

IOWA COUNTY, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2017

Johnson Block & Company, Inc.
Certified Public Accountants
2500 Business Park Road
Mineral Point, Wisconsin 53565
(608) 987-2206
Fax: (608) 987-3391

IOWA COUNTY, WISCONSIN
DECEMBER 31, 2017
TABLE OF CONTENTS

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	4
<u>Basic Financial Statements</u>	
A-1 Statement of Net Position.....	18
A-2 Statement of Activities.....	20
A-3 Balance Sheet - Governmental Funds	21
A-4 Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position	22
A-5 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23
A-6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	24
A-7 Statement of Net Position - Proprietary Funds.....	25
A-8 Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	27
A-9 Statement of Cash Flows - Proprietary Funds.....	28
A-10 Statement of Net Position - Fiduciary Funds	30
Notes to the Financial Statements.....	31
<u>Required Supplementary Information</u>	
Schedule 1 Budgetary Comparison Schedule - General Fund.....	61
Schedule 2 Budgetary Comparison Schedule - Social Services Fund	62
Schedule 3 Wisconsin Retirement System Schedules	63
Notes to the Required Supplementary Information	64
<u>Supplementary Information</u>	
B-1 Combining Balance Sheet – All Nonmajor Governmental Funds	65
B-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds	66
B-3 Per Capital Costs.....	67
B-4 Daily Rates.....	68



INDEPENDENT AUDITOR'S REPORT

To the County Board
County of Iowa, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Iowa County, Wisconsin ("County"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the Wisconsin Retirement System schedules on pages 4 through 17 and 61 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

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

Johnson Block & Company, Inc.

Johnson Block and Company, Inc.
Mineral Point, Wisconsin
September 24, 2018

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

As management of Iowa County, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained herein will provide information on both the governmental operations and the business-type activities of the County. Comparison to prior year data has been provided for all key financial information.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2017 by \$80,535,195 (net position). Of this amount, \$17,432,536 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$178,174. The following factors contributed to the overall increase:
 - Increase in Current Assets by \$844,462.
 - Decrease in capital assets by \$1,032,927 and an increase in accumulated depreciation of 134,850.
 - Decrease in current liabilities for payables, deferred revenue and current portion of long-term debt by \$873,980 and a decrease in long-term liabilities of \$1,343,729.
 - The County return on investments increased slightly between 2017 and 2016 with an average interest rate of half a percent for the year.
 - Resources were used to purchase additional capital assets. The County replaced three vehicles in the sheriff's department, upgraded the heating and cooling system at the Courthouse, completed the construction phase of the courthouse/court security remodeling project.
- The property tax rate increased 4.72% for the year ended December 31, 2017 compared to the property tax rate for the year ended December 31, 2016. The 2017 property tax rate was \$5.919380 per \$1,000 of equalized valuation compared to the 2016 property tax rate was \$5.652399 per \$1,000 of equalized valuation. The actual levy increased \$727,915 or 7.098% over the prior year's levy. The actual operating levy increased \$119,682 and the debt payments increased \$608,233. The County's equalized value increased \$41,141,500 or 2.268% from 2016. The combinations of these factors resulted in the increase to the property tax rate.
- As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$16,809,570, an increase of \$1,232,093 from the prior year.
- As of December 31, 2017, unassigned fund balance for the general fund was \$9,600,420, or approximately 109.0% of total general fund expenditures.

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Iowa County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes and earned but unused managed time off or vacation leave.)

Both of the government-wide financial statements distinguish functions of Iowa County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government; public safety; transportation facilities; public works, health and human services; education and leisure; and conservation and development. The business-type activities of the County include the Highway operations and Bloomfield Healthcare and Rehabilitation Center.

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

The government-wide financial statements can be found on pages 18-20 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Iowa County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

Proprietary funds. Iowa County maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Bloomfield Healthcare and Rehabilitation Center, and Highway Department operations.

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 – 60 of this report.

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$80,357,021 at the close of 2016.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets	25,593,910	24,583,504	8,124,982	8,290,926	33,718,892	32,874,430
Restricted Assets			586,537	666,414	586,537	666,414
Unamortized Bond Issues Costs						
Loan due from other governmental units	1,349	2,698			1,349	2,698
Net Pension Asset						
Capital assets net of Accumulated Depreciation	55,403,981	56,867,526	6,176,332	5,610,864	61,580,313	62,478,390
Total assets	80,999,240	81,453,728	14,887,851	14,568,204	95,887,091	96,021,932
Deferred Pension Outflows	2,775,222	3,874,898	1,881,191	2,783,002	4,656,413	6,657,900
Total Assets and Deferred Outflows of Resources	83,774,462	85,328,626	16,769,042	17,351,206	100,543,504	102,679,832
Current Liabilities	1,718,894	1,928,431	1,700,548	2,364,991	3,419,442	4,293,422
Long-term Liabilities outstanding	2,190,112	3,241,457	595,016	887,400	2,785,128	4,128,857
Total Liabilities	3,909,006	5,169,888	2,295,564	3,252,391	6,204,570	8,422,279
Deferred Inflows of Resources	9,004,286	9,285,484	4,799,453	4,615,048	13,803,739	13,900,532
Net Position:						
Invested in capital assets, net of related debt	53,459,550	54,240,723	5,268,332	5,010,864	58,727,882	59,251,587
Restricted	3,788,240	3,770,480	586,537	666,414	4,374,777	4,436,894
Unrestricted	13,613,380	12,862,051	3,819,156	3,806,489	17,432,536	16,668,540
Total Net Position	70,861,170	70,873,254	9,674,025	9,483,767	80,535,195	80,357,021
Total Liabilities, Deferred Inflows of Resources and Net Position	83,774,462	85,328,626	16,769,042	17,351,206	100,543,504	102,679,832

By far the largest portion of the County's net position (72.9%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (5.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* in the amount of \$17,432,536 may be used to meet the County's ongoing obligations to citizens and creditors.

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

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

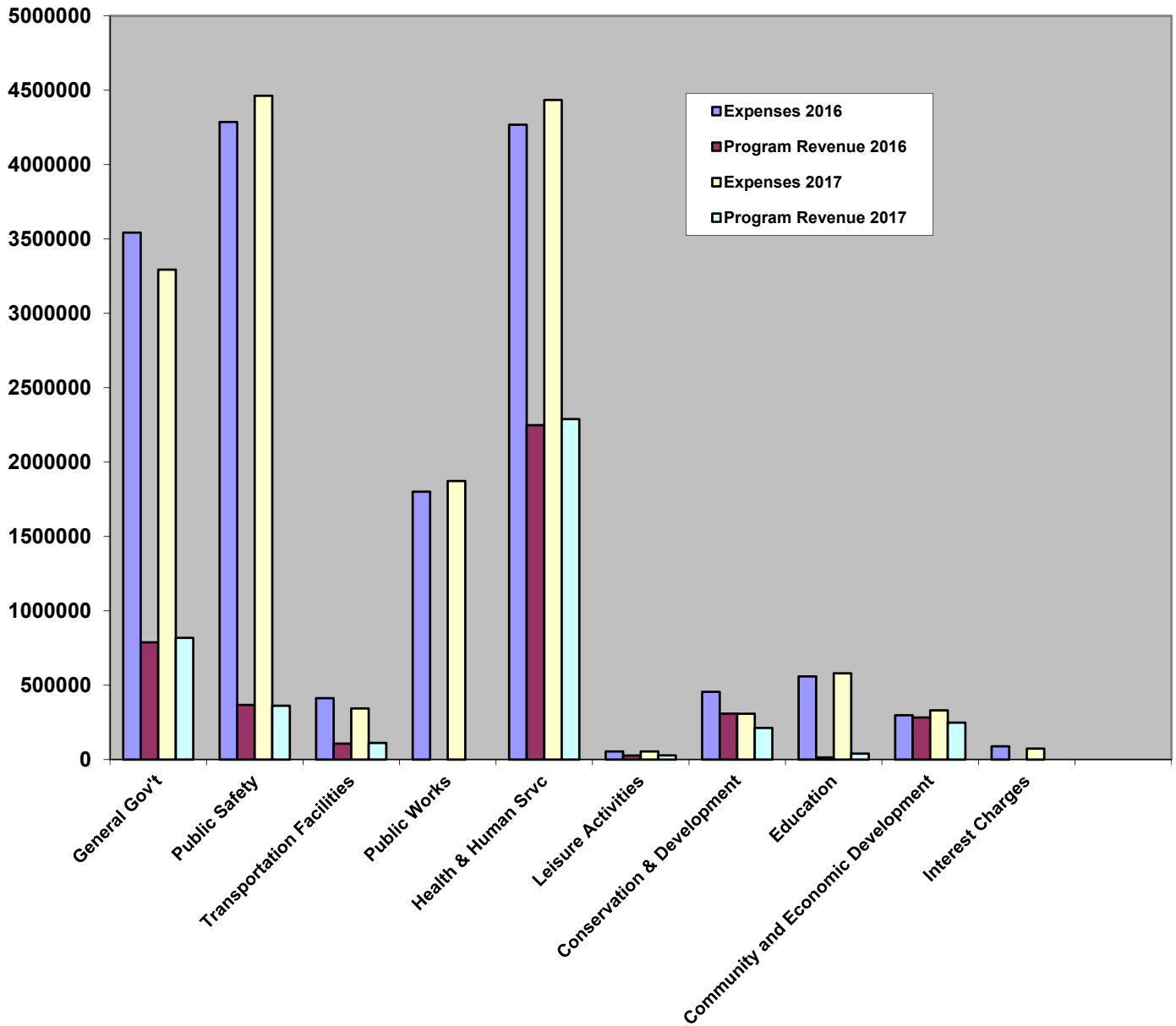
Iowa County's Change in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services and fees, fines and costs	1,293,741	1,312,531	7,631,883	7,782,067	8,925,624	9,094,598
Operating grants and contributions	2,760,607	2,815,503	1,963,806	1,692,757	4,724,413	4,508,260
Capital Grants and contributions	54,700	16,742	7,655	8,607	62,355	25,349
General revenues:						
Property taxes	7,817,097	7,745,823	3,565,386	2,857,725	11,382,483	10,603,548
Other Taxes	2,142,531	2,098,057	417,054	412,719	2,559,585	2,510,776
Grants and contributions not restricted to specific programs	544,422	500,170			544,422	500,170
Unrestricted Interest & Investment	165,987	61,197	17,127	9,655	183,114	70,852
Other	1,778,765	3,412,019	(13,324)	(4,895)	1,765,441	3,407,124
Total revenues	16,557,850	17,962,042	13,589,587	12,758,635	30,147,437	30,720,677
Expenses:						
General Government	3,293,312	3,542,643			3,293,312	3,542,643
Public Safety	4,462,951	4,286,837			4,462,951	4,286,837
Transportation facilities	343,696	412,548			343,696	412,548
Public Works	1,872,754	1,800,907			1,872,754	1,800,907
Health & Human services	4,435,001	4,268,030	5,762,763	5,832,598	10,197,764	10,100,628
Leisure activities	54,782	54,283			54,782	54,283
Conservation and development	307,974	455,377			307,974	455,377
Education	579,678	558,671			579,678	558,671
Community and economic dev.	330,598	297,813			330,598	297,813
Interest on long-term debt	73,208	88,850			73,208	88,850
Highway			8,452,546	7,378,286	8,452,546	7,378,286
Total Expenses	15,753,954	15,765,959	14,215,309	13,210,884	29,969,263	28,976,843
Increase (Decrease) in net position before transfers	803,896	2,196,083	(625,722)	(452,249)	178,174	1,743,834
Transfers	(815,980)	(121,750)	815,980	121,750		
Increase (Decrease) in net position	(12,084)	2,074,333	190,258	(330,499)	178,174	1,743,834
Net position-January 1, as previously stated	70,873,254	68,798,921	9,483,767	9,814,266	80,357,021	78,613,187
Prior Period Adjustment						
Net Position-January 1, restated	70,873,254	68,798,921	9,483,767	9,814,266	80,357,021	78,613,187
Net position - December 31	70,861,170	70,873,254	9,674,025	9,483,767	80,535,195	80,357,021

