



JOHNSON BLOCK

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**RICHLAND COUNTY, WISCONSIN
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

Year Ended December 31, 2019

**Johnson Block & Company, Inc.
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RICHLAND COUNTY, WISCONSIN

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INDEPENDENT AUDITOR'S REPORT

To the Finance Committee and the
Board of Supervisors
Richland County
Richland Center, Wisconsin

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Richland County, Wisconsin, as of and for the year ended December 31, 2019, 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Richland County, Wisconsin, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4.D to the financial statements, prior period adjustments have been recorded effective January 1, 2019, on the General Fund and Highway Fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, Local Retiree Life Insurance Fund schedules, and Wisconsin Retirement System schedules on pages 55 through 58 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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



Other Matters (Continued)

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise Richland County, Wisconsin’s basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we will issue a report on our consideration of Richland County, Wisconsin’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of Richland County, Wisconsin’s 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 the Richland County, Wisconsin’s internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
September 25, 2020

BASIC FINANCIAL STATEMENTS

RICHLAND COUNTY, WISCONSIN
GOVERNMENT-WIDE STATEMENT OF NET POSITION
As of December 31, 2019

	Governmental Activities	Business- Type Activities	Totals
<u>ASSETS</u>			
Treasurer's cash and cash equivalents	\$ 8,402,580	\$ 2,706,175	\$ 11,108,755
Cash and cash equivalents designated by trustees	-	620,100	620,100
Receivables:			
Taxes	9,599,453	-	9,599,453
Accounts, net of allowance	1,188,655	719,840	1,908,495
Loans	124,606	-	124,606
Other	133,341	-	133,341
Due from other governments	582,944	-	582,944
Materials and supplies inventories	460,082	47,336	507,418
Prepaid expenses	108,964	69,268	178,232
Capital assets:			
Land and construction work in progress	914,133	7,904	922,037
Infrastructure	62,444,253	-	62,444,253
Other capital assets	28,436,616	22,891,534	51,328,150
Accumulated depreciation	(64,429,472)	(4,651,300)	(69,080,772)
Restricted assets:			
Cash and investments	1,296,184	311,016	1,607,200
Funds held in trust	-	9,197	9,197
Total assets	49,262,339	22,731,070	71,993,409
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension outflows	5,124,267	2,376,186	7,500,453
OPEB - group life insurance outflows	44,367	26,974	71,341
Total deferred outflows of resources	5,168,634	2,403,160	7,571,794
Total assets and deferred outflows of resources	\$ 54,430,973	\$ 25,134,230	\$ 79,565,203
<u>LIABILITIES</u>			
Accounts payable	\$ 1,177,773	\$ 122,194	\$ 1,299,967
Accrued liabilities and expenses	494,982	347,618	842,600
Due to other governments	28,349	-	28,349
Special deposits	-	9,197	9,197
Long-term obligations:			
Due within one year	613,069	1,142,603	1,755,672
Due in more than one year	4,324,937	19,475,404	23,800,341
Net OPEB liability	349,915	212,752	562,667
Net pension liability	1,900,833	881,440	2,782,273
Total liabilities	8,889,858	22,191,208	31,081,066
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension inflows	2,621,827	1,215,773	3,837,600
OPEB - group life insurance inflows	137,432	83,560	220,992
Unearned revenue	9,121,874	-	9,121,874
Total deferred inflows of resources	11,881,133	1,299,333	13,180,466
<u>NET POSITION</u>			
Net investment in capital assets	24,313,386	(1,446,780)	22,866,606
Restricted for:			
Debt service	127,692	-	127,692
Revolving loans	1,377,630	-	1,377,630
Donor restricted	43,160	-	43,160
Fogo trust	-	56,020	56,020
Future bond interest payments	-	64,754	64,754
Unrestricted	7,798,114	2,969,695	10,767,809
Total net position	33,659,982	1,643,689	35,303,671
Total liabilities, deferred inflows of resources, and net position	\$ 54,430,973	\$ 25,134,230	\$ 79,565,203

