
Construction work in progress:				
Roads	355,143	6,207,884		6,563,027
Culverts	55,169	30,702	(7,106)	78,765
Bridges	170,363	205,904	(103,838)	272,429
Total capital assets not being depreciated:	<u>2,596,076</u>	<u>6,463,602</u>	<u>(110,944)</u>	<u>8,948,734</u>
Capital assets, being depreciated				
Infrastructure	120,049,679	903,686	(2,414,598)	118,538,767
Buildings and improvements	44,006,274	1,788,130	(854,212)	44,940,192
Machinery and equipment	6,257,658	838,566	(211,323)	6,884,901
Total	<u>170,313,611</u>	<u>3,530,382</u>	<u>(3,480,133)</u>	<u>170,363,860</u>
Less accumulated depreciation for:				
Infrastructure	74,150,287	1,950,605	(2,414,598)	73,686,294
Buildings and improvements	7,807,924	1,173,410		8,981,334
Machinery and equipment	3,629,015	915,511	(602,099)	3,942,427
Total accumulated depreciation	<u>85,587,226</u>	<u>4,039,526</u>	<u>(3,016,697)</u>	<u>86,610,055</u>
Net other capital assets	<u>84,726,385</u>	<u>(509,144)</u>	<u>(463,436)</u>	<u>83,753,805</u>
Total net capital assets	<u>\$ 87,322,461</u>	<u>\$ 5,954,458</u>	<u>\$ (574,380)</u>	<u>\$ 92,702,539</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 6

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 459,664
Public safety	1,169,501
Public works, which includes the depreciation of infrastructure	2,164,797
Health and social services	230,075
Conservation of natural resources	15,489
Total governmental activities depreciation expense	<u>\$ 4,039,526</u>

	Beginning Balance	Additions	Removals	Ending Balance
<u>Business-Type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 46,557	\$	\$	\$ 46,557
Construction work in progress	<u>81,187</u>	<u>291,146</u>	<u>(81,187)</u>	<u>291,146</u>
Total capital assets not being depreciated	<u>127,744</u>	<u>291,146</u>	<u>(81,187)</u>	<u>337,703</u>
Capital assets being depreciated:				
Land improvements	692,232			692,232
Buildings	6,212,022			6,212,022
Machinery and equipment	<u>16,857,762</u>	<u>297,140</u>	<u>(6,232,211)</u>	<u>10,922,691</u>
Total capital assets being depreciated	<u>23,762,016</u>	<u>297,140</u>	<u>(6,232,211)</u>	<u>17,826,945</u>
Less: accumulated depreciation for:				
Land improvements	482,317	6,375		488,692
Buildings	4,706,200	138,797		4,844,997
Machinery and equipment	<u>8,775,755</u>	<u>926,625</u>	<u>(5,548,593)</u>	<u>4,153,787</u>
Total accumulated depreciation	<u>13,964,272</u>	<u>1,071,797</u>	<u>(5,548,593)</u>	<u>9,487,476</u>
Net capital assets being depreciated	<u>9,797,744</u>	<u>(774,657)</u>	<u>(683,618)</u>	<u>8,339,469</u>
Total net capital assets	<u>\$ 9,925,488</u>	<u>\$ (483,511)</u>	<u>\$ (764,805)</u>	<u>\$ 8,677,172</u>

Depreciation expense was charged to the following function:

Business-Type Activities:

Bloomfield Healthcare and Rehabilitation Center	\$ 82,317
Highway	989,480
Total business-type activities (exhibit A-8)	<u>\$ 1,071,797</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 7

LEASES

Lease Receivable

The County has entered into multiple lease arrangements where the County leases land and a building for commercial use. In the statement of activities, lease revenue for the year ended December 31, 2022 was as follows:

	Year Ending December 31, 2022
Lease-related revenue	
Lease revenue:	
Land	70,367
Building	11,274
Total lease revenue	81,641
Interest revenue	34,629
Total	\$ 116,270

Aggregate cash flows for the revenue generated by the lease receivable and interest at December 31, 2022 are as follows:

	Years Ended		
December 31,	Principal	Interest	Total
2023	\$ 70,739	\$ 32,396	\$ 103,135
2024	71,730	31,405	103,135
2025	74,385	28,750	103,135
2026	77,140	25,995	103,135
2027	80,000	23,135	103,135
2032	446,879	68,796	515,675
2037	66,738	14,667	81,405
2042	51,602	7,068	58,670
2047	9,470	3,730	13,200
2052	11,667	1,533	13,200
Totals	\$ 960,350	\$ 237,475	\$ 1,197,825

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 8

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2022 includes the following:

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets	
Land and right-of-ways	\$ 2,034,513
Construction work-in-progress	6,914,221
Other capital assets, net of accumulated depreciation	83,753,805
Less: related long-term debt outstanding	(27,885,938)
Less: premium on general obligation debt	(470,234)
Total net investment in capital assets	64,346,367
Restricted:	
Real estate reduction	3,136,068
Social services	1,002,604
Aging Disability Resource Center	332,248
Child support	78,569
Iowa County Airport	191,371
Donor restricted	33,481
Dog License	1,000
Drug Task Force	264,851
Grant restricted	263,292
Restricted by statute	338,244
Net pension asset	4,817,554
Total restricted	10,459,282
Unrestricted	16,134,048
Total governmental activities net position	\$ 90,939,697

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 8 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2022 includes the following:

Nonspendable fund balance as of December 31, 2022 includes the following items:

Major Funds:	
General Fund:	
Advances	1,784,744
Delinquent taxes	381,581
Prepaid items	173,964
Capital Projects:	
Prepaid items	38,051
Non-Major Funds:	
Iowa County Airport:	
Inventories	56,002
Prepaid items	1,543
Total nonspendable	<u><u>\$ 2,435,885</u></u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 8 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

Restricted fund balances as of December 31, 2022 includes the following items:

Restricted

Major Funds:

General Fund:

D.A. - Crime Prevention Surcharge	\$ 7,730
Register of deeds-Redaction Project	13,330
Land records-public access fees	45,711
Land records-grants	163,514
Contributions from others	28,857
Staff fitness room	5,100
K-9 program	14,890
Project life saver	246
Sheriff office staffing reserve	104,496
HELP equipment donations	210
UW Extension Pesticide program	10,362
Library aids	19,578
Veterans donations	3,873
Land conservation donations	295
DNR surface water grant	1,742
Land conservation - phosphorus reductions	<u>63,568</u>
Total – General Fund	<u>483,502</u>

Social Services Fund:

Social services programs	996,324
Donor restricted	<u>6,280</u>
Total – Social Services Fund	<u>1,002,604</u>

Real-Estate Tax Reduction	<u>3,136,068</u>
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Capital Projects:

Jail assessment	<u>151,515</u>
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Non-Major Funds:

Aging Disability Resource Center	332,248
Child support	78,569
Drug task force	264,851
Iowa county airport	191,371
Dog license	1,000
Solar Farm Utility Fund	361,311
Opioid Settlement	<u>131,946</u>
Total – Non-Major Funds	<u>1,361,296</u>

Total restricted	<u><u>\$ 6,134,985</u></u>
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Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 8 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

Assigned fund balance as of December 31, 2022 includes the following items:

Major Funds	
Capital Projects Fund - Future Improvements & Equipment Outlays	<u>\$ 3,039,210</u>
Non-Major Funds: CDBG Fund - Deficit Balance	<u>\$ (33,366)</u>

NOTE 9 BUSINESS-TYPE ACTIVITIES NET POSITION

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

Bequest for client entertainment	\$ 576,651
Net pension asset	<u>1,144,765</u>
Total restricted	<u>\$ 1,721,416</u>

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

Plant in service	\$ 17,972,648
Property and equipment - held for sale	192,000
Accumulated depreciation	(9,487,476)
Less: related debt outstanding	<u>(4,622,774)</u>
Total net position net investment in capital assets	<u>\$ 4,054,398</u>

NOTE 10 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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, 2022

NOTE 10

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 (%)
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$843,444 in contributions from the employer.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contribution rates as of December 31, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At December 31, 2022, the County reported a liability (asset) of (\$5,962,319) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the County's proportion was 0.07397250%, which was a decrease of 0.00070765% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the County recognized pension expense or (revenue) of (\$518,376).

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, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,631,825	\$ (694,558)
Net differences between projected and actual earnings on pension plan investments		(13,338,205)
Changes in assumptions	1,112,364	
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,834	(6,470)
Employer contributions subsequent to the measurement date	779,063	
Total	<u>\$ 11,526,086</u>	<u>\$ (14,039,233)</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$779,063 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, 2022. 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 Deferred Outflows (Inflows) of Resources
2023	\$ (278,332)
2024	(1,618,226)
2025	(712,972)
2026	(682,680)
Total	<u>\$ (3,292,210)</u>

Actuarial assumptions. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments *	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% 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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 10

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 ¹			
As of December 31, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115	6.6	4.0
Variable Fund Asset Class			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, as asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount rate. A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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.

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 (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
County's proportionate share of the net pension liability (asset)	\$ 4,230,688	\$ (5,962,319)	\$ (13,299,388)

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 11 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 members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

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, 2022 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

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, 2021 are as listed below:

Life Insurance
Employee Contribution Rates*
For the year ended December 31, 2021

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 \$4,211 in contributions from the employer.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

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

At December 31, 2022, the County reported a liability (asset) of \$1,216,100 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the County's proportion was 0.20575700%, which was a decrease of 0.0046% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the County recognized OPEB expense of \$153,364.

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, 2022, 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$	\$ (61,862)
Net differences between projected and actual earnings on plan investments	15,822	
Changes in actuarial assumptions	367,425	(58,945)
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,053	(23,579)
Employer contributions subsequent to the measurement date	4,134	
Totals	<u>\$ 421,434</u>	<u>\$ (144,386)</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

\$4,134 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2023	\$ 61,809
2024	59,973
2025	55,941
2026	70,055
2027	27,511
Thereafter	(2,375)
Total	\$ 272,914

Actuarial assumptions. The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.17%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

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, 2021			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
US Mortgages	Bloomberg US MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount rate. A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Sensitivity of the County’s proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the County’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 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 (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
County's proportionate share of the net OPEB liability (asset)	\$ 1,649,809	\$ 1,216,100	\$ 889,752

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN

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

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	
Active employees	143
	<u>166</u>

Total OPEB Liability – The County’s total OPEB Liability of \$947,575 was measured at December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

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, 2021
Measurement date	December 31, 2021
Actuarial cost method	Entry age normal (level percent of salary)
Inflation	2.0 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	2.25 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 S&P Municipal Bond 20 Year High Grade Index published by the Federal Reserve as of the week of the measurement date.

Mortality rates were on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

The actuarial assumptions used in the December 31, 2021, valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 12/31/2020	<u>\$ 528,825</u>
Changes for the year:	
Service cost	56,964
Interest	12,125
Changes of benefit terms	
Differences between expected and actual experience	5,483
Changes in assumptions or other inputs	381,000
Benefit payments	<u>(36,822)</u>
Net Changes	<u>418,750</u>
 Balance at 12/31/2021	 <u><u>\$ 947,575</u></u>

There were no changes of benefit terms.

There were no changes of assumptions.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

		1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	12/31/2021	\$ 1,002,029	\$ 947,575	\$ 895,784

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	12/31/2021	\$ 865,731	\$ 947,575	\$ 1,043,103

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$119,041.

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, 2021 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	\$ 4,798	\$ 1,295
Changes of assumptions or other inputs	353,891	7,147
Contributions after the measurement date	192,342	
Total	\$ 551,031	\$ 8,442

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

\$192,342 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, 2022. 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:		
2023	\$	49,952
2024		49,952
2025		49,952
2026		49,953
2027		51,735
Thereafter		98,703
Total	\$	<u>350,247</u>

NOTE 13 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, 2022 were as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Taxes levied for 2022	\$ 12,541,890	\$ 3,920,752
Delinquent property taxes	111,461	
Economic development loans	42,688	
Broadband agreements	2,210,951	
Total	<u>\$ 14,906,990</u>	<u>\$ 3,920,752</u>

The economic development loans receivable of \$42,688 consist of loans made to business entities from the proceeds of Community Development Block grants. The County has a long-term notes receivable from a broadband provider for \$1,400,000 with an interest rate of 3%. Payments are interest only until December 31, 2023, and the due date of the note is December 31, 2034. These are to be repaid, together with interest, to the County out of the revenue of the entities. The County also will report deferred inflow of resources related to the interest on the guarantee payments of \$810,951. The final due date for the guarantee payments is November 1, 2051. Also see audit note 5.

NOTE 14 RISK MANAGEMENT

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 15

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 Wisconsin Professional Police Association contract covering sheriff department employees, full-time employees earn eight hours of sick leave per month with a maximum accumulation of 960 hours. All employees covered under the contract who retire and are eligible for the Wisconsin Retirement Fund annuity and/or social security benefits, or who die while in employ of the County (in case of death, their estates shall be entitled) shall be allowed to convert their accumulated sick leave to purchase continuing group health insurance and dental insurance under the County employees’ insurance plan, or shall receive a cash payment for their accumulated sick leave based on their final base wage rate.

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

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

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

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

Compensated absences as of December 31, 2022 consist of the following:

	Sick Leave	MTO	Total
General county employees	\$ 623,510	\$ 525,001	\$ 1,148,511
Highway department employees	120,670	191,327	311,997
Total	\$ 744,180	\$ 716,328	\$ 1,460,508

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 16

CONTINGENCIES

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

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

NOTE 17

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		
General	Social services	\$ 300,000
General	Aging Disability Resource Center	75,000
General	Real estate tax reduction	2,599,000
Capital Projects	General	20,000
		<u>\$ 2,994,000</u>
Proprietary Funds		
Bloomfield	General	823,981
Highway	General	54,297
	Total	<u>\$ 3,872,278</u>

Interfund advances were as follows on December 31, 2022:

<u>Fund Advanced To</u>	<u>Advanced From</u>	<u>Amount</u>
C.D.B.G Revolving Loan	General Fund	33,366
Broadband Fund	General Fund	1,500,000
	Total	<u>\$ 1,533,366</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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 18

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 2022, these reimbursements amounted to \$653,857 or 84.4% of total operating revenue.

NOTE 19

BLOOMFIELD RESIDENT ACCOUNTS RECEIVABLE

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

	2022	2021
Private/Insurance	\$ 63,593	\$ 158,011
Medical Assistance	5,446	131,082
Medicare		119,446
Veterans Affair		70,314
Family Care		38,465
Allowance for Doubtful Accounts		(31,394)
Total	\$ 69,039	\$ 485,924

NOTE 20

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, 2022 are available at the Corporation's offices in Madison, Wisconsin.

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, 2022

NOTE 22 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. When this becomes effective, application of this standard may restate portions of these financial statements.

NOTE 23 COMMITMENTS/SUBSEQUENT EVENTS

Subsequent to December 31, 2022, the County approved issuing a \$527,500 general obligation promissory note on January 27, 2023 at 4.0% interest with a maturity of June 27, 2023. Total debt payoff will be \$536,350.

Subsequent to December 31, the County approved selling the Bloomfield Healthcare & Rehabilitation Center for \$192,000.

NOTE 24 DISCONTINUED OPERATIONS

During 2022 the County ceased operating the Bloomfield Health Care and Rehabilitation Center (a proprietary fund) once all residents were placed in other facilities. All assets were sold or disposed of during the year except for the building (which was sold for \$192,000 in 2023) and restricted cash for residents. The restricted cash was distributed/donated in 2023.

NOTE 25 COMPONENT UNIT

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2022

NOTE 25

COMPONENT UNIT (CONTINUED)

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 1/1/22	Additions	Deletions	Balance 12/31/22
Capital assets not being depreciated:				
Construction work in progress	\$ 10,245	\$	\$ (3,795)	\$ 6,450
Capital assets being depreciated:				
Buildings	964,629	159,520		1,124,149
Equipment & furnishings	245,851	1,798	(2,800)	244,849
Land improvements	643,318	5,325		648,643
Total capital assets	1,853,798	166,643	(2,800)	2,017,641
Less: accumulated depreciation:				
Buildings	499,049	37,495		536,544
Equipment & furnishings	184,706	23,599	(2,800)	205,505
Land improvements	240,360	37,149		277,509
Total accumulated depreciation	924,115	98,243	(2,800)	1,019,558
Net capital assets being depreciated	929,683	68,400		998,083
Total net capital assets	\$ 939,928	\$ 68,400	\$ (3,795)	\$ 1,004,533

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, 2022

NOTE 25

COMPONENT UNIT (CONTINUED)

B. Net Position

The following calculation supports the Commission's net position net investment in capital assets at December 31, 2022:

Capital assets	\$ 2,024,091
Accumulated depreciation	<u>(1,019,558)</u>
Total net investment in capital assets	<u><u>\$ 1,004,533</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, 2022, employer contributions were \$9,400. 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, 2022

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Taxes:					
Property	\$ 5,765,964	\$ 5,765,964	\$ 5,536,048	\$ (229,916)	\$ (229,916)
Other	248,000	248,000	235,897	(12,103)	(12,103)
Intergovernmental	2,326,220	2,326,220	1,809,126	(517,094)	(517,094)
Charges for services	879,993	879,993	1,450,912	570,919	570,919
Fines and forfeitures	167,000	167,000	2,757,237	2,590,237	2,590,237
Investment earnings	50,900	50,900	430,528	379,628	379,628
Miscellaneous	397,566	397,566	432,892	35,326	35,326
Total revenues	<u>9,835,643</u>	<u>9,835,643</u>	<u>12,652,640</u>	<u>2,816,997</u>	<u>2,816,997</u>
EXPENDITURES					
Current:					
General government	3,485,004	3,498,334	3,253,538	231,466	244,796
Public safety	5,018,136	5,043,541	5,539,858	(521,722)	(496,317)
Health and human services	1,161,145	1,193,433	802,581	358,564	390,852
Leisure activities	67,236	67,236	57,612	9,624	9,624
Conservation of natural resources	1,272,215	1,543,362	1,099,260	172,955	444,102
Education	738,380	761,561	641,049	97,331	120,512
Community and economic development	341,120	341,120	391,482	(50,362)	(50,362)
Capital outlay	142,126	142,126	167,225	(25,099)	(25,099)
Total expenditures	<u>12,225,362</u>	<u>12,590,713</u>	<u>11,952,605</u>	<u>272,757</u>	<u>638,108</u>
Excess (deficiency) of revenues over expenditures	<u>(2,389,719)</u>	<u>(2,755,070)</u>	<u>700,035</u>	<u>3,089,754</u>	<u>3,455,105</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,610,000	2,610,000	2,974,000	364,000	364,000
Transfers out		(10,000)	(898,278)	(898,278)	(888,278)
Total other financing sources (uses)	<u>2,610,000</u>	<u>2,600,000</u>	<u>2,075,722</u>	<u>(534,278)</u>	<u>(524,278)</u>
Net change in fund balances	220,281	(155,070)	2,775,757	2,555,476	2,930,827
Fund balance-beginning of year	13,173,035	13,173,035	13,173,035		
Fund balance-end of year	<u>\$ 13,393,316</u>	<u>\$ 13,017,965</u>	<u>\$ 15,948,792</u>	<u>\$ 2,555,476</u>	<u>\$ 2,930,827</u>

Schedule 2
Required Supplementary Information
Iowa County, Wisconsin
Budgetary Comparison Schedule for the Social Services Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Property taxes	\$ 1,452,710	\$ 1,452,710	\$ 1,452,710	\$	\$
Intergovernmental	1,464,489	1,464,489	1,526,886	62,397	62,397
Charges for services	24,700	36,700	23,635	(1,065)	(13,065)
Miscellaneous			2,218	2,218	2,218
Total revenues	2,941,899	2,953,899	3,005,449	63,550	51,550
EXPENDITURES					
Current:					
Health and human services	2,941,899	2,949,636	2,359,241	582,658	590,395
Total expenditures	2,941,899	2,949,636	2,359,241	582,658	590,395
Excess (deficiency) of revenues over expenditures		4,263	646,208	646,208	641,945
OTHER FINANCING SOURCES (USES)					
Transfers (out)			(300,000)	(300,000)	(300,000)
Net change in fund balance		4,263	346,208	346,208	341,945
Fund balance-beginning of year	656,396	656,396	656,396		
Fund balance-end of year	\$ 656,396	\$ 660,659	\$ 1,002,604	\$ 346,208	\$ 341,945

Schedule 3
Required Supplementary Information
Iowa County, Wisconsin
Budgetary Comparison Schedule for the Real Estate Tax Reduction Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Sales taxes	\$ 2,610,000	\$ 2,610,000	\$ 2,722,043	\$ 112,043	\$ 112,043
Total revenues	2,610,000	2,610,000	2,722,043	112,043	112,043
OTHER FINANCING SOURCES (USES)					
Transfers (out)	(2,610,000)	(2,610,000)	(2,599,000)	11,000	11,000
Net change in fund balance			123,043	123,043	123,043
Fund balance-beginning of year	3,013,025	3,013,025	3,013,025		
Fund balance-end of year	\$ 3,013,025	\$ 3,013,025	\$ 3,136,068	\$ 123,043	\$ 123,043

Schedule 4
Required Supplementary Information
Iowa County, Wisconsin
Budgetary Comparison Schedule for the Broadband Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Original Budget	Variance With Final Budget
	Original	Final			
REVENUES					
Investment earnings	\$	\$	\$ 42,582	\$ 42,582	\$ 42,582
Miscellaneous			27,090	27,090	27,090
Total revenues			69,672	42,582	42,582
EXPENDITURES					
Current:					
General Government	250,000	250,000	125	249,875	249,875
Total expenditures	250,000	250,000	125	249,875	249,875
Excess (deficiency) of revenues over expenditures	(250,000)	(250,000)	69,547	(207,293)	(207,293)
OTHER FINANCING SOURCES (USES)					
Long-term debt proceeds	250,000	250,000		(250,000)	(250,000)
Net change in fund balance			69,547	(457,293)	(457,293)
Fund balance-beginning of year	(1,493,699)	(1,493,699)	(1,493,699)		
Fund balance-end of year	\$ (1,493,699)	\$ (1,493,699)	\$ (1,424,152)	\$ (457,293)	\$ (457,293)

Schedule 5
 Required Supplementary Information
 Iowa County, Wisconsin
 Budgetary Comparison Schedule for the ARPA Fund
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Intergovernmental	\$ 4,070,040	\$ 4,108,157	\$ 131,783	\$ (3,938,257)	\$ (3,976,374)
Investment earnings	1,000	1,000		(1,000)	(1,000)
Total revenues	4,071,040	4,109,157	131,783	(3,939,257)	(3,977,374)
EXPENDITURES					
Current:					
General government	16,800	16,800	11,866	4,934	4,934
Transportation facilities	3,175,000	3,175,000		3,175,000	3,175,000
Health and human services	74,037	74,037	74,000	37	37
Capital outlay	805,203	843,320	45,917	759,286	797,403
Total expenditures	4,071,040	4,109,157	131,783	3,939,257	3,977,374
Excess (deficiency) of revenues over expenditures					
Net change in fund balance					
Fund balance-beginning of year					
Fund balance-end of year	\$	\$	\$	\$	\$

Schedule 6
Iowa County, Wisconsin
Wisconsin Retirement System Schedules
December 31, 2022

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)
2021	(0.07397250%)	\$ (5,962,319)	\$ 10,880,973	(54.80%)	106.02%
2020	(0.07468015%)	(4,662,385)	10,890,237	(42.81%)	105.26%
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
2022	\$ 779,063	\$ (779,063)		\$ 8,887,037	8.77%
2021	847,907	(847,907)		10,880,973	7.79%
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 7
Iowa County, Wisconsin
Local Retiree Life Insurance Fund Schedules
December 31, 2022

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)
2021	0.20575700%	\$ 1,216,100	\$ 8,798,000	13.82%	29.57%
2020	0.21035700%	1,157,115	9,011,000	12.84%	31.36%
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 OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
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
2022	\$ 4,134	\$ (4,134)	\$	\$ 8,444,783	0.05%
2021	4,081	(4,081)		9,141,642	0.04%
2020	4,208	(4,208)		9,193,551	0.05%
2019	4,059	(4,059)		9,193,997	0.04%
2018	3,726	(3,726)		8,730,386	0.04%

Schedule 8
Iowa County, Wisconsin
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
December 31, 2022

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service costs	\$ 56,964	\$ 52,021	\$ 34,900	\$ 36,043	\$ 36,043
Interest	12,125	13,424	17,632	14,807	13,516
Changes in benefit terms					
Differences between expected and actual experience	5,483		(2,072)		
Changes of assumptions or other inputs	381,000	16,626	12,876	(14,295)	
Benefit payments	(36,822)	(30,743)	(18,365)	(18,145)	(7,201)
Net change in total OPEB	<u>\$ 418,750</u>	<u>\$ 51,328</u>	<u>\$ 44,971</u>	<u>\$ 18,410</u>	<u>\$ 42,358</u>
Total OPEB liability- beginning	528,825	477,497	432,526	414,116	371,758
Total OPEB liability- ending	<u>\$ 947,575</u>	<u>\$ 528,825</u>	<u>\$ 477,497</u>	<u>\$ 432,526</u>	<u>\$ 414,116</u>
Covered employee payroll	<u>\$ 9,708,744</u>	<u>\$ 9,835,497</u>	<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	9.76%	5.38%	4.85%	5.60%	5.37%

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2022

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, 2022:

<u>Expenditure</u>	<u>Excess Expenditure</u>
General Fund:	
Public safety	496,317
Community and economic development	50,362
Capital outlay	25,099
Transfers out	888,278
Social Services Fund	
Transfers out	300,000

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2022

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

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

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2022

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2022

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2022

NOTE 3

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Changes in Benefit Terms and Assumptions related to LRLIF OPEB Liabilities (Assets)

Benefit Terms: There were no recent changes in benefit terms.

Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%.
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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 5 preceding years.

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

Changes of assumptions. There were no change in assumptions.

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, 2022

	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	Unified Community Services	Dog License	Solar Farm Utility Fund	Opioid Settlement	Wisconsin River Rail Transit	
ASSETS											
Cash and investments	\$ 288,241	\$ 41,990		\$ 242,757	\$ 197,882		\$ 12,104	\$ 361,311	\$ 131,946	\$	\$ 1,276,231
Receivables:											
Current property taxes	371,610	25,502			60,000	267,500			30,000		754,612
Other					8,314						8,314
Economic development loans			42,688								42,688
Due from other governments	89,455	45,026		23,700							158,181
Leases					45,804						45,804
Prepaid items					1,543						1,543
Inventories					56,002						56,002
Total assets	\$ 749,306	\$ 112,518	\$ 42,688	\$ 266,457	\$ 369,545	\$ 267,500	\$ 12,104	\$ 361,311	\$ 131,946	\$ 30,000	\$ 2,343,375
LIABILITIES											
Accounts payable	\$ 13,701	\$ 500		\$ 1,606	\$ 14,825		\$ 10,470	\$	\$	\$	\$ 41,102
Accrued payroll	19,639	5,533									25,172
Due to other governments	8,438	2,414					634				11,486
Advance to other funds			33,366								33,366
Unearned revenue	3,670										3,670
Total liabilities	45,448	8,447	33,366	1,606	14,825		11,104				114,796
DEFERRED INFLOWS OF RESOURCES											
Deferred property tax revenue-current	371,610	25,502			60,000	267,500			30,000		754,612
Deferred revenue-other			42,688								42,688
Leases					45,804						45,804
Total deferred inflows of resources	371,610	25,502	42,688		105,804	267,500			30,000		843,104
FUND BALANCES											
Nonspendable					57,545						57,545
Restricted	332,248	78,569		264,851	191,371		1,000	361,311	131,946		1,361,296
Unassigned			(33,366)								(33,366)
Total fund balances	332,248	78,569	(33,366)	264,851	248,916		1,000	361,311	131,946		1,385,475
Total liabilities, deferred inflows of resources and fund balances	\$ 749,306	\$ 112,518	\$ 42,688	\$ 266,457	\$ 369,545	\$ 267,500	\$ 12,104	\$ 361,311	\$ 131,946	\$ 30,000	\$ 2,343,375

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, 2022

	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	Unified Community Services	Dog License	Solar Farm Utility Fund	Opioid Settlement	Wisconsin River Rail Transit	
REVENUES											
Taxes:											
Property taxes	\$ 321,099	\$ 31,329	\$	\$	\$ 70,000	\$ 257,552	\$	\$	\$	\$ 30,000	\$ 709,980
Intergovernmental	606,901	223,339		54,598	6,631		361,311	131,828			1,384,608
Public charges for services	24,044				252,076	12,675					288,795
Interest income	391		2,548	4,048				136			7,123
Revolving loan repayments			3,952								3,952
Miscellaneous income	73,047				2,751						75,798
Total revenues	1,025,482	254,668	6,500	58,646	331,458	257,552	12,675	361,311	131,964	30,000	2,470,256
EXPENDITURES											
Current:											
Transportation facilities					310,445						310,445
Public safety				56,062			12,675				68,737
Health and human services	835,852	236,170				257,552		18			1,329,592
Community and Economic development									30,000		30,000
Total expenditures	835,852	236,170		56,062	310,445	257,552	12,675	18	30,000		1,738,774
Excess (deficiency) of revenues over expenditures	189,630	18,498	6,500	2,584	21,013			361,311	131,946		731,482
OTHER FINANCING SOURCES (USES)											
Transfers (out)	(75,000)										(75,000)
Net change in fund balances	114,630	18,498	6,500	2,584	21,013			361,311	131,946		656,482
Fund balances-beginning of year	217,618	60,071	(39,866)	262,267	227,903		1,000				728,993
Fund balances-end of year	\$ 332,248	\$ 78,569	\$ (33,366)	\$ 264,851	\$ 248,916	\$	\$ 1,000	\$ 361,311	\$ 131,946	\$	\$ 1,385,475