

# RICHLAND COUNTY



Audit Presentation  
To the Finance Committee  
For Richland County, Wisconsin

For the Year Ended  
December 31, 2019

November 3, 2020

*Prepared by:  
Johnson Block & Company, Inc.  
Certified Public Accountants*

# RICHLAND COUNTY

## 2019 AUDIT OVERVIEW

- We have completed our audit of Richland County for the year ended December 31, 2019, and have issued an unmodified opinion on the financial statements of the County. Our report and the audited financial statements are presented in a bound document.
- The scope of our audit included all funds and activities of the County.
- An audit exit conference was also held with Pine Valley Community Village Trustees.
- A separate audit communications document designed for the County Board has also been submitted.
- We prepared a regulatory report for 2019 that was filed with the Wisconsin Department of Revenue. We also prepared separately issued financial statements for Pine Valley Community Village.

# RICHLAND COUNTY

## 2019 FINANCIAL HIGHLIGHTS

- ❑ The County's 2019 governmental funds total fund balance increased by \$2,839,770. The General Fund increased by \$1,053,414.
- ❑ The General Fund's total fund balance was \$4,785,283 at December 31, 2019. This represents approximately 3.5 months of expenditures.
- ❑ Tax certificates at December 31, 2019 totaled \$687,567 compared to \$655,478 in 2018.
- ❑ County-wide sales tax revenue totaled \$1,185,990 in 2019 compared to \$1,195,943 in 2018.
- ❑ The County complied with state imposed tax levy limits.
- ❑ \$200,000 of long-term debt was issued during 2019. The County made scheduled debt payments of principal and interest.
- ❑ Pine Valley Community Village recorded operating revenues of \$8,128,569. Pine Valley experienced an operating loss of \$1,327,786 in 2019. This loss was offset by a County property tax levy of \$1,356,918 and \$765,250 of supplemental payments.

# RICHLAND COUNTY

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

	Major Funds			2019 Totals	2018 Totals
	General	Debt Service	Nonmajor Funds		
<b>Revenues:</b>					
General property taxes	\$ 4,773,769	\$ 557,018	\$ 75,677	\$ 5,406,464	\$ 5,025,374
Other taxes	1,404,447	-	-	1,404,447	1,449,410
Intergovernmental	6,072,529	-	-	6,072,529	5,465,740
Licenses and permits	146,542	-	4,285	150,827	122,105
Penalties and forfeitures	127,002	-	-	127,002	135,242
Public charges for services	4,127,378	-	-	4,127,378	3,594,075
Interest on investments	194,393	14	77,185	271,592	148,253
Miscellaneous general revenues	259,161	-	25,079	284,240	396,891
<b>Total revenues</b>	17,105,221	557,032	182,226	17,844,479	16,337,090
<b>Expenditures:</b>					
Current:					
General government	1,948,492	-	-	1,948,492	1,887,776
Public safety	4,101,867	-	14,640	4,116,507	3,987,006
Health and social services	7,614,221	-	-	7,614,221	6,483,917
Transportation	16,422	-	-	16,422	14,569
Culture and recreation	1,249,951	-	-	1,249,951	1,296,248
Conservation and development	1,062,901	-	54,456	1,117,357	1,402,240
Capital outlay	555,429	-	859,992	1,415,421	272,597
Debt service:					
Principal retirement	-	417,330	-	417,330	335,000
Interest and fiscal charges	-	138,608	-	138,608	138,086
<b>Total expenditures</b>	16,549,283	555,938	929,088	18,034,309	15,817,439
<b>Excess (deficiency) of revenues over expenditures</b>	555,938	1,094	(746,862)	(189,830)	519,651
<b>Other financing sources (uses):</b>					
Transfer from other funds	297,476	-	2,524	300,000	36,568
Proceeds from long-term debt	200,000	-	-	200,000	-
Transfer to other funds	-	-	-	-	(36,568)
Insurance recoveries	-	-	2,529,600	2,529,600	-
<b>Total other financing sources (uses)</b>	497,476	-	2,532,124	3,029,600	-
<b>Net change in fund balance</b>	1,053,414	1,094	1,785,262	2,839,770	519,651
<b>Fund balance, January 1</b>	3,928,702	126,598	1,531,890	5,587,190	5,067,539
<b>Prior period adjustment</b>	(196,833)	-	-	(196,833)	-
<b>Fund balance, January 1, restated</b>	3,731,869	126,598	1,531,890	5,390,357	5,067,539
<b>Fund balance, December 31</b>	\$ 4,785,283	\$ 127,692	\$ 3,317,152	\$ 8,230,127	\$ 5,587,190

\*Source: 12/31/2019  
financial statements.