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

Functions	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Totals
Governmental activities							
General government	\$ 3,027,727	\$ 291,781	\$ 236,475	\$ 2,529,600	\$ 30,129	\$ -	\$ 30,129
Public safety	4,542,879	983,520	125,580	-	(3,433,779)	-	(3,433,779)
Highway	5,433,987	2,183,588	851,236	-	(2,399,163)	-	(2,399,163)
Health and social services	7,988,659	519,744	5,472,410	-	(1,996,505)	-	(1,996,505)
Culture and recreation	1,451,841	759,773	43,182	-	(648,886)	-	(648,886)
Conservation and development	1,243,185	176,523	495,231	-	(571,431)	-	(571,431)
Interest and fiscal charges	136,488	-	-	-	(136,488)	-	(136,488)
Total governmental activities	23,824,766	4,914,929	7,224,114	2,529,600	(9,156,123)	-	(9,156,123)
Business-type activities							
Nursing home	10,030,454	8,116,141	-	-	-	(1,914,313)	(1,914,313)
Total business-type activities	10,030,454	8,116,141	-	-	-	(1,914,313)	(1,914,313)
Total	\$ 33,855,220	\$ 13,031,070	\$ 7,224,114	\$ 2,529,600	(9,156,123)	(1,914,313)	(11,070,436)

General revenues:

Taxes							
Property taxes:							
General fund				4,773,769	-		4,773,769
Debt service				557,018	-		557,018
U.W. Campus				67,877	-		67,877
Dog license				7,800	-		7,800
Highway				1,983,312	-		1,983,312
Pine Valley Community Village				-	1,356,918		1,356,918
Other taxes				1,303,320	-		1,303,320
Interest on taxes				101,126	-		101,126
Intergovernmental revenues not restricted to specific programs				1,355,406	-		1,355,406
Investment income				268,976	-		268,976
Supplemental payments				-	765,250		765,250
Miscellaneous				225,975	53,763		279,738
Transfers				300,000	(300,000)		-
<i>Special Item - loss on disposal</i>				(15,340)	(12,240)		(27,580)
Total general revenues, transfers and special item				10,929,239	1,863,691		12,792,930
Change in net position				1,773,116	(50,622)		1,722,494
Net position - beginning of year				32,077,172	1,694,311		33,771,483
Prior period adjustment				(190,306)	-		(190,306)
Net position - beginning of year, restated				31,886,866	1,694,311		33,581,177
Net position - end of year				\$ 33,659,982	\$ 1,643,689		\$ 35,303,671

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	Major Funds			Totals
	General	Debt Service	Nonmajor Funds	
<u>ASSETS</u>				
Treasurer's cash and cash equivalents	\$ 3,804,449	\$ 204,292	\$ 2,131,440	\$ 6,140,181
Receivables:				
Taxes	5,557,152	1,968,739	90,250	7,616,141
Accounts	1,189,190	-	-	1,189,190
Loans receivable	-	-	124,606	124,606
Other	132,806	-	-	132,806
Materials and supplies	3,746	-	-	3,746
Prepaid expenses	108,964	-	-	108,964
Restricted cash	-	-	1,296,184	1,296,184
Total assets	\$ 10,796,307	\$ 2,173,031	\$ 3,642,480	\$ 16,611,818
<u>LIABILITIES</u>				
Accounts payable	\$ 822,494	\$ 76,600	\$ 235,078	\$ 1,134,172
Accrued liabilities and expenses	348,547	-	-	348,547
Due to other governments	28,326	-	-	28,326
Total liabilities	1,199,367	76,600	235,078	1,511,045
<u>DEFERRED INFLOWS OF RESOURCES</u>	4,811,657	1,968,739	90,250	6,870,646
<u>FUND BALANCES</u>				
Nonspendable	858,205	-	-	858,205
Restricted	-	127,692	1,420,790	1,548,482
Assigned	-	-	1,896,362	1,896,362
Unassigned	3,927,078	-	-	3,927,078
Total fund balances	4,785,283	127,692	3,317,152	8,230,127
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,796,307	\$ 2,173,031	\$ 3,642,480	\$ 16,611,818

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of December 31, 2019

	Totals
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances from prior page	\$ 8,230,127
Capital assets used in the governmental funds are not financial resources and therefore are not reported in the funds. (Note 3.H.)	7,662,051
Infrastructure assets used in the Highway Fund are not capitalized in the Internal Service Fund statements. (Note 3.H.)	17,039,776
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows and inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.	
Deferred outflows of resources	4,273,078
Deferred inflows of resources	(2,278,771)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds. (Note 3.H.)	(5,578,079)
Internal service funds are used by management to charge the costs of various services to other governments. The assets and liabilities of the internal service funds which primarily serve governmental activities are included as governmental activities.	4,311,800
Total net position - governmental activities	\$ 33,659,982