Governmental Activities: Governmental activities decreased the County's net position by (\$12,084) and the business type activities increased the County's net position by \$190,258. Key elements of this increase/decrease are as follows:

- Expenses in excess of Revenues in the Government activities.
- Increase in the revenues in business type activities along with an increase in costs.

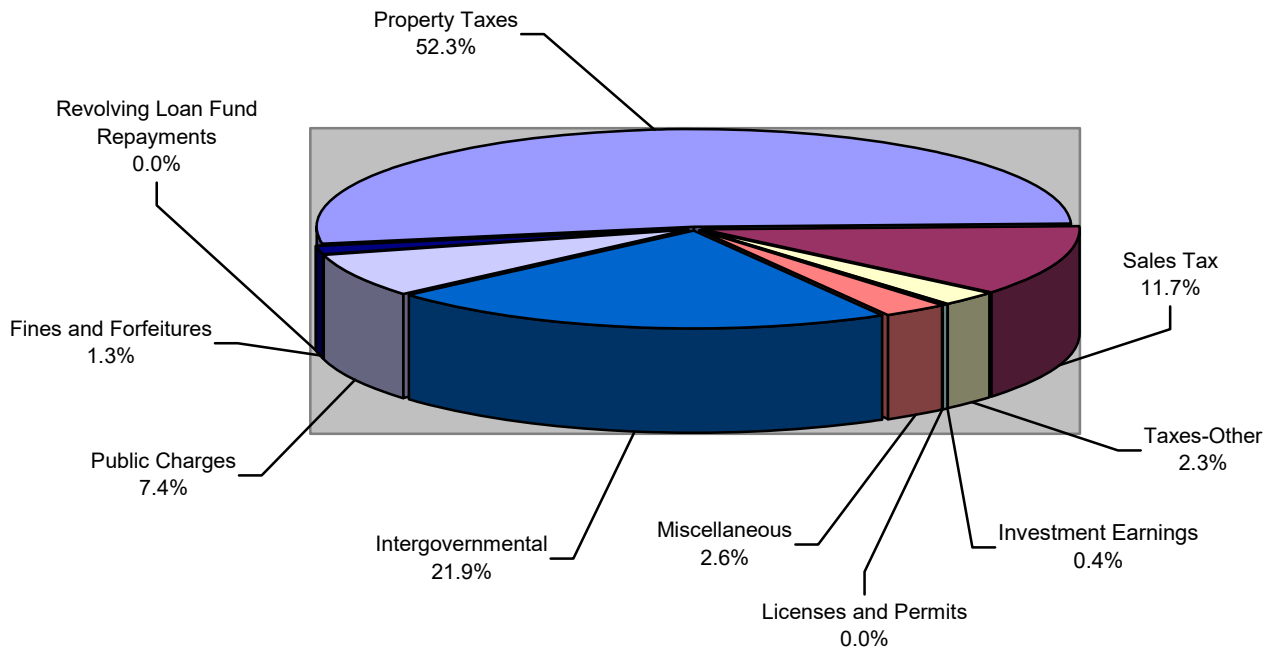
IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

Expenses and Program Revenues – Governmental Funds



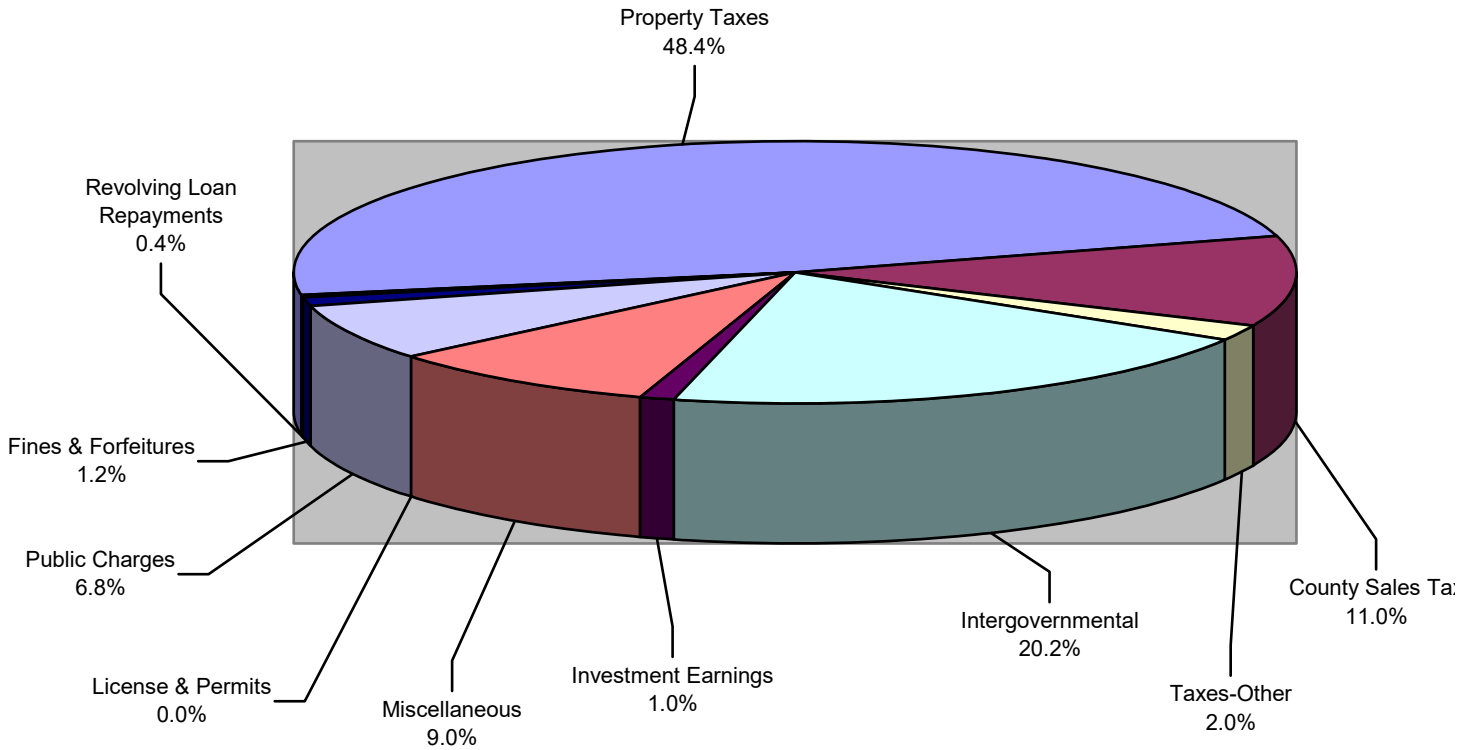
IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