# RICHLAND COUNTY

## BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>Revenues:</b>				
General property taxes	\$ 4,773,769	\$ 4,773,769	\$ 4,773,769	\$ -
Other taxes	1,370,000	1,370,000	1,404,447	34,447
Intergovernmental	5,341,227	5,341,227	6,072,529	731,302
Licenses and permits	114,630	114,630	146,542	31,912
Penalties and forfeitures	94,130	94,130	127,002	32,872
Public charges for services	2,144,237	2,144,237	4,127,378	1,983,141
Interest on investments	68,120	68,120	194,393	126,273
Miscellaneous general revenues	856,041	856,041	259,161	(596,880)
<b>Total revenues</b>	<b>14,762,154</b>	<b>14,762,154</b>	<b>17,105,221</b>	<b>2,343,067</b>
<b>Expenditures:</b>				
Current:				
General government	1,904,689	1,904,689	1,948,492	(43,803)
Public safety	3,893,181	3,893,181	4,101,867	(208,686)
Health and social services	6,681,080	6,681,080	7,614,221	(933,141)
Transportation	16,422	16,422	16,422	-
Culture and recreation	1,282,485	1,282,485	1,249,951	32,534
Conservation and development	865,429	865,429	1,062,901	(197,472)
Capital outlay	115,053	115,053	555,429	(440,376)
<b>Total expenditures</b>	<b>14,758,339</b>	<b>14,758,339</b>	<b>16,549,283</b>	<b>(1,790,944)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,815</b>	<b>3,815</b>	<b>555,938</b>	<b>552,123</b>
<b>Other financing sources (uses):</b>				
Transfer from other funds	-	-	297,476	297,476
Transfer to other funds	(3,815)	(3,815)	-	3,815
Proceeds from long-term debt	-	-	200,000	200,000
<b>Total other financing sources (uses)</b>	<b>(3,815)</b>	<b>(3,815)</b>	<b>497,476</b>	<b>501,291</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>1,053,414</b>	<b>1,053,414</b>
<b>Fund balance, January 1</b>	<b>3,928,702</b>	<b>3,928,702</b>	<b>3,928,702</b>	<b>-</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>(196,833)</b>	<b>196,833</b>
<b>Fund balance, January 1, restated</b>	<b>3,928,702</b>	<b>3,928,702</b>	<b>3,731,869</b>	<b>196,833</b>
<b>Fund balance, December 31</b>	<b>\$ 3,928,702</b>	<b>\$ 3,928,702</b>	<b>\$ 4,785,283</b>	<b>\$ 1,250,247</b>

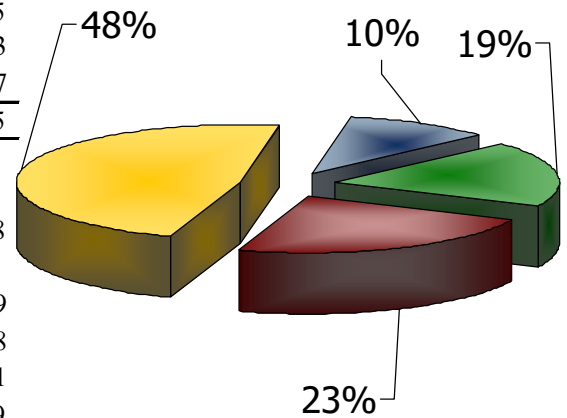
\*Source: 12/31/2019  
financial statements.