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

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

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

Net change in fund balance - total governmental funds		\$ 2,839,770
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.		
Capital outlay reported in governmental fund statements	\$ 1,415,421	
Capital outlay not included in asset additions	(1,070,981)	
Infrastructure assets reported in highway operations	348,327	
Depreciation expense reported in the Statement of Activities	<u>(1,661,409)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period:		(968,642)
The County disposed of various capital assets resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the Statement of Net Position as a net loss and has no affect on the Governmental Funds Balance Sheet.		
The value of capital assets disposed of during the year was	(339,931)	
The amount of depreciation recapture for the year was	<u>324,591</u>	
The difference in the value of assets net of recaptured depreciation creates a gain (loss) of:		(15,340)
Intergovernmental grants of the County are reported as they are received in the governmental fund statements. However, for governmental activities those revenues are recorded as they are earned.		
Amount by which revenues earned is greater (less) than that which is received:		(78,991)
Vested employee benefits and the OPEB liability are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.		
Change in other postemployment benefits - group life insurance, with some adjustments	(39,538)	
Change in compensated absences	<u>36,933</u>	
Amounts paid are greater (less) than amounts earned by:		(2,605)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from prior year to the current year, with some adjustments.		
Amount of current year required contributions into the defined benefit pension plan	446,925	
Actuarially determined change in net pension asset/liability between years, with some adjustments	<u>(1,066,635)</u>	
The amount of pension expense incurred:		(619,710)
Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net assets, and does not affect the statement of activities.		
The amount of debt incurred in the current year is:		(200,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
The amount of long-term debt principal payments in the current year is:		417,330
In governmental funds, interest payments on outstanding long-term 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	138,608	
The amount of interest accrued during the current period	<u>(136,488)</u>	
Interest paid is greater (less) than interest accrued by:		2,120
The net revenues (expenses) of certain activities of internal service funds is reported within governmental activities.		
		<u>399,184</u>
Change in net position - governmental activities		<u>\$ 1,773,116</u>

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2019

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	Pine Valley	
	<u>Community Village</u>	<u>Highway</u>
<u>ASSETS</u>		
Current assets:		
Treasurer's cash and cash equivalents	\$ 2,706,175	\$ 2,262,534
Cash and investments designated by trustees	620,100	-
Accounts receivable, net of allowance	719,840	-
Property taxes receivable	-	1,983,312
Due from other governments	-	582,944
Inventories	47,336	456,336
Prepaid expenses	69,268	-
Total current assets	<u>4,162,719</u>	<u>5,285,126</u>
Restricted assets:		
Restricted cash and investments	311,016	-
Resident trust funds	9,197	-
Total restricted assets	<u>320,213</u>	<u>-</u>
Fixed assets:		
Land and construction work in progress	7,904	118,248
Land improvements	311,739	433,854
Buildings and improvements	20,583,041	2,707,555
Machinery and equipment	1,996,754	6,793,190
Office equipment	-	4,130
Less: Accumulated depreciation	(4,651,300)	(7,393,272)
Net fixed assets	<u>18,248,138</u>	<u>2,663,705</u>
Total assets	<u>22,731,070</u>	<u>7,948,831</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension outflows	2,376,186	886,938
OPEB - group life insurance outflows	26,974	8,616
Total deferred outflows of resources	<u>2,403,160</u>	<u>895,554</u>
Total assets and deferred outflows of resources	<u>\$ 25,134,230</u>	<u>\$ 8,844,385</u>

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2019

	Enterprise Fund Pine Valley Community Village	Internal Service Fund Highway
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$ 122,194	43,604
Accrued liabilities and expenses	157,376	61,191
Current portion of long-term liabilities	1,142,603	128,851
Accrued interest	190,242	32,568
Residents' funds held in trust	9,197	-
Total current liabilities	1,621,612	266,214
Long-term liabilities:		
Compensated absences	220,799	99,404
Net pension liability	881,440	329,007
Loans payable	19,254,605	1,038,272
OPEB - group life insurance	212,752	67,951
Total long-term liabilities	20,569,596	1,534,634
Total liabilities	22,191,208	1,800,848
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension inflows	1,215,773	453,801
OPEB - group life insurance inflows	83,560	26,688
Unearned revenue - transportation cost pool	-	267,936
Other deferred inflows	-	1,983,312
Total deferred inflows of resources	1,299,333	2,731,737
<u>NET POSITION</u>		
Net investment in capital assets	(1,446,780)	2,663,705
Restricted for:		
Fogo trust	56,020	-
Future bond interest payments	64,754	-
Unrestricted	2,969,695	1,648,095
Total net position	1,643,689	4,311,800
Total liabilities, deferred inflows of resources, and net position	\$ 25,134,230	\$ 8,844,385