2016 Revenues by Source-Governmental Funds



IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

2017 Revenues by Source-Governmental Funds

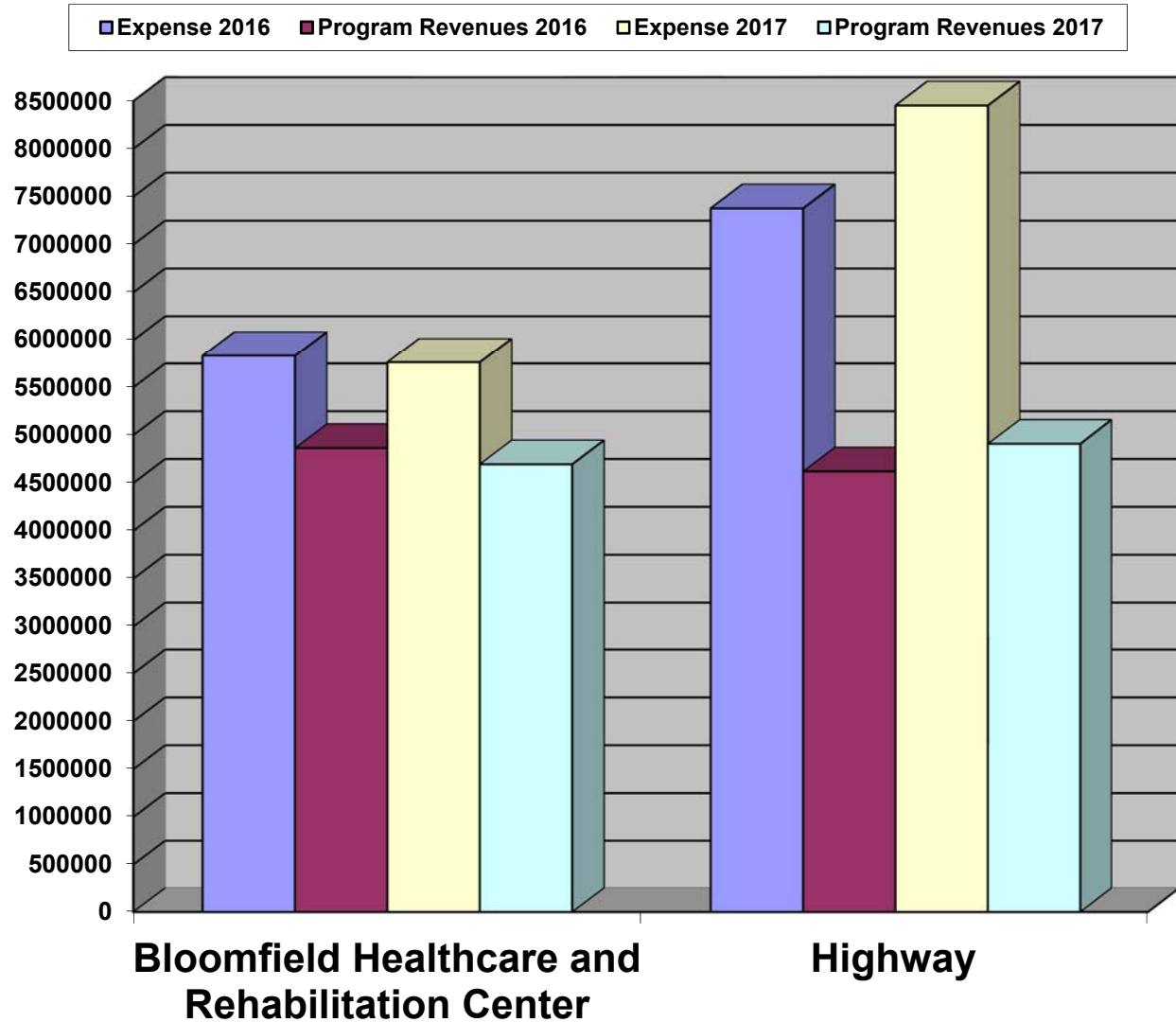


IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

Business-type activities: Business-type activities increased Iowa County’s net position by \$190,258. Key elements of this increase are as follows:

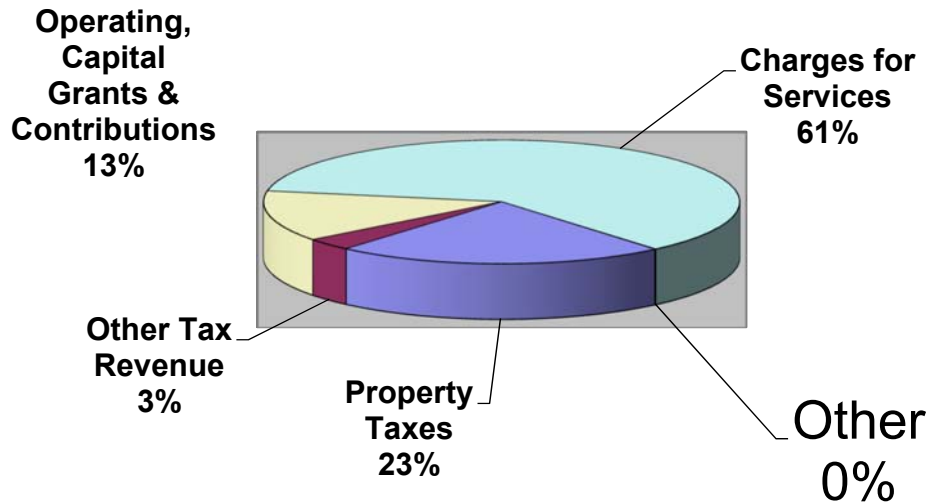
- Operating expenditures for the Highway Department increased \$1,073,033.
- Operating expenditures for Bloomfield Healthcare and Rehabilitation Center decreased \$69,835.
- Operating revenues for the Highway Department increased \$34,183.
- Operating revenues for Bloomfield Healthcare and Rehabilitation Center decreased \$184,367.
- Property tax revenue for the business type activities increased \$707,661.

Expenses and Program Revenues – Business-type Activities

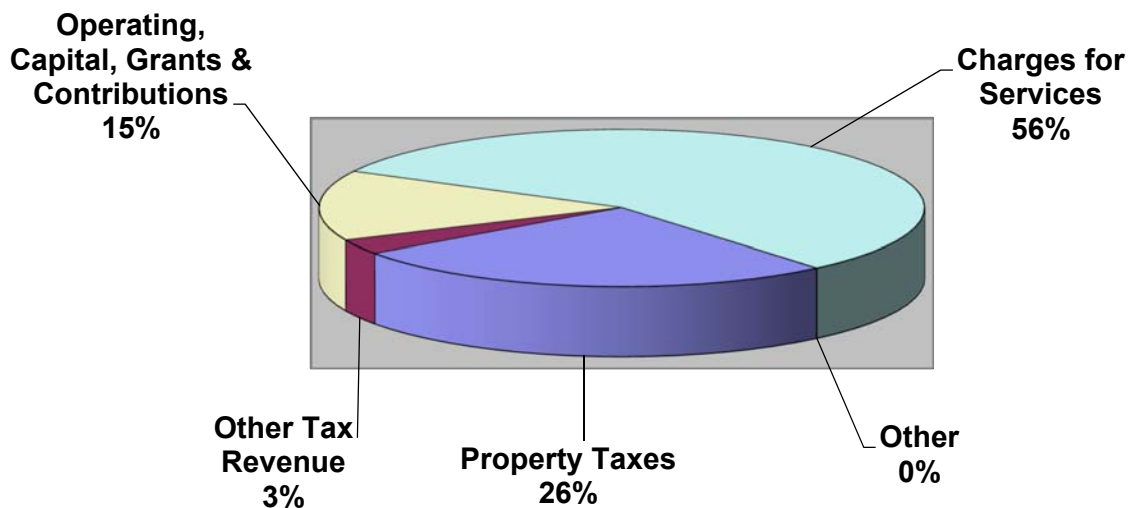


IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

2016 Revenues by Source- Business Type Activites



2017 Revenues by Source- Business type Activites



IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

Financial Analysis of the Iowa County's Funds

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

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

As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$16,809,570, an increase of \$1,232,093 from the prior year. Of the combined ending fund balance, \$9,600,420 or 57% constitutes *unassigned fund balance* that is available for spending at the County's discretion and \$1,791,436 or 11% constitutes *assigned fund balance* that reflects the government's intended use of resources. Of the combined ending fund balance, \$917,763 or 5% constitutes total *nonspendable* fund balance that is not available for new spending as it is set aside for delinquent taxes, prepaid items, and Iowa County Airport inventories. The remainder of fund balance \$4,499,951 or 27% is *restricted* to indicate that it is not available for new spending because it has already been committed for the following purposes: 1) County Clerk election grant \$2,228; 2) Register of Deeds – redaction project \$20,137; 3) Land Records retained fees \$90,392; 4) Land Records public access fees \$99,796; 5) Land records grant \$111,670; 6) Bio-Terrorism grant \$16,315; 7) UW Extension pesticide program \$2,795; 8) UW Extension corporate grant \$6,954; 9) UW Extension Family Living Program \$2,759; 10) Veterans Donations \$3,750; 11) K-9 program \$1,471; 12) Land Conservation Donations \$1,770; 13) Social Services Fund \$536,887; 14) Social Services donor restricted \$9,887; 15) Capital Projects Fund for Jail Assessment \$115,730; 16) Aging Disability Resource Center \$252,739; 17) Child Support Fund \$29,299; 18) CDBG revolving loan funds \$429,378; 19) Real Estate Reduction Funds \$2,426,805; 20) Drug Task Force \$304,435; 21) Iowa County Airport \$33,754; and 22) dog license fees collected for the purpose of future related expenses in this area \$1,000. This information can be found on page 49 of the audit report.

The general fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$9,600,420 while total fund balance reached \$11,934,100. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 97% of total general fund expenditures (an increase of 13% from 2016), while total fund balance represents 120% of that same amount (an increase of 21% from 2016).

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

Unrestricted net position for Bloomfield Healthcare and Rehabilitation Center and Highway Department operations were \$8,559 and \$3,810,597 respectively. Total decrease in unrestricted net position for Bloomfield Healthcare and Rehabilitation Center was \$795,642 and total increase in unrestricted net position for Highway operations was \$808,309.

Bloomfield Healthcare and Rehabilitation Center's operating revenues decreased \$184,367 from 2016, or 4%. There was a decrease of 878 resident days for the year, and the daily average census for 2017 was 52 and 2016 was 54, a decrease of 2 between the years. Per capita cost per day for 2017 was \$278.82 and for 2016 was \$271.04 which is an increase of \$7.78 per day or 3%. Operating expenses decreased by \$69,835 or 1%.

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

Intergovernmental Transfer Program increased 3% or \$15,400 to \$494,200 in 2017 from \$478,800 in 2016.

Highway net position increased \$1,100,137 to \$7,759,256.

General Fund Budgetary Highlights

Differences between the original General Fund budget and the final amended General Fund budget amounted to a \$443,380 increase in appropriations or 4.9% increase over the original budget. Differences can be briefly summarized as follows:

- Carryovers from 2016 to use for 2017 expenditures listed as restricted. This amount consists of revenues generated for a specific purpose and have not yet been spent and were carried forward to 2017.
- Transfer from the general fund departments to the Highway Department in the amount of \$815,980.
- Transfers to the general fund from other funds in the amount of \$1,825,000 transferred from the Real-Estate Tax Reduction Fund.

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

During the year, actual revenues exceeded revised budgeted revenues by \$1,462,730. The primary reasons for these variances are as follows:

- Investment Earnings exceeded budget by \$126,804
- Other Taxes exceeded budget by \$13,113
- Charges for services exceeded budget by \$177,086
- Fines and forfeitures did not meet budget by \$77,216
- Miscellaneous revenue exceeded budget by \$1,051,931

Actual expenditures were less than the revised budgeted expenditures by \$711,572.

Capital Asset and Debt Administration

Capital Assets. Iowa County's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to \$61,580,313 (net of accumulated depreciation). This investment in capital assets including land, buildings, improvements, machinery and equipment, public domain infrastructure (highway and bridges), and construction in progress. The net decrease in the County's investment in capital assets for the current year was \$898,077 or 1.4% over the prior year.

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

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

Governmental activities:

- Information technology related equipment \$279,577.
- Purchased three vehicles for the Sheriff's Department \$99,011.
- Purchase a vehicle for the Land Conservation Department \$22,067
- Upgrades to the heating and cooling system at the Courthouse \$53,548
- Complete the construction phase of the Court Security remodeling project \$244,953; this project was completed in 2017.

Business-type activities:

- The Highway Department and Bloomfield Healthcare and Rehabilitation Center purchased equipment and machinery in the amount of \$680,855.

Iowa County's Capital Assets (net of accumulated depreciation)						
	Governmental activities		Business-type activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	1,389,574	1,389,574	46,557	46,557	1,436,131	1,436,131
Buildings & Improvements	10,490,873	10,685,016	1,300,726	1,431,523	11,791,599	12,116,539
Land Improvements			249,017	251,259	249,017	251,259
Machinery and Equipment	1,081,681	915,287	4,562,837	3,864,330	5,644,518	4,779,617
Infrastructure	42,228,246	43,700,457			42,228,246	43,700,457
Construction in progress	213,607	177,192	17,195	17,195	230,802	194,387
Total	55,403,981	56,867,526	6,176,332	5,610,864	61,580,313	62,478,390

Additional information on Iowa County's capital assets can be found in Note (5) on pages 46-47 of this report.

Long-term debt: At the end of the current fiscal year, Iowa County had total general obligation debt outstanding of \$2,759,225 all of which was backed by the full faith of the County.

Iowa County's Outstanding Debt General Obligation Debt						
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation debt:						
State Trust Fund Loan	66,225	163,577			66,225	163,577
General Obligation Bond Issue	1,785,000	2,345,000			1,785,000	2,345,000
General Obligation – Promissory Note			908,000	600,000	908,000	600,000
Total	\$1,851,225	\$2,508,577	\$908,000	\$600,000	\$2,759,225	\$3,108,577

IOWA COUNTY, WISCONSIN
Management Discussion and Analysis
December 31, 2017

During the fiscal year, Iowa County's general obligation debt decreased by \$349,352. The decrease was due to combination of the scheduled loan payments made during 2017 and the issue of a promissory note in the amount of \$908,000 to purchase equipment for the Highway department.

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

Additional information on Iowa County's long-term debt can be found in Note 4 on pages 44-45 of this report.

Economic Factors and Next Year's Budgets and Rates

- Iowa County's unemployment rate is 2.4% for July 2018. This compares to the July 2018 average unemployment rate not seasonally adjusted for State of Wisconsin's of 2.9% and the United States of 3.9%. The State of Wisconsin's seasonally adjusted rate was 3.2% for December 2017 as compared to the national average of 4.1% for the same time period.
- Iowa County's rate variations are due mainly to the seasonal nature of agriculture and Lands' End. Lands' End continues to be the largest employer in Iowa County. Lands' End employs people from Iowa County and the surrounding counties.
- Iowa County saw an increase in the 2015, 2016 and 2017 equalized valuations after a flat or declining growth of equalized valuation of property beginning in 2008 through 2014.

All of these factors were considered in preparing the County's budget for the 2018 fiscal year.

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

With the adoption of the budget for 2018, the County's operating rate of \$5.09 and the debt service levy was \$0.83 per \$1,000 of equalized valuation for a total tax levy rate of \$5.92. The County's operating and debt amount and rates for 2018 were at allowable amounts that could be levied.

Contacting the County's Financial Management

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

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

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Iowa County, Wisconsin
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 14,030,822	\$ 1,845,050	\$ 15,875,872	\$ 156,182
Receivables:				
Taxes receivable	8,648,496	4,031,467	12,679,963	
Accounts receivable	1,247,127	1,181,464	2,428,591	5,371
Due from other governmental units	569,126	786,705	1,355,831	
Economic development loans	140,968		140,968	
Internal balances	613,559	(613,559)		
Materials and supplies	31,292	855,229	886,521	
Other accounts receivable		35,783	35,783	
Prepaid expenses	312,520	2,843	315,363	
Total current assets	<u>25,593,910</u>	<u>8,124,982</u>	<u>33,718,892</u>	<u>161,553</u>
Noncurrent assets:				
Restricted assets:				
Cash and Investments		586,537	586,537	
Capital assets	132,288,104	19,229,559	151,517,663	1,469,396
Less: accumulated depreciation	(76,884,123)	(13,053,227)	(89,937,350)	(687,362)
Total noncurrent assets	<u>55,403,981</u>	<u>6,762,869</u>	<u>62,166,850</u>	<u>782,034</u>
Other assets:				
Loan due from other governmental units	1,349		1,349	
Total other assets	<u>1,349</u>		<u>1,349</u>	
Total assets	<u>80,999,240</u>	<u>14,887,851</u>	<u>95,887,091</u>	<u>943,587</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	<u>2,775,222</u>	<u>1,881,191</u>	<u>4,656,413</u>	
Total assets and deferred outflows of resources	<u>\$ 83,774,462</u>	<u>\$ 16,769,042</u>	<u>\$ 100,543,504</u>	<u>\$ 943,587</u>

Exhibit A-1 (Continued)
Iowa County, Wisconsin
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total	Component Unit
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 271,193	\$ 192,472	\$ 463,665	\$ 5,608
Accrued payroll	140,923	112,250	253,173	
Accrued interest payable	30,376		30,376	
Due to other governments	222,270	148,116	370,386	2,710
Deposits	507		507	
Payroll liabilities				3,250
Unearned revenue	2,702		2,702	12,346
Note payable		908,000	908,000	
Current portion of compensated absences	383,039	339,710	722,749	
Current portion of long-term debt	667,884		667,884	
Total current liabilities	1,718,894	1,700,548	3,419,442	23,914
Noncurrent liabilities:				
Compensated absences	936,349	690,526	1,626,875	
Net pension liability	360,255	244,200	604,455	
General obligation debt	1,851,225		1,851,225	
Capital lease	93,206		93,206	
Less: current portion	(1,050,923)	(339,710)	(1,390,633)	
Total noncurrent liabilities	2,190,112	595,016	2,785,128	
Total liabilities	3,909,006	2,295,564	6,204,570	23,914
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	1,132,970	767,986	1,900,956	
Deferred revenue	7,871,316	4,031,467	11,902,783	
Total deferred inflows of resources	9,004,286	4,799,453	13,803,739	
NET POSITION				
Net investment in capital assets	53,459,550	5,268,332	58,727,882	782,034
Restricted	3,788,240	586,537	4,374,777	
Unrestricted	13,613,380	3,819,156	17,432,536	137,639
Total net position	70,861,170	9,674,025	80,535,195	919,673
Total liabilities, deferred inflows of resources and net position	\$ 83,774,462	\$ 16,769,042	\$ 100,543,504	\$ 943,587

Exhibit A-2
Iowa County, Wisconsin
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Component Unit Cobb-Highland Recreation Commission
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental activities:								
General government	\$ 3,293,312	\$ 646,832	\$ 171,314	\$	\$ (2,475,166)	\$	\$ (2,475,166)	\$
Public safety	4,462,951	191,970	152,500	17,200	(4,101,281)		(4,101,281)	
Transportation facilities	343,696	111,623			(232,073)		(232,073)	
Public works	1,872,754				(1,872,754)		(1,872,754)	
Health and human services	4,435,001	80,655	2,170,660	37,500	(2,146,186)		(2,146,186)	
Leisure activities	54,782		27,850		(26,932)		(26,932)	
Conservation of natural resources	307,974		212,453		(95,521)		(95,521)	
Education	579,678	14,494	25,830		(539,354)		(539,354)	
Community and economic development	330,598	248,167			(82,431)		(82,431)	
Interest and fiscal charges	73,208				(73,208)		(73,208)	
Total governmental activities	15,753,954	1,293,741	2,760,607	54,700	(11,644,906)		(11,644,906)	
Business-type activities:								
Bloomfield Health Care and Rehabilitation Center	5,762,763	4,200,868	494,200			(1,067,695)	(1,067,695)	
Highway	8,452,546	3,431,015	1,469,606	7,655		(3,544,270)	(3,544,270)	
Total business-type activities	14,215,309	7,631,883	1,963,806	7,655		(4,611,965)	(4,611,965)	
Total primary government	\$ 29,969,263	\$ 8,925,624	\$ 4,724,413	\$ 62,355	(11,644,906)	(4,611,965)	(16,256,871)	
Component Unit:								
Cobb-Highland Recreation Commission	395,387	463,529						68,142
Total component unit	395,387	463,529						68,142
General revenues:								
Property taxes					7,817,097	3,565,386	11,382,483	
Sales taxes					1,805,127		1,805,127	
Other taxes					337,404	417,054	754,458	
State aid not restricted for specific purposes					544,422		544,422	
Interest and investment earnings					165,987	17,127	183,114	240
Gain (loss) on sale of capital assets					(1,775,205)	(13,324)	(1,788,529)	3,548
Grant proceeds								2,250
Other revenue					1,339,544		1,339,544	
Transfers					(815,980)	815,980		
Capitalized infrastructure costs					2,214,426		2,214,426	
Total general revenues					11,632,822	4,802,223	16,435,045	6,038
Changes in net position					(12,084)	190,258	178,174	74,180
Net position - beginning					70,873,254	9,483,767	80,357,021	845,493
Net position - ending					\$ 70,861,170	\$ 9,674,025	\$ 80,535,195	\$ 919,673

Exhibit A-3
Iowa County, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2017

	General	Social Services	Real Estate Tax Reduction	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,539,720	\$ 503,713	\$ 2,150,301	\$ 836,552	\$ 1,000,536	\$ 14,030,822
Receivables (net of allowances)						
Current property taxes	4,759,066	1,582,565		941,341	588,344	7,871,316
Accounts	1,069,994	157,953			19,180	1,247,127
Due from other governmental units	206,665		276,504		85,957	569,126
Delinquent property taxes	744,202					744,202
Tax deed	32,978					32,978
Economic development loans					140,968	140,968
Prepaid items	312,520					312,520
Inventories					31,292	31,292
Advance to other funds	613,559					613,559
Loan due from other governmental units	1,349					1,349
Total assets	\$ 17,280,053	\$ 2,244,231	\$ 2,426,805	\$ 1,777,893	\$ 1,866,277	\$ 25,595,259
LIABILITIES						
Accounts payable	\$ 176,338	\$ 53,305		\$ 16,558	\$ 24,992	\$ 271,193
Accrued payroll	106,831	24,141			9,951	140,923
Due to other governments	167,401	37,446			17,423	222,270
Deposits	507					507
Unearned revenue					2,702	2,702
Total liabilities	451,077	114,892		16,558	55,068	637,595
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax revenue-current	4,759,066	1,582,565		941,341	588,344	7,871,316
Deferred property tax revenue-delinquent	135,810					135,810
Deferred revenue-other					140,968	140,968
Total deferred inflows of resources	4,894,876	1,582,565		941,341	729,312	8,148,094
FUND BALANCES						
Nonspendable	886,471				31,292	917,763
Restricted	360,037	546,774	2,426,805	115,730	1,050,605	4,499,951
Assigned	1,087,172			704,264		1,791,436
Unassigned	9,600,420					9,600,420
Total fund balances	11,934,100	546,774	2,426,805	819,994	1,081,897	16,809,570
Total liabilities, deferred inflows of resources and net position	\$ 17,280,053	\$ 2,244,231	\$ 2,426,805	\$ 1,777,893	\$ 1,866,277	\$ 25,595,259

Exhibit A-4
Iowa County, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2017

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

Total fund balances - governmental funds:	\$	16,809,570
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	111,685,173	
Accumulated depreciation	(68,376,188)	43,308,985
Other governmental capital assets	20,602,931	
Accumulated depreciation	<u>(8,507,935)</u>	12,094,996
Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the statement of net position and are being amortized with pension expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources		2,775,222
Deferred inflows of resources		(1,132,970)
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	135,810	
Long term development loans	<u>140,968</u>	276,778
Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements:		
General obligation bonds and notes	1,851,225	
Capital lease	93,206	
Accrued interest	30,376	
Net pension liability	360,255	
Compensated absences	<u>936,349</u>	(3,271,411)
Total net position - governmental activities	\$	<u><u>70,861,170</u></u>

Exhibit A-5
Iowa County, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Social Services	Real Estate Tax Reduction	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$ 4,644,794	\$ 1,685,411		\$ 925,132	\$ 591,833	\$ 7,847,170
Sales			1,783,433			1,783,433
Other	328,753					328,753
Intergovernmental	1,213,146	1,244,403		37,500	772,789	3,267,838
Charges for services	934,458	43,296			128,163	1,105,917
Fines and forfeitures	189,404					189,404
Investment earnings	157,054				8,933	165,987
Revolving loan repayments					57,203	57,203
Miscellaneous	1,347,236	3,235			105,989	1,456,460
Total revenues	8,814,845	2,976,345	1,783,433	962,632	1,664,910	16,202,165
EXPENDITURES						
Current:						
General government	3,104,560					3,104,560
Public safety	3,929,376				58,603	3,987,979
Transportation facilities					188,252	188,252
Health and human services	463,619	2,439,284			1,117,469	4,020,372
Leisure activities	54,782					54,782
Conservation of natural resources	345,166					345,166
Education	578,396					578,396
Community and Economic development	288,455				28,407	316,862
Capital outlay				791,674		791,674
Debt service:						
Principal	25,020			657,352		682,372
Interest	6,803			75,982		82,785
Total expenditures	8,796,177	2,439,284		1,525,008	1,392,731	14,153,200
Excess (deficiency) of revenues over expenditures	18,668	537,061	1,783,433	(562,376)	272,179	2,048,965
OTHER FINANCING SOURCES (USES)						
Loss on sale of capital assets				(892)		(892)
Transfers in	3,163,833			1,133,504		4,297,337
Transfers (out)	(1,133,504)	(996,454)	(1,825,000)	(815,980)	(342,379)	(5,113,317)
Net change in fund balances	2,048,997	(459,393)	(41,567)	(245,744)	(70,200)	1,232,093
Fund balance-beginning of year	9,885,103	1,006,167	2,468,372	1,065,738	1,152,097	15,577,477
Fund balance-end of year	\$ 11,934,100	\$ 546,774	\$ 2,426,805	\$ 819,994	\$ 1,081,897	\$ 16,809,570

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, 2017

Net change in fund balances-total governmental funds	\$	1,232,093
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	710,177	
Capitalized infrastructure costs	2,214,426	
Depreciation expenses reported in the statement of activities	<u>(2,610,680)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		313,923
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:	(4,638,385)	
The amount of depreciation recapture for the year was:	<u>2,860,917</u>	
The difference in the value of assets net of recaptured depreciation		(1,777,468)
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		
		682,372
Compensated absences are reported in the governmental funds when amounts are paid. The statement of activities reports the amount earned during the year.		
The difference between the amount paid and earned was:		44,742
Repayment of CDBG economic development loans is reflected as revenues in governmental funds, but is reported as a reduction of CDBG economic development loans receivable in the statement of net position and does not affect the statement of activities		
		(57,203)
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	79,066	
The amount of interest accrued during the current period	<u>(69,489)</u>	
Interest paid is greater (less) than interest accrued by		9,577
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		(23,178)
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>(436,942)</u>
Change in net position-governmental activities	<u>\$</u>	<u>(12,084)</u>

Exhibit A-7
Iowa County, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2017

	<u>Enterprise Funds</u>		
	Bloomfield		
	Health Care and Rehabilitation Center	Highway	Total
ASSETS			
Current assets:			
Cash	\$	\$ 1,845,050	\$ 1,845,050
Receivables (net of allowance)			
Taxes-current	254,364	3,777,103	4,031,467
Accounts	629,221	552,243	1,181,464
Due from other governments	4,610	782,095	786,705
Other accounts receivable		35,783	35,783
Prepaid expenses		2,843	2,843
Materials and supplies	41,113	814,116	855,229
	<u>929,308</u>	<u>7,809,233</u>	<u>8,738,541</u>
Total current assets			
Restricted cash:			
Cash and investments	586,537		586,537
	<u>586,537</u>		<u>586,537</u>
Total restricted cash			
Noncurrent assets:			
Capital assets:			
Property and plant	5,758,889	13,470,670	19,229,559
Less: accumulated depreciation	(4,439,216)	(8,614,011)	(13,053,227)
Net capital assets	<u>1,319,673</u>	<u>4,856,659</u>	<u>6,176,332</u>
Total assets	<u>2,835,518</u>	<u>12,665,892</u>	<u>15,501,410</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	1,061,662	819,529	1,881,191
Total assets and deferred outflows of resources	<u>\$ 3,897,180</u>	<u>\$ 13,485,421</u>	<u>\$ 17,382,601</u>

Exhibit A-7 (Continued)
Iowa County, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2017

	Enterprise Funds		
	Bloomfield		
	Health Care and Rehabilitation Center	Highway	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 60,830	\$ 131,642	\$ 192,472
Due to other governments	87,067	61,049	148,116
Accrued payroll	65,847	46,403	112,250
Note payable		908,000	908,000
Current portion of compensated absences	157,161	182,549	339,710
Total current liabilities	370,905	1,329,643	1,700,548
Noncurrent liabilities:			
Net pension liability	137,816	106,384	244,200
Compensated absences	329,510	361,016	690,526
Advance from other funds	613,559		613,559
Less: current portion of compensated absences	(157,161)	(182,549)	(339,710)
Total noncurrent liabilities	923,724	284,851	1,208,575
Total liabilities	1,294,629	1,614,494	2,909,123
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	433,418	334,568	767,986
Deferred revenue	254,364	3,777,103	4,031,467
Total deferred inflows of resources	687,782	4,111,671	4,799,453
NET POSITION			
Net investment in capital assets	1,319,673	3,948,659	5,268,332
Restricted	586,537		586,537
Unrestricted	8,559	3,810,597	3,819,156
Total net position	1,914,769	7,759,256	9,674,025
Total liabilities, deferred inflows of resources and net position	\$ 3,897,180	\$ 13,485,421	\$ 17,382,601

Exhibit A-8
Iowa County, Wisconsin
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Enterprise Funds		
	Bloomfield Health Care and Rehabilitation Center	Highway	Total
OPERATING REVENUES			
Charges for services	\$ 3,730,088	\$ 3,404,647	\$ 7,134,735
Other	470,780	26,368	497,148
Total operating revenues	<u>4,200,868</u>	<u>3,431,015</u>	<u>7,631,883</u>
OPERATING EXPENSES			
Health care	5,612,681		5,612,681
Highway		8,013,669	8,013,669
Depreciation	150,082	437,650	587,732
Total operating expenses	<u>5,762,763</u>	<u>8,451,319</u>	<u>14,214,082</u>
Operating (loss)	<u>(1,561,895)</u>	<u>(5,020,304)</u>	<u>(6,582,199)</u>
NONOPERATING REVENUES (EXPENSES)			
Property tax revenue	133,034	3,432,352	3,565,386
Other tax revenue		417,054	417,054
Intergovernmental grants	494,200	1,469,606	1,963,806
Interest expense		(1,227)	(1,227)
Investment earnings	17,127		17,127
Gain (loss) on sale of fixed assets		(13,324)	(13,324)
Total nonoperating revenues (expenses)	<u>644,361</u>	<u>5,304,461</u>	<u>5,948,822</u>
Income (loss) before contributions and transfers	(917,534)	284,157	(633,377)
Contributions	7,655		7,655
Transfers in		815,980	815,980
Changes in net position	(909,879)	1,100,137	190,258
Net position - beginning	2,824,648	6,659,119	9,483,767
Net position - ending	<u>\$ 1,914,769</u>	<u>\$ 7,759,256</u>	<u>\$ 9,674,025</u>

Exhibit A-9
Iowa County, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Enterprise Funds		
	Bloomfield		
	Health Care and Rehabilitation Center	Highway	Totals
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES			
Receipts from customers	\$ 4,306,038	\$ 3,713,447	\$ 8,019,485
Payments to employees	(2,779,278)	(2,059,003)	(4,838,281)
Payment for employee benefits	(1,238,857)	(776,678)	(2,015,535)
Payments to suppliers and contractors	(904,074)	(6,663,498)	(7,567,572)
Net cash (used by) operating activities	(616,171)	(5,785,732)	(6,401,903)
CASH FLOWS FROM (USED BY) NON-CAPITAL FINANCING ACTIVITIES			
Property tax and Other Tax Revenue	133,034	3,849,406	3,982,440
Transfers from other funds		815,980	815,980
Grants	494,200	1,469,606	1,963,806
Net cash from non-capital financing activities	627,234	6,134,992	6,762,226
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(115,722)	(1,120,942)	(1,236,664)
Receipts from sale of fixed assets		70,140	70,140
Proceeds from debt issued		908,000	908,000
Debt payments - principal		(600,000)	(600,000)
Debt payments - interest		(1,227)	(1,227)
Contributions	7,655		7,655
Net cash (used by) capital and related financing	(108,067)	(744,029)	(852,096)
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES			
Receipt of interest	17,127		17,127
Purchase of investments	(550,000)		(550,000)
Receipt of investments maturing	625,000		625,000
Net cash from investing activities	92,127		92,127
Net increase (decrease) in cash and cash equivalents	(4,877)	(394,769)	(399,646)
Cash and cash equivalents-Beginning of year	41,414	2,239,819	2,281,233
Cash and cash equivalents-End of year	\$ 36,537	\$ 1,845,050	\$ 1,881,587
Reconciliation of Cash and Cash Equivalents to Balance Sheet:			
Cash	\$	\$ 1,845,050	\$ 1,845,050
Cash and investments (restricted)	586,537		586,537
Total	586,537	1,845,050	2,431,587
Less: long-term investments(restricted)	(550,000)		(550,000)
Total	\$ 36,537	\$ 1,845,050	\$ 1,881,587

Exhibit A-9 (Continued)
Iowa County, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Enterprise Funds		
	Bloomfield Health Care and Rehabilitation Center	Highway	Total
Reconciliation of operating (loss) to net cash provided (used) by operating activities:			
Operating (loss)	\$ (1,561,895)	\$ (5,020,304)	\$ (6,582,199)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	150,082	437,650	587,732
Pension expense	209,553	156,007	365,560
Changes in assets and liabilities:			
Receivables	105,334	380,795	486,129
Due from other governments	(164)	(738,930)	(739,094)
Unbilled revenue		(2,843)	(2,843)
Inventories	4,299	(18,516)	(14,217)
Prepaid expenses			
Accounts payable	(63,772)	(495,940)	(559,712)
Accrued liabilities	8,448	8,345	16,793
Due to other governments	4,079	(368,064)	(363,985)
Due to other funds	(70,495)		(70,495)
Advance from other funds	613,559		613,559
Unearned revenue		(98,363)	(98,363)
Vested fringe benefits	(15,199)	(25,569)	(40,768)
Net cash (used by) operating activities	\$ (616,171)	\$ (5,785,732)	\$ (6,401,903)

Exhibit A-10
Iowa County, Wisconsin
Statement of Net Position
Fiduciary Funds
December 31, 2017

	Agency Fund
ASSETS	
Cash:	
Manor resident cash	\$ 9,550
Burial trust	1,400
Sheriff	77,254
Clerk of courts	151,771
County Treasurer	76,161
District attorney	335
Total cash	316,471
Receivables:	
Current property taxes	131,194
Total assets	\$ 447,665
 LIABILITIES	
Due to other governments	\$ 207,355
Funds held for others	240,310
Total liabilities	\$ 447,665

NOTES TO THE BASIC FINANCIAL STATEMENTS

Iowa County, Wisconsin
Index to Notes of the Financial Statements
December 31, 2017

Note 1.	<u>Summary of Significant Accounting Policies</u>	31
A.	Reporting Entity	31 – 32
B.	Government-Wide and Fund Financial Statements	32 – 34
C.	Measurement Focus and Basis of Accounting	34 – 35
D.	Taxes Receivable	36
E.	Compensated Absences	37
F.	Capital Assets	37
G.	Fund Equity	38
H.	Client Revenues	39
I.	Allowance for Bad Debts	39
J.	Inventories	39
K.	Cash and Cash Equivalents/Investments	39
L.	Restricted Assets	39
M.	Pensions	40
N.	Deferred Outflows and Inflows of Resources	40
Note 2.	<u>Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements</u>	40
Note 3.	<u>Cash and Investments</u>	41 – 44
Note 4.	<u>Long-Term Obligations</u>	44 – 45
Note 5.	<u>Capital Assets</u>	46 – 47
Note 6.	<u>Governmental Activities Net Position/Fund Balances</u>	48 – 50
Note 7.	<u>Business-Type Activities Net Position</u>	50
Note 8.	<u>Defined Benefit Pension Plan</u>	50 – 55
Note 9.	<u>Deferred Inflows of Resources</u>	55
Note 10.	<u>Risk Management</u>	55
Note 11.	<u>Compensated Absences</u>	56
Note 12.	<u>Contingencies</u>	57
Note 13.	<u>Transfers</u>	57
Note 14.	<u>Economic Dependency</u>	57
Note 15.	<u>Bloomfield Resident Accounts Receivable</u>	58

Iowa County, Wisconsin
Index to Notes of the Financial Statements
December 31, 2017

Note 16.	<u>Wisconsin County Mutual Insurance Corporation</u>	58
Note 17.	<u>Tri-County Airport</u>	58
Note 18.	<u>Operating Lease</u>	58
Note 19.	<u>Tax Levy Limit</u>	59
Note 20.	<u>Capital Lease</u>	59
Note 21.	<u>Commitments/Subsequent Events</u>	59
Note 22.	<u>Component Unit</u>	59
A.	Summary of Significant Accounting Policies	59
1.	Fixed Assets	59 – 60
2.	Income Tax.....	60
3.	Cash.....	60
4.	Compensated Absences	60
B.	Net Position.....	60
C.	Employee Retirement Plan	60

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

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, 2017

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 2017 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, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The County reports the following major governmental funds:

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

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

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

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

The County reports the following major proprietary funds:

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

The County reports the following non-major governmental funds:

Non-Major Governmental Funds

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County also reports the following fiduciary funds:

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

C. Measurement Focus and Basis of Accounting

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges by the highway department and health department to other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Taxes Receivable

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

Lien date and levy date	December, 2017
Tax bills mailed	December, 2017
Payment in full, or first installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale – 2017 delinquent real estate taxes	August, 2020

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, 2017 delinquent property taxes totaling \$744,203 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, 2017:

Tax Certificates	
2017 Sale	\$ 410,834
2016 Sale	170,044
2015 Sale	89,728
2014 Sale	54,089
2013 Sale	8,554
2012 Sale	4,458
2011 Sale	1,821
2010 Sale	1,578
2009 Sale	1,464
2008 Sale	829
2007 Sale	804
Total delinquent taxes	<u>744,203</u>
County purchased - nonspendable fund balance	<u>(573,951)</u>
County levied	<u><u>\$ 170,252</u></u>

Deferred inflows of resources at December 31, 2017 include tax certificates and tax deeds not "available" at that date as follows:

County portion of tax certificates and deeds 12/31/17	\$ 170,252
Less: tax certificates/deeds collected January and February 2018	<u>(34,442)</u>
Deferred inflows of resources 12/31/17 - tax certificates and deeds	<u><u>\$ 135,810</u></u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Compensated Absences

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

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are generally defined by the County as assets with an initial, individual cost of \$5,000 or higher and a useful life of 2 years or more. Infrastructure assets have a cost of \$25,000 or higher for culverts and \$100,000 or higher for roads and bridges. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

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

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

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Equity

Government-wide financial statements

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

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

Fund financial statements

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

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

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

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Client Revenues

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

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

I. Allowance for Bad Debts

Bloomfield resident receivables are reported net of the allowance for bad debts of \$12,935 for 2017 and \$15,082 for 2016.

J. Inventories

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

K. Cash and Cash Equivalents/Investments

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

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

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

L. Restricted Assets

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

Cash and Investments

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

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

N. 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 one item that qualifies for reporting in this category. The deferred outflows of resources are for the WRS pension system.

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 two items that qualify for reporting in the category. The deferred inflows of resources are related to the WRS pension system and deferred property tax revenue.

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, 2017

NOTE 3

CASH AND INVESTMENTS

At December 31, 2017, cash and investments included the following:

Petty cash/cash on hand	\$ 1,494
Wisconsin Local Government Investment Pool	4,799,351
Deposits with financial institutions	11,978,035
Total cash	<u>\$ 16,778,880</u>

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 15,875,872
Restricted cash and investments	586,537
Exhibit A-10:	
Cash and investments	316,471
Total cash and investments	<u>\$ 16,778,880</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, 2017

NOTE 3

CASH AND INVESTMENTS (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	\$ 825,674	\$ 300,000	\$ 424,166	\$ 100,000	\$ 1,508
Local Government Investment Pool	4,799,351	4,799,351			
Total	<u>\$ 5,625,025</u>	<u>\$ 5,099,351</u>	<u>\$ 424,166</u>	<u>\$ 100,000</u>	<u>\$ 1,508</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, 2017, the County's investments were rated as follows:

	<u>Amount</u>	<u>Rating</u>
Wisconsin Local Government Investment Pool	\$ 4,799,351	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, 2017

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 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>.

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, 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, 2017 was: 89.97% in U.S. Government Securities, 1.52% in Bankers' Acceptances and 8.51% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2017, \$1,086,713 was insured by FDIC insurance, \$11,312,383 was insured by collateral and \$74,166 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 \$ 74,166

All of this amount would be insured by the State of Wisconsin Guarantee Fund, provided funds are available at the time of any potential loss.

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

Concentration of Credit Risk

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

NOTE 4

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<u>Governmental Activities</u>					
Bonds and notes payable:					
General obligation debt	\$ 2,508,577	\$	\$ (657,352)	\$ 1,851,225	\$ 641,224
Other liabilities:					
Capital lease	118,226		(25,020)	93,206	26,660
Compensated absences	981,091		(44,742)	936,349	383,039
Total governmental activities					
long-term liabilities	\$ 3,607,894	\$	\$ (727,114)	\$ 2,880,780	\$ 1,050,923
<u>Business-Type Activities</u>					
Note payable:					
General obligation debt	\$ 600,000	\$ 908,000	\$ (600,000)	\$ 908,000	\$ 908,000
Other liabilities:					
Compensated absences	731,294		(40,768)	690,526	339,710
Total business-type activities					
long-term liabilities	\$ 1,331,294	\$ 908,000	\$ (640,768)	\$ 1,598,526	\$ 1,247,710

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 4

LONG-TERM OBLIGATIONS (CONTINUED)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed five percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2017 was \$100,671,055. Total general obligation debt outstanding at year-end was \$2,759,225.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2017
<u>Governmental Activities</u>					
General obligation debt					
State trust note	3/19/10	3/15/19	4.50%	789,000	\$ 66,225
Bonds	4/1/10	8/1/20	3.00 - 3.30%	5,310,000	1,785,000
Total government activities - general obligation debt					<u>\$ 1,851,225</u>
<u>Business-Type Activities</u>					
General obligation debt					
Promissory note	10/18/17	4/18/18	1.09%	600,000	\$ 600,000
Promissory note	10/18/17	4/18/18	1.09%	308,000	308,000
Total business-type activities - general obligation debt					<u>\$ 908,000</u>

Debt service requirements to maturity are as follows:

	<u>General Obligation Debt</u>			<u>General Obligation Debt</u>		
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 641,224	\$ 58,315	\$ 699,539	\$ 908,000	\$ 5,003	\$ 913,003
2019	595,000	39,335	634,335			
2020	615,001	20,295	635,296			
Totals	<u>\$ 1,851,225</u>	<u>\$ 117,945</u>	<u>\$ 1,969,170</u>	<u>\$ 908,000</u>	<u>\$ 5,003</u>	<u>\$ 913,003</u>

Other Debt Information

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 5

CAPITAL ASSETS

Total cost and accumulated depreciation of fixed assets at December 31, 2017 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 522,442	\$	\$	\$ 522,442
Right of way	867,132			867,132
Construction work in progress:				
Roads	153,505	15,078		168,583
Culverts	4,697	115,661	(120,358)	
Bridges	18,990	26,034		45,024
Total capital assets not being depreciated:	1,566,766	156,773	(120,358)	1,603,181
Capital assets, being depreciated				
Infrastructure	112,725,456	2,178,011	(4,299,033)	110,604,434
Buildings and improvements	16,229,431	250,349		16,479,780
Machinery and equipment	3,480,233	459,828	(339,352)	3,600,709
Total	132,435,120	2,888,188	(4,638,385)	130,684,923
Less accumulated depreciation for:				
Infrastructure	69,024,999	1,872,754	(2,521,565)	68,376,188
Buildings and improvements	5,544,415	463,450	(18,958)	5,988,907
Machinery and equipment	2,564,946	274,476	(320,394)	2,519,028
Total accumulated depreciation	77,134,360	2,610,680	(2,860,917)	76,884,123
Net other capital assets	55,300,760	277,508	(1,777,468)	53,800,800
Total net capital assets	\$ 56,867,526	\$ 434,281	\$ (1,897,826)	\$ 55,403,981

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 143,509
Public safety	185,266
Public works, which includes the depreciation of infrastructure	2,052,124
Health and social services	227,942
Conservation of natural resources	1,839
Total governmental activities depreciation expense	\$ 2,610,680

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 5

CAPITAL ASSETS (CONTINUED)

	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	17,195			17,195
Total capital assets not being depreciated	63,752			63,752
Capital assets being depreciated:				
Land improvements	686,649	5,583		692,232
Buildings	5,465,241	10,781		5,476,022
Machinery and equipment	12,333,062	1,220,300	(555,809)	12,997,553
Total capital assets being depreciated	18,484,952	1,236,664	(555,809)	19,165,807
Less: accumulated depreciation for:				
Land improvements	435,390	7,825		443,215
Buildings	4,033,718	141,578		4,175,296
Machinery and equipment	8,468,732	438,329	(472,345)	8,434,716
Total accumulated depreciation	12,937,840	587,732	(472,345)	13,053,227
Net capital assets being depreciated	5,547,112	648,932	(83,464)	6,112,580
 Total net capital assets	 \$ 5,610,864	 \$ 648,932	 \$ (83,464)	 \$ 6,176,332

Depreciation expense was charged to the following function:

Business-Type Activities:

Bloomfield Healthcare and Rehabilitation Center	\$ 150,082
Highway	437,650
Total business-type activities (exhibit A-8)	\$ 587,732

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 6

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2017 includes the following:

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets	
Land and right-of-ways	\$ 1,389,574
Construction work-in-progress	213,607
Other capital assets, net of accumulated depreciation	53,800,800
Less: related long-term debt outstanding	<u>(1,944,431)</u>
Total net investment in capital assets	<u>53,459,550</u>
Restricted:	
Real estate reduction	2,426,805
Donor restricted	25,120
CDBG revolving loan	570,346
Grant restricted	131,684
Restricted by statute	<u>634,285</u>
Total restricted	<u>3,788,240</u>
Unrestricted	<u>13,613,380</u>
Total governmental activities net position	<u><u>\$ 70,861,170</u></u>

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2017 includes the following:

Nonspendable fund balance as of December 31, 2017 includes the following items:

Major Funds:	
General Fund:	
Delinquent taxes	\$ 573,951
Prepaid items	312,520
Non-Major Funds:	
Iowa County Airport:	
Inventories	<u>31,292</u>
Total nonspendable	<u><u>\$ 917,763</u></u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

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

Restricted fund balances as of December 31, 2017 includes the following items:

Restricted

Major Funds:

General Fund:

County Clerk election grant	\$ 2,228
Register of deeds-Redaction Project	20,137
Land records-retained fees	90,392
Land records-public access fees	99,796
Land records-grants	111,670
Bio-Terrorism grant	16,315
UW Extension Pesticide program	2,795
UW Extension Corporate grant	6,954
UW Extension Family living program	2,759
Veterans donations	3,750
K-9 program	1,471
Land conservation donations	1,770
Total – General Fund	<u>360,037</u>

Special Revenue:

Social services	536,887
Donor restricted	9,887
Total – Special Revenue Fund	<u>546,774</u>

Real-Estate Tax Reduction	<u>2,426,805</u>
---------------------------	------------------

Capital Projects:

Jail assessment	<u>115,730</u>
-----------------	----------------

Non-Major Funds:

Aging Disability Resource Center	252,739
Child support	29,299
CDBG revolving loan	429,378
Drug task force	304,435
Iowa county airport	33,754
Dog license	1,000
Total restricted	<u>\$ 4,499,951</u>

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

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

Assigned fund balance as of December 31, 2017 includes the following items:

Major Funds	
General Fund:	
Information systems	60,515
Capital Improvements - TIF Closeout Settlement	1,026,657
Major Funds	
Capital Projects Fund:	<u>\$ 704,264</u>
Total assigned	<u><u>\$ 1,791,436</u></u>

NOTE 7 BUSINESS-TYPE ACTIVITIES NET POSITION

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

Bequest for client entertainment	\$ 586,537
Total restricted	<u><u>\$ 586,537</u></u>

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

Plant in service	\$ 19,229,559
Accumulated depreciation	(13,053,227)
Less: related debt outstanding	<u>(908,000)</u>
Total net position net investment in capital assets	<u><u>\$ 5,268,332</u></u>

NOTE 8 DEFINED BENEFIT PENSION PLAN

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

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
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)

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 \$699,100 in contributions from the employer.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contribution rates as of December 31, 2017 are:

	2017	
	Employee	Employer
General (including teachers)	6.8%	6.8%
Protective with social security	6.8%	10.6%
Protective without social security	6.8%	14.9%

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

At December 31, 2017, the County reported a liability of \$604,454 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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 was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the County's proportion was 0.07333484%, which was a decrease of 0.00009621% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the County recognized pension expense of \$1,564,362.

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, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 230,478	\$ 1,900,956
Changes of assumptions	631,980	
Net differences between projected and actual earnings on pension plan investments	3,008,782	
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,926	
Employer contributions subsequent to the measurement date	761,247	
Total	\$ 4,656,413	\$ 1,900,956

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$761,247 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Net Outflows (Inflows) of Resources
2018	\$ 810,567
2019	810,567
2020	551,969
2021	(179,967)
2022	1,072
Total	\$ 1,994,208

Actuarial assumptions. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Allocation Targets and Expected Returns				
As of December 31, 2016				
Core Fund Asset Class	Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50 %	45 %	8.3 %	5.4 %
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	120	7.4	4.5
Variable Fund Asset Class				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%				
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations				

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 7,951,982	\$ 604,454	\$ (5,053,475)

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

NOTE 9

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, 2017 were as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Taxes levied for 2017	\$ 7,871,316	\$ 4,031,467
Delinquent property taxes	135,810	
Economic development loans	140,968	
Total	<u>\$ 8,148,094</u>	<u>\$ 4,031,467</u>

The economic development loans receivable of \$140,968 consist of loans made to business entities from the proceeds of Community Development Block grants. These are to be repaid, together with interest, to the County out of the revenue of the entities. These repayments are then being reloaned to entities based on pre-established criteria. Repayment of principal and interest on the loans is recorded as revenue when received in the funds statements.

NOTE 10

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.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 11

COMPENSATED ABSENCES

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

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

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

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

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

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

Compensated absences as of December 31, 2017 consist of the following:

	Sick Leave	MTO	Total
General county employees	\$ 553,310	\$ 383,039	\$ 936,349
Bloomfield Healthcare and Rehabilitation Center employees	172,349	157,161	329,510
Highway department employees	178,467	182,549	361,016
Total	\$ 904,126	\$ 722,749	\$ 1,626,875

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 12

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 13

TRANSFERS

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

The following is a schedule of interfund transfers:

Fund Transfer To	Fund Transfer From	Amount
Governmental Funds:		
Highway	Capital projects	\$ 815,980
Capital projects	General	1,133,504
General	Social services	996,454
General	Child support	90,000
General	COA fund	163,099
General	Unified services	89,280
General	Real estate tax reduction	1,825,000
	Total	\$ 5,113,317

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

NOTE 14

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 2017, these reimbursements amounted to \$2,775,527 or 66% of total operating revenue.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 15

BLOOMFIELD RESIDENT ACCOUNTS RECEIVABLE

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

	2017	2016
Private/Insurance	\$ 255,435	\$ 302,275
Medical Assistance	132,730	112,213
Medicare	146,754	243,531
Veterans Affairs	26,086	36,078
Family Care	81,151	55,540
Allowance for Doubtful Accounts	(12,935)	(15,082)
Total	\$ 629,221	\$ 734,555

NOTE 16

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, 2017 are available at the Corporation's offices in Madison, Wisconsin.

NOTE 17

TRI-COUNTY AIRPORT

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

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

NOTE 18

OPERATING LEASE

The County entered into an operating lease for copiers on February 6, 2012. The lease requires 60 monthly payments of \$3,529. During the year ending December 31, 2017, the County paid \$7,058 in lease payments.

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 19

TAX LEVY LIMIT

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

NOTE 20

CAPITAL LEASE

The following is an analysis of the original cost of leased property under capital leases by major classes as of December 31, 2017.

Equipment	\$ 135,740
-----------	------------

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2017.

Year Ended December 31,	
2018	\$ 31,823
2019	31,823
2020	31,823
2021	7,956
Total minimum payments required	103,425
Less: amount representing interest	(10,219)
Present value of minimum lease payments	\$ 93,206

NOTE 21

COMMITMENTS/SUBSEQUENT EVENTS

Subsequent to December 31, 2017, Bloomfield Healthcare and Rehabilitation Center approved a wastewater treatment plant upgrade for approximately \$5,500.

Prior to December 31, 2017, approved the intent to borrow funds to reimburse the County for expenses related to the Law Enforcement Center Project.

NOTE 22

COMPONENT UNIT

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

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

A. Summary of Significant Accounting Policies

1. Fixed Assets

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

Iowa County, Wisconsin
Notes to the Financial Statements
December 31, 2017

NOTE 22

COMPONENT UNIT (CONTINUED)

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

	Balance 1/1/17	Additions	Deletions	Balance 12/31/17
Capital assets not being depreciated:				
Construction work in progress	\$ 9,607	\$	\$	\$ 9,607
Capital assets being depreciated:				
Buildings	817,178	108,457		925,635
Equipment & furnishings	194,439	37,052	(20,775)	210,716
Land improvements	296,629	26,809		323,438
Total capital assets	1,308,246	172,318	(20,775)	1,459,789
Less: accumulated depreciation:				
Buildings	374,532	22,066		396,598
Equipment & furnishings	136,063	22,684	(11,773)	146,974
Land improvements	124,344	19,446		143,790
Total accumulated depreciation	634,939	64,196	(11,773)	687,362
Net capital assets being depreciated	673,307	108,122	(9,002)	772,427
Total net capital assets	\$ 682,914	\$ 108,122	\$ (9,002)	\$ 782,034

2. Income Tax

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

3. Cash

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

4. Compensated Absences

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

B. Net Position

The following calculation supports the Commission's net position net investment in capital assets at December 31, 2017:

Capital assets	\$ 1,469,396
Accumulated depreciation	(687,362)
Total net investment in capital assets	\$ 782,034

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, 2017, employer contributions were \$9,294. 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, 2017

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Taxes:					
Property	\$ 4,621,616	\$ 4,621,616	\$ 4,644,794	\$ 23,178	\$ 23,178
Other	315,640	315,640	328,753	13,113	13,113
Intergovernmental	1,178,902	1,219,744	1,213,146	34,244	(6,598)
Charges for services	685,987	757,372	934,458	248,471	177,086
Fines and forfeitures	112,188	112,188	189,404	77,216	77,216
Investment earnings	30,250	30,250	157,054	126,804	126,804
Miscellaneous	294,786	295,305	1,347,236	1,052,450	1,051,931
Total revenues	7,239,369	7,352,115	8,814,845	1,575,476	1,462,730
EXPENDITURES					
Current:					
General government	3,419,490	3,732,156	3,104,560	314,930	627,596
Public safety	3,883,910	3,931,329	3,929,376	(45,466)	1,953
Health and human services	448,952	474,017	463,619	(14,667)	10,398
Leisure activities	54,782	54,782	54,782		
Conservation of natural resources	363,346	401,524	345,166	18,180	56,358
Education	578,115	593,958	578,396	(281)	15,562
Community and economic development	315,774	319,983	288,455	27,319	31,528
Capital outlay					
Debt service:					
Principal			25,020	(25,020)	(25,020)
Interest			6,803	(6,803)	(6,803)
Total expenditures	9,064,369	9,507,749	8,796,177	268,192	711,572
Excess (deficiency) of revenues over expenditures	(1,825,000)	(2,155,634)	18,668	1,843,668	2,174,302
OTHER FINANCING SOURCES (USES)					
Transfers in	2,917,830	2,917,830	3,163,833	246,003	246,003
Transfers out	(1,092,830)	(1,133,504)	(1,133,504)	(40,674)	
Total other financing sources (uses)	1,825,000	1,784,326	2,030,329	205,329	246,003
Net change in fund balances		(371,308)	2,048,997	2,048,997	2,420,305
Fund balance-beginning of year	9,885,103	9,885,103	9,885,103		
Fund balance-end of year	\$ 9,885,103	\$ 9,513,795	\$ 11,934,100	\$ 2,048,997	\$ 2,420,305

Schedule 2
 Required Supplementary Information
 Iowa County, Wisconsin
 Budgetary Comparison Schedule for the Social Services Fund
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance	Variance
	Original	Final		With Original Budget	With Final Budget
REVENUES					
Property taxes	\$ 1,685,411	\$ 1,685,411	\$ 1,685,411	\$	\$
Intergovernmental	1,219,045	1,219,045	1,244,403	25,358	25,358
Charges for services	32,747	32,747	43,296	10,549	10,549
Miscellaneous			3,235	3,235	3,235
Total revenues	2,937,203	2,937,203	2,976,345	39,142	39,142
EXPENDITURES					
Current:					
Health and human services	2,937,203	2,947,016	2,439,284	497,919	507,732
Total expenditures	2,937,203	2,947,016	2,439,284	497,919	507,732
Excess (deficiency) of revenues over expenditures		(9,813)	537,061	537,061	546,874
Other Financing Sources (Uses):					
Transfers (out)			(996,454)	(996,454)	(996,454)
Net change in fund balance		(9,813)	(459,393)	(459,393)	(449,580)
Fund balance-beginning of year	1,006,167	1,006,167	1,006,167		
Fund balance-end of year	\$ 1,006,167	\$ 996,354	\$ 546,774	\$ (459,393)	\$ (449,580)

Schedule 3
Iowa County, Wisconsin
Wisconsin Retirement System Schedules
December 31, 2017

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)
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
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.

Iowa County, Wisconsin
Notes to the Required Supplementary Information
December 31, 2017

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, 2017:

Expenditure	Excess Expenditure
General Fund:	
Principal	25,020
Interest	6,803

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 7 preceding years.

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

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

SUPPLEMENTARY INFORMATION

Exhibit B-1
Iowa County, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Special Revenue Funds									Total Nonmajor Governmental Funds
	Aging Disability Resource Center	Child Support	C.D.B.G Revolving Loan	Drug Task Force	Iowa County Airport	Tri-County Airport	Unified Community Services	Dog License	Wisconsin River Rail Transit	
ASSETS										
Cash and investments	\$ 231,446	\$ 1,318	\$ 429,378	\$ 301,213	\$ 24,805	\$	\$	\$ 12,376	\$	\$ 1,000,536
Receivables:										
Current property taxes	256,594				77,036	16,422	210,292		28,000	588,344
Other		220			18,960					19,180
Economic development loans			140,968							140,968
Due from other governments	48,709	32,666		4,582						85,957
Inventories					31,292					31,292
Total assets	\$ 536,749	\$ 34,204	\$ 570,346	\$ 305,795	\$ 152,093	\$ 16,422	\$ 210,292	\$ 12,376	\$ 28,000	\$ 1,866,277
LIABILITIES										
Accounts payable	\$ 6,606	\$ 41	\$	\$	\$ 7,596	\$	\$	\$ 10,749	\$	24,992
Accrued payroll	8,134	1,817								9,951
Due to other governments	12,676	3,047		1,360	(287)			627		17,423
Unearned revenue					2,702					2,702
Total liabilities	27,416	4,905		1,360	10,011			11,376		55,068
DEFERRED INFLOWS OF RESOURCES										
Deferred property tax revenue-current	256,594				77,036	16,422	210,292		28,000	588,344
Deferred revenue-other			140,968							140,968
Total deferred inflows of resources	256,594		140,968		77,036	16,422	210,292		28,000	729,312
FUND BALANCES										
Nonspendable					31,292					31,292
Restricted	252,739	29,299	429,378	304,435	33,754			1,000		1,050,605
Total fund balances	252,739	29,299	429,378	304,435	65,046			1,000		1,081,897
Total liabilities, deferred inflows of resources and fund balances	\$ 536,749	\$ 34,204	\$ 570,346	\$ 305,795	\$ 152,093	\$ 16,422	\$ 210,292	\$ 12,376	\$ 28,000	\$ 1,866,277

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, 2017

	Special Revenue Funds									Total Nonmajor Governmental Funds
	Aging Disability Resource Center	Child Support	C.D.B.G Revolving Loan	Drug Task Force	Iowa County Airport	Tri-County Airport	Unified Community Services	Dog License	Wisconsin River Rail Transit	
REVENUES										
Taxes:										
Property taxes	\$ 256,834	\$ 6,895	\$	\$	\$ 74,147	\$ 15,665	\$ 210,292	\$	\$ 28,000	\$ 591,833
Intergovernmental	564,005	176,071		32,713						772,789
Public charges for services				4,007	111,623			12,533		128,163
Interest income	585		5,218	3,130						8,933
Revolving loan repayments			57,203							57,203
Miscellaneous income	104,944			1,035	10					105,989
Total revenues	926,368	182,966	62,421	40,885	185,780	15,665	210,292	12,533	28,000	1,664,910
EXPENDITURES										
Current:										
Transportation facilities					172,587	15,665				188,252
Public safety				46,070				12,533		58,603
Health and human services	750,509	156,668					210,292			1,117,469
Community and Economic development			407						28,000	28,407
Total expenditures	750,509	156,668	407	46,070	172,587	15,665	210,292	12,533	28,000	1,392,731
Excess (deficiency) of revenues over expenditures	175,859	26,298	62,014	(5,185)	13,193					272,179
OTHER FINANCING SOURCES (USES)										
Transfers (out)	(163,099)	(90,000)					(89,280)			(342,379)
Net change in fund balances	12,760	(63,702)	62,014	(5,185)	13,193		(89,280)			(70,200)
Fund balances-beginning of year	239,979	93,001	367,364	309,620	51,853		89,280	1,000		1,152,097
Fund balances-end of year	\$ 252,739	\$ 29,299	\$ 429,378	\$ 304,435	\$ 65,046	\$	\$	\$ 1,000	\$	\$ 1,081,897

Bloomfield Healthcare and Rehabilitation Center
Per Capita Costs
For the year then ended December 31, 2017

Per Capita Cost

The daily average per capita cost of maintaining residents at Bloomfield Healthcare and Rehabilitation Center for the period January 1, 2017 to December 31, 2017 is computed below:

Expenses (Exhibit A-8)	\$ 5,762,763
<u>Other (Income) Expenses</u>	
Other Operating Revenue	<u>(518,982)</u>
Net Cost of Maintaining Residents	<u>\$ 5,243,781</u>
Resident Days	<u>18,807</u>
Per Capita Cost Per Day	<u>\$ 278.82</u>

Bloomfield Healthcare and Rehabilitation Center
 Daily Rates
 For the year then ended December 31, 2017

Amounts charged for daily care during 2017 are given below:

	Residential	Personal	Skilled	DD-1A	DD-1B	DD2	DD3
<u>Private:</u> 01/1/17-12/31/17			260.00				
<u>Medical Assistance:</u> 01/1/17-03/31/17	140.76	140.76	140.76	252.89	252.89	252.89	252.89
04/1/17-06/30/17	142.59	142.59	142.59	252.89	252.89	252.89	252.89
07/1/17-09/30/17	148.54	148.54	148.54	262.19	262.19	262.19	262.19
10/1/17-12/31/17	150.76	150.76	150.76	262.19	262.19	262.19	262.19
<u>VA:</u> 01/1/17-12/31/17			176.17				
<u>Medicare:</u> 01/1/17-12/31/17			260.00				

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