# RICHLAND COUNTY

## GOVERNMENTAL FUND BALANCES

	2019	2018
<b>Nonspendable</b>		
Major Fund:		
General Fund:		
Tax certificates and deeds	\$ 745,495	\$ 656,965
Materials and supplies inventories	3,746	3,523
Prepaid expenses	108,964	113,337
<b>Total nonspendable</b>	858,205	773,825
<b>Restricted</b>		
Major Fund:		
Debt service	127,692	126,598
Nonmajor Funds:		
Community Development Block Grant	151,804	166,229
Wisconsin Development Fund Grant	1,225,826	1,197,678
Dog license	-	31
County Fairgrounds donations	43,160	38,279
<b>Total restricted</b>	1,548,482	1,528,815
<b>Assigned</b>		
Nonmajor Funds:		
Swimming Pool Projects	25,378	26,743
U.W. Campus Fund	4,527	13,774
U.W. Symons Building	28,365	31,671
Capital Projects Fund	1,838,092	57,485
<b>Total assigned</b>	1,896,362	129,673
<b>Unassigned</b>		
Major Fund:		
General Fund	3,927,078	3,154,877
<b>Total unassigned</b>	3,927,078	3,154,877
<b>Total governmental fund balance</b>	\$ 8,230,127	\$ 5,587,190

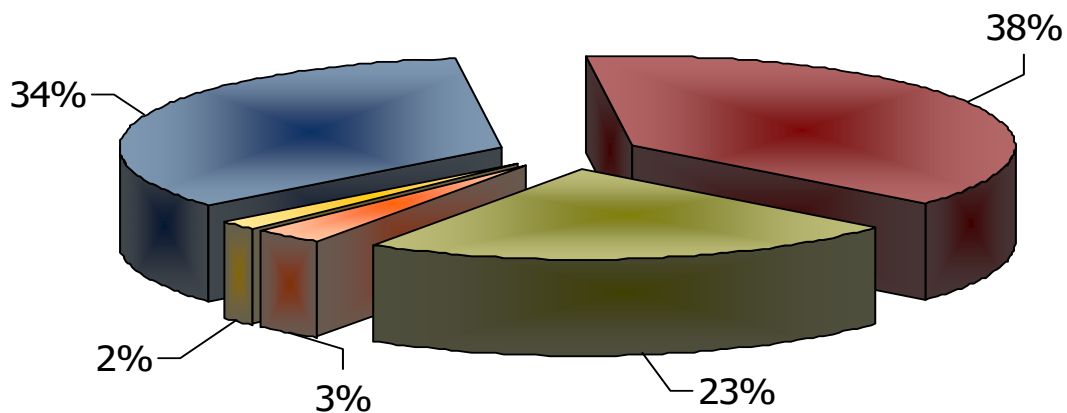
12/31/2019



■	Nonspendable - \$858,205
■	Restricted - \$1,548,482
■	Assigned - \$1,896,362
■	Unassigned - \$3,927,078

# RICHLAND COUNTY

## GOVERNMENTAL FUNDS – 2019 REVENUES



■ Intergovernmental	- \$6,072,529
■ Taxes	- \$6,810,911
■ Public Charges for Services	- \$4,127,378
■ Miscellaneous & Interest Income	- \$555,832
■ Licenses & Permits, Penalties & Forfeitures	- \$277,829

### OBSERVATIONS AND COMMENTS:

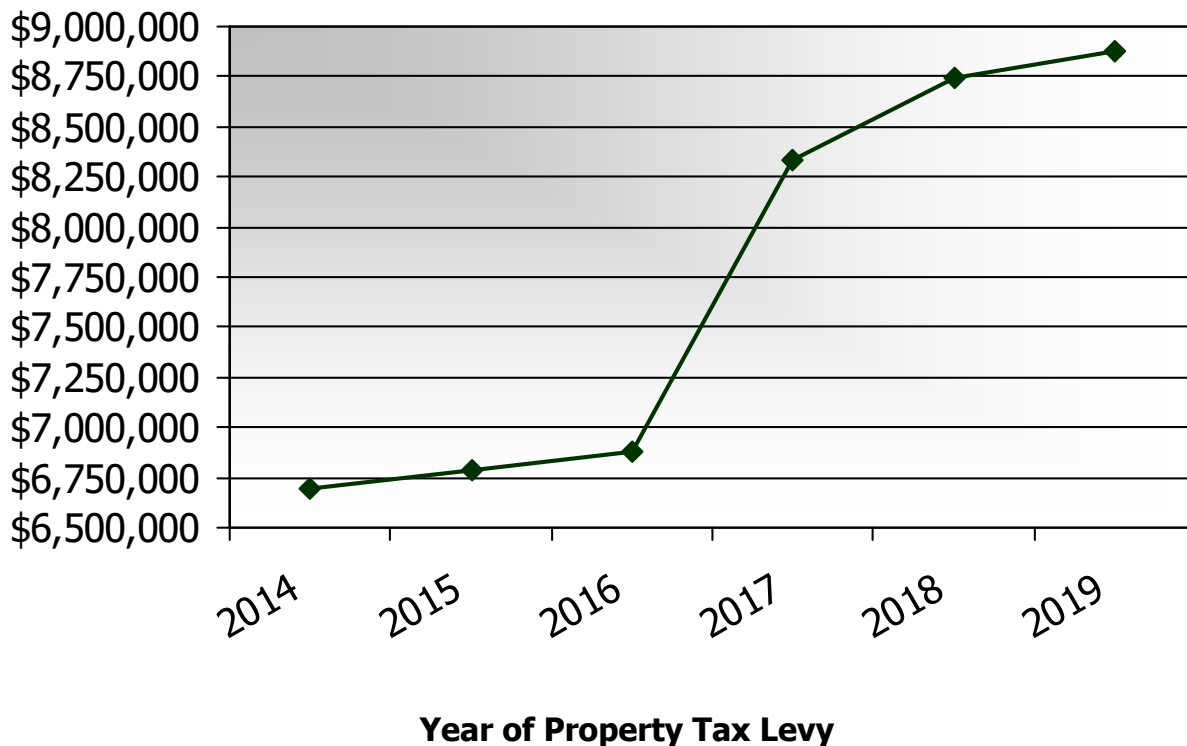
- Property taxes are settled with taxing districts in February and August.
- Intergovernmental revenues are the largest single revenue source. The most significant intergovernmental revenues are:

Shared Taxes	\$ 1,134,723 - Payable in July & November
Health & Human Services	\$ 1,995,049 - Payable monthly based on contract
- Public charges for services include fees for general government, ambulance fees, UW meal service, nutrition program, swimming pool revenues and other community programs.

SOURCE: 12/31/2019 FINANCIAL STATEMENTS

# RICHLAND COUNTY

## PROPERTY TAXES



2014	\$ 6,691,961
2015	\$ 6,787,135
2016	\$ 6,882,990
2017	\$ 8,337,005
2018	\$ 8,746,695
2019	\$ 8,874,572

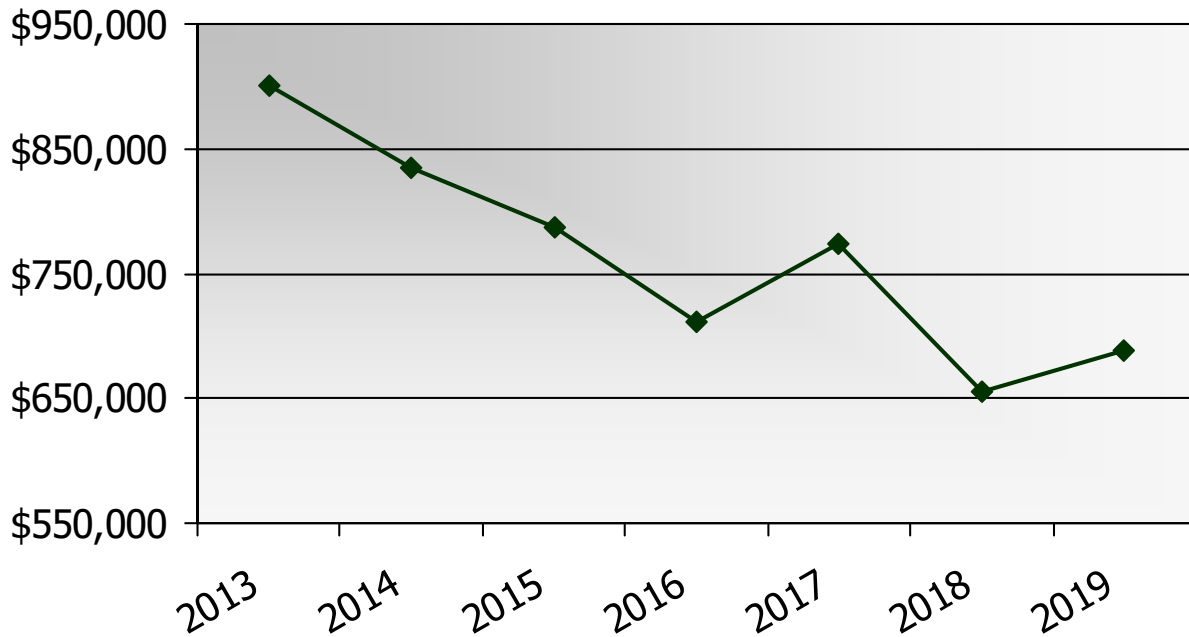
### OBSERVATIONS AND COMMENTS:

- Local property taxes have increased approximately 33% over the six year period. Increases are related to long-term debt required payments.



# RICHLAND COUNTY

## TAXES RECEIVABLE BALANCES

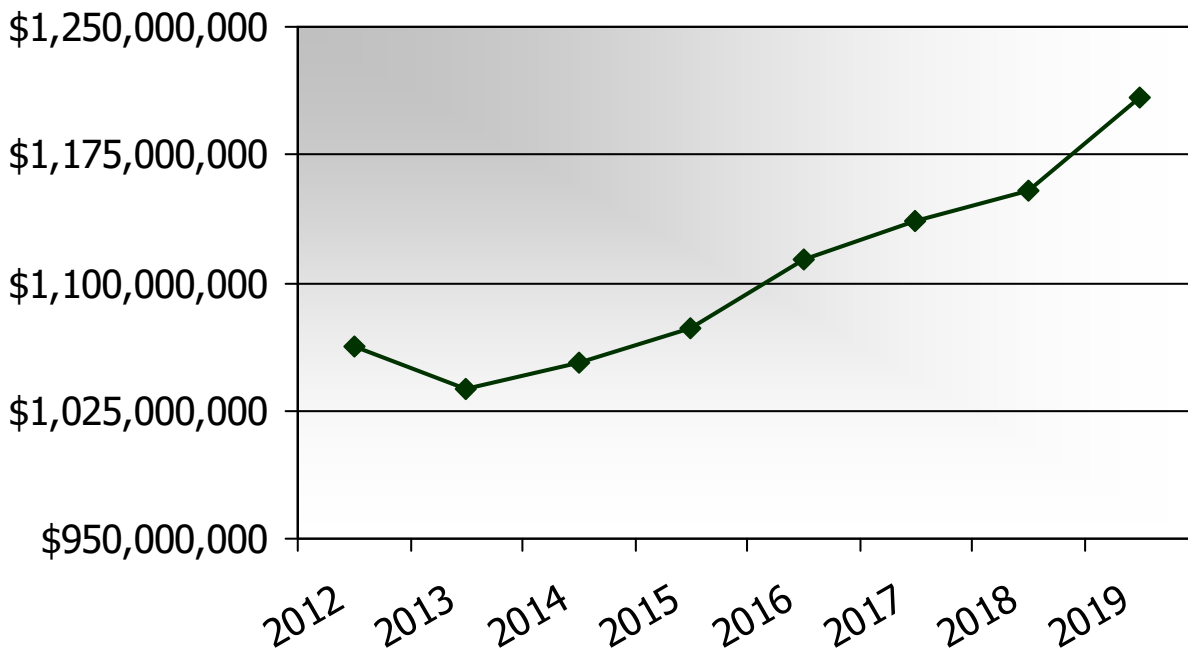


The following are the taxes receivable balances that consist of tax certificates held at year end.

2013	\$ 900,458
2014	\$ 835,508
2015	\$ 786,392
2016	\$ 711,167
2017	\$ 773,074
2018	\$ 655,478
2019	\$ 687,567

# RICHLAND COUNTY

## TREND IN EQUALIZED VALUE OF PROPERTY



### Total Equalized Value

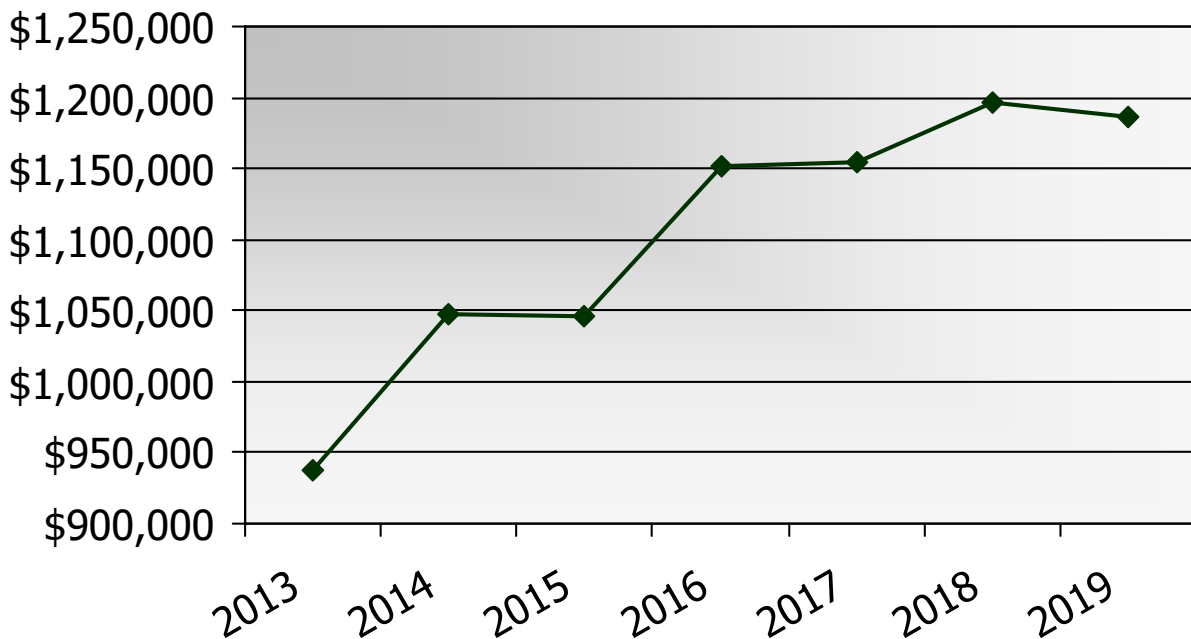
2012	\$ 1,062,333,500
2013	\$ 1,037,181,300
2014	\$ 1,053,069,500
2015	\$ 1,072,880,400
2016	\$ 1,113,581,100
2017	\$ 1,136,481,200
2018	\$ 1,154,170,600
2019	\$ 1,209,046,400

### OBSERVATIONS AND COMMENTS:

- The County's valuation over this eight year period has rebounded since receding. The valuation over this eight year period has increased by approximately 13.8%. Surrounding counties have experienced similar decline and growth in the past eight years.

# RICHLAND COUNTY

## TREND IN SALES TAX REVENUE



**Trend in Sales Tax Revenue**

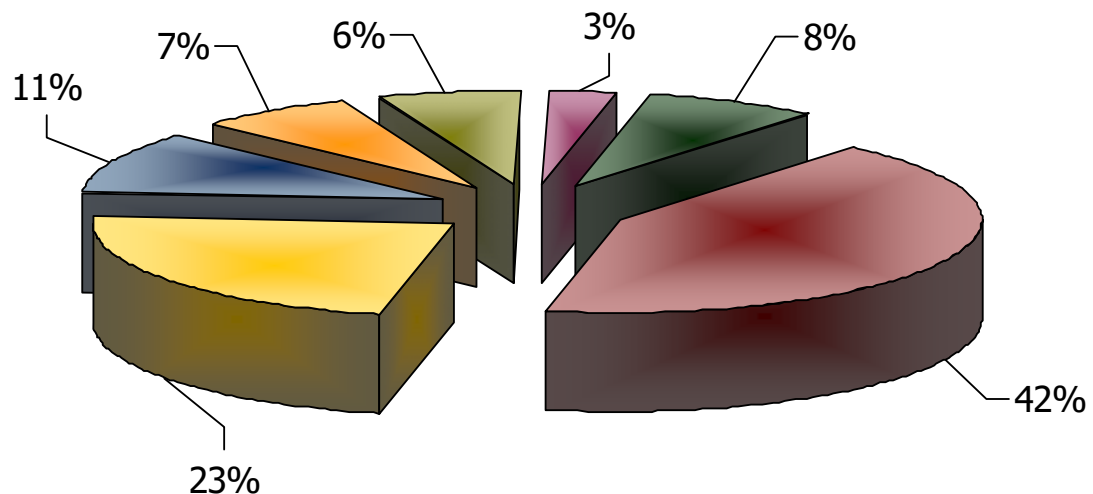
2013	\$ 937,788
2014	\$ 1,048,008
2015	\$ 1,046,125
2016	\$ 1,151,402
2017	\$ 1,155,054
2018	\$ 1,195,943
2019	\$ 1,185,990

### OBSERVATIONS AND COMMENTS:

- Like other Wisconsin counties, Richland County has used the ½% sales tax to limit property tax increases.

# RICHLAND COUNTY

## GOVERNMENTAL FUNDS – 2019 EXPENDITURES



■ Health & Social Services	- \$7,614,221
■ Public Safety	- \$4,116,507
■ General Government	- \$1,948,492
■ Culture & Recreation, Transportation	- \$1,266,373
■ Conservation & Development	- \$1,117,357
■ Debt Service	- \$555,938
■ Capital Outlay	- \$1,415,421

### OBSERVATIONS AND COMMENTS:

- In 2019 and 2018, Health and Social Services and Public Safety expenditures were approximately 65% and 66% of total governmental expenditures, respectively.

SOURCE: 12/31/2019 FINANCIAL STATEMENTS

# RICHLAND COUNTY

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS

	Enterprise Fund	Internal Service Fund
	Pine Valley Community Village	Highway
<b>Operating revenues:</b>		
Intergovernmental	\$ -	\$ 599,939
Charges for services	8,116,141	2,113,161
Other operating revenues	12,428	-
<b>Total operating revenues</b>	<b>8,128,569</b>	<b>2,713,100</b>
<b>Operating expenses:</b>		
Operation and maintenance	7,524,946	3,727,004
Administration	814,822	226,462
Depreciation	1,116,587	303,179
<b>Total operating expenses</b>	<b>9,456,355</b>	<b>4,256,645</b>
<b>Operating income (loss)</b>	<b>(1,327,786)</b>	<b>(1,543,545)</b>
<b>Nonoperating revenues (expenses):</b>		
Donations	20,773	-
Supplemental payments	765,250	-
Amortization of bond premium	20,562	-
Interest expense	(574,099)	(41,582)
General property taxes	1,356,918	1,983,312
Miscellaneous nonoperating revenues	-	999
<b>Total nonoperating revenues (expenses)</b>	<b>1,589,404</b>	<b>1,942,729</b>
<b>Net income (loss) before transfer and special item</b>	<b>261,618</b>	<b>399,184</b>
<b>Other financing sources (uses):</b>		
Transfer to County	(300,000)	-
Special item - loss on disposal of capital asset	(12,240)	-
<b>Change in net position</b>	<b>(50,622)</b>	<b>399,184</b>
<b>Net position, January 1</b>	1,694,311	3,906,089
<b>Prior period adjustment</b>	-	6,527
<b>Net position, January 1, restated</b>	<b>1,694,311</b>	<b>3,912,616</b>
<b>Net position, December 31</b>	<b>\$ 1,643,689</b>	<b>\$ 4,311,800</b>

\*Source: 12/31/2019 financial statements.

# RICHLAND COUNTY

## CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of long-term debt obligations:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
Direct borrowings and placements	\$ 1,572,771	\$ 200,000	\$ 175,627	\$ 1,597,144	\$ 253,069
Bonds	3,155,000	-	345,000	2,810,000	360,000
Subtotal	<u>4,727,771</u>	<u>200,000</u>	<u>520,627</u>	<u>4,407,144</u>	<u>613,069</u>
Other liabilities:					
Vested compensated absences	633,413	-	102,551	530,862	-
Subtotal	<u>633,413</u>	<u>-</u>	<u>102,551</u>	<u>530,862</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 5,361,184</u>	<u>\$ 200,000</u>	<u>\$ 623,178</u>	<u>\$ 4,938,006</u>	<u>\$ 613,069</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
Bonds and note	\$ 20,725,000	\$ -	\$ 885,000	\$ 19,840,000	\$ 920,000
Bond premium	355,167	-	20,562	334,605	-
Subtotal	<u>21,080,167</u>	<u>-</u>	<u>905,562</u>	<u>20,174,605</u>	<u>920,000</u>
Other liabilities:					
Vested compensated absences	445,920	10,243	12,761	443,402	222,603
Total other liabilities	<u>445,920</u>	<u>10,243</u>	<u>12,761</u>	<u>443,402</u>	<u>222,603</u>
Total business-type activities long-term liabilities	<u>\$ 21,526,087</u>	<u>\$ 10,243</u>	<u>\$ 918,323</u>	<u>\$ 20,618,007</u>	<u>\$ 1,142,603</u>

### OBSERVATIONS AND COMMENTS:

➤ As of December 31, 2019, general obligation debt limitation totals \$60,452,320; debt subject to limitation totals \$24,247,144. The County has approximately 60% of its debt capacity remaining.