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
Year Ended December 31, 2019

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

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2019

	<u>Enterprise Fund</u> Pine Valley <u>Community Village</u>	<u>Internal Service Fund</u> <u>Highway</u>
Cash flows from operating activities:		
Cash received from customers	\$ 8,383,244	\$ 2,076,984
Cash paid to suppliers for goods and services	(3,657,331)	(2,698,734)
Cash payments to employees for services	(4,298,162)	(1,331,824)
Cash received from other governments	-	538,359
Net cash provided (used) by operating activities	<u>427,751</u>	<u>(1,415,215)</u>
Cash flows from noncapital financing activities:		
General property taxes	1,356,918	1,983,312
Supplemental payment program	765,250	-
Transfer to County	(300,000)	-
Net cash provided by noncapital financing activities	<u>1,822,168</u>	<u>1,983,312</u>
Cash flows from capital and related financing activities:		
Capital assets additions	(59,525)	(346,513)
Interest paid	(580,900)	(41,582)
Insurance recoveries	-	999
Principal paid on long-term debt	(885,000)	(103,298)
Donations	20,773	-
Net cash provided (used) by capital and related financing activities	<u>(1,504,652)</u>	<u>(490,394)</u>
Net increase (decrease) in cash	745,267	77,703
Cash and cash equivalents, January 1	<u>2,845,201</u>	<u>2,184,831</u>
Cash and cash equivalents, December 31	<u>\$ 3,590,468</u>	<u>\$ 2,262,534</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:		
Treasurer's cash and cash equivalents	\$ 2,706,175	\$ 2,262,534
Cash and investments designated by trustees	620,100	-
Restricted cash and investments	311,016	-
Less: noncash investments	(56,020)	-
Funds helds in trust	9,197	-
	<u>\$ 3,590,468</u>	<u>\$ 2,262,534</u>

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2019

	Enterprise Fund	Internal Service Fund
	Pine Valley Community Village	Highway
Reconciliation of operating income		
(loss) to net cash flows from		
operating activities:		
Operating (loss)	\$ (1,327,786)	\$ (1,543,545)
Adjustments to reconcile operating		
(loss) to net cash provided		
(used) by operating activities:		
Depreciation	1,116,587	402,040
Loss on disposal of asset	-	10,010
Changes in assets, liabilities and deferrals		
Accounts receivable	252,846	-
Due from other governments	-	(61,580)
Inventories	(3,275)	(112,006)
Prepaid expenses	16,247	-
Pension and OPEB related assets and deferrals	340,142	124,379
Accounts payable	9,017	(142,541)
Accrued liabilities and expenses	22,144	(67,040)
Accrued interest payable	-	(24,932)
Resident trust funds	1,829	-
Net cash provided (used)		
by operating activities	\$ 427,751	\$ (1,415,215)

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of December 31, 2019

	Agency Funds	Expendable Trust Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 244,126	\$ 2,459
Total assets	\$ 244,126	\$ 2,459
<u>LIABILITIES</u>		
Special deposits	\$ 244,126	\$ -
<u>NET POSITION</u>		
Restricted	-	2,459
Total liabilities and net position	\$ 244,126	\$ 2,459

See accompanying notes to financial statements.

RICHLAND COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
FIDUCIARY FUNDS
Year Ended December 31, 2019

	Expendable Trust Funds
Revenues:	
Operating revenues	\$ -
Total revenues	-
 Expenses:	
Culture and recreation	-
Total expenses	-
Change in net position	-
 Net position, January 1	 2,459
Net position, December 31	\$ 2,459

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

RICHLAND COUNTY, WISCONSIN
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December 31, 2019

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RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Richland County conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

This report includes all of the funds of Richland County. The reporting entity for the County consists of (a) the 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 financially 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.

The Richland County Housing Authority

The Richland County Housing Authority (the "Housing Authority") is excluded as a component unit. The Housing Authority is a legally separate organization and appointments to the Housing Authority are approved by the County Board; however, since the County cannot impose its will on the Housing Authority and there is no material benefit to, or burden on, the County, the Housing Authority does not meet the criteria for inclusion in the reporting entity. Financial statements for the Housing Authority may be obtained from:

Richland County Housing Authority
210 S. Orange Street
Richland Center, WI 53581

B. BASIS OF FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures.

Funds are organized as major funds or nonmajor funds within the governmental and fiduciary statements. An emphasis is placed on major funds within the governmental category. 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, liabilities and deferred inflows, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental fund that the County believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The County has presented the following governmental funds:

General Fund – The General Fund is the County’s primary operating fund and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for and report the specific revenue sources comprising a substantial portion of the fund’s resources on an ongoing basis that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Debt Service Fund – The Debt Service Fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays (other than those financed by proprietary funds and trust funds).

The County reports the following major governmental funds:

General Fund
Debt Service Fund

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Governmental Funds (Continued)

The County reports the following nonmajor governmental funds:

Special Revenue:

Community Development Block Grant
Wisconsin Development Fund Grant
Dog License Fund

Capital Projects:

Swimming Pool Projects
U.W. Campus
U.W. Symons Building
Capital Projects Fund
County Fairgrounds Donations

Proprietary Funds

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. The County reports the following major proprietary funds:

Major Enterprise Fund:

Pine Valley Community Village

Major Internal Service Fund:

Highway Fund

Fiduciary Funds (Not included in Government-Wide Statements)

Agency Funds – Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The County’s agency funds include Sheriff, Clerk of Circuit Court, Health Agency, Pop Fund, and Miscellaneous.

Expendable Trust Funds – The County’s Expendable Trust Funds account for transactions pertaining to donated funds to be used for Veteran’s Service and Burial Trust Funds.

The government-wide financial statements and fund financial statements for the proprietary funds are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING

The 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 Pine Valley Community Village are charges for providing service to residents. Operating expenses for proprietary funds include the cost of providing these services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. However, the County also judgmentally uses an extended period of time, mainly due to delays from the State of Wisconsin, to avoid artificially distorting normal revenue patterns. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

The County's property taxes are levied on or before December 31 on the equalized valuation as of the prior January 1 for all general property located in the County. The taxes are due and payable in the following year. Property taxes are recorded in the year levied as taxes receivable and deferred inflows. The aggregate amount of property taxes to be levied for County purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the County are certified to local taxing districts for collection. Property taxes attach as an enforceable lien as of January 1.

Local property taxes as levied are collected by local treasurers, typically through the last day of January in each year. By February 20, the County treasurer and local treasurers settle for all collections and amounts paid timely through January 31 due the various taxing districts. On February 1, tax collection becomes the responsibility of the County and delinquent taxes receivable represent unpaid taxes levied for all taxing entities within the County. On August 20, the County purchases uncollected property taxes from other taxing authorities at the unpaid amount to facilitate the collection of the taxes. The purchases are a financing arrangement and are not included in property tax revenues.

Following is the property tax calendar for municipalities within the County.

Property tax calendar – 2019 tax roll:

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

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

Delinquent property taxes purchased from other taxing authorities are included as nonspendable fund balance at year end. Delinquent property taxes levied by the County are included as deferred inflows and are excluded from the fund balance until collected.

On September 1, the tax lien date, all unpaid taxes are reflected as tax certificates. No allowance for losses on delinquent taxes has been provided because the County has demonstrated its ability to recover any losses through the sale of the property.

Property taxes are recognized in the appropriate fund as revenues in the succeeding year when they are collected and available to finance services. If not collected by July 31, the delinquent property taxes are recorded as delinquent taxes receivable and deferred inflows in the general fund. Delinquent property taxes are recognized as revenue when collected. Delinquent taxes collected by February 28 of the subsequent year are also recognized as revenue in the current year. Interest on delinquent property taxes is recognized as revenue when received.

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

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows 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, deferred inflows are removed from the balance sheet and revenue is recognized.

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.

On the Government-Wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. MEASUREMENT FOCUS

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred inflows or nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

E. CASH AND INVESTMENTS

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair value of investments in the Local Government Investment Pool (LGIP) is based on information provided by the State of Wisconsin Investment Board.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

F. INVENTORIES AND PREPAID ITEMS

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Internal service fund inventory is generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, operation and maintenance expense when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. CAPITAL ASSETS

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Fund infrastructure has been retroactively reported.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest used capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. There was no interest capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	7 - 75 years
Land Improvements	5 - 50 years
Machinery and Equipment	3 - 25 years
Infrastructure	20 - 75 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in enterprise fund operations are accounted for the same as in the government-wide statements.

H. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Pine Valley Community Village had an allowance for uncollectible accounts totaling \$55,000 for 2019. Pine Valley Community Village wrote off \$45,179 in uncollectible accounts during 2019.

J. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019 are determined on the basis of current salary rates and include salary related payments.

K. LONG-TERM OBLIGATIONS

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes, bonds or loans payable, and accrued compensated absences. Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet.

Debt issue costs are recognized in the current period for the government-wide, proprietary, and governmental fund statements.

L. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statement. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year end.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

N. OTHER POSTEMPLOYMENT BENEFITS

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

O. PENSIONS

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and 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 by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The County has two items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system and other postemployment benefits – group life insurance for multiple employer life insurance.

In addition to liabilities, the statement of net position will sometimes report 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 resources (revenue) until then. The County has several items that qualify for reporting in the category. The deferred inflows of resources are for the WRS pension system, other postemployment benefits – multiple employer life insurance, and property taxes.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. EQUITY CLASSIFICATIONS

Government-Wide Statements

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position – Consists of net positions with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

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.

Fund Statements

Governmental fund equity is reported as fund balance and is classified as follows:

- a. Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – amounts with externally imposed constraints placed on the use of resources by constitution, external resource providers, or through enabling legislation.
- c. Committed – amounts that can only be spent for specific purposes pursuant to constraints imposed by formal action by the County Board. A formal resolution by the County Board is required to establish, modify, or rescind a fund balance commitment.
- d. Assigned – amounts that are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The County Board will assign amounts to a specific purpose.
- e. Unassigned – the residual classification for the General Fund representing amounts not restricted, committed, or assigned to specific purposes. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific purposes.

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the County’s policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. EQUITY CLASSIFICATIONS (Continued)

The County has a fund balance policy that establishes a targeted minimum General Fund balance of 25% of the total expenditures set forth in the County's budget for the year. If fund balance in the General Fund falls below the 25% level, the County must develop a plan to replenish the funds within two budgetary cycles without borrowing to cover the gap. At December 31, 2019, General Fund balance was 32% of budgeted expenditures.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.C. A budget has been adopted for the General Fund and Debt Service Funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds with a tax levy.

The budgeted amounts presented include any amendments made during the year. The finance committee may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by two-thirds board action. Appropriations lapse at year end unless specifically carried over. Budgets are adopted at the program level of expenditure.

**B. LIMITATIONS ON THE COUNTY'S TAX LEVY RATE AND ITS ABILITY TO ISSUE
NEW DEBT**

As part of the state budget, legislation was passed that limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the County's equalized value due to new construction, or 0% for the 2018 levy collected in 2019 and 0% for the 2019 levy collected in 2020. Changes in debt service from one year to the next are generally exempt from this limit.

The County may also exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve a higher rate. The County may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. LIMITATIONS ON THE COUNTY'S TAX LEVY RATE AND ITS ABILITY TO ISSUE NEW DEBT (Continued)

The State Budget Bill also imposes restrictions on the County's ability to issue new debt. Generally, referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions:

- Refunding debt issues
- 75% approval by the County Board
- A reasonable expectation that the new debt can be accommodated within the existing tax rate
- Other exceptions as listed in State Statutes Section 67.045

The County is in compliance with the limitations.

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Investment of County funds is restricted by State Statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin.
2. Bonds or 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, a local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The Local Government Investment Pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

The carrying amount of the County's cash and investments totaled \$13,591,837 on December 31, 2019 and is summarized below:

Petty cash funds	\$ 2,167
Deposits with financial institutions	2,069,998
Investments:	
Local Government Investment Pool	11,519,672
Total	\$ 13,591,837

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:

Treasurer's cash and cash equivalents	\$ 11,108,755
Cash and investments designated by trustees	620,100
Restricted cash and investments	1,607,200
Restricted funds held in trust	9,197

Fiduciary funds:

Agency Funds	244,126
Expendable Trust Funds	2,459
Total	\$ 13,591,837

Deposits and investments of the County are subject to various risks. Following is a discussion of the specific risks and the County's policy related to the risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure the County's deposits may not be returned to it. The County evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits are held. Formal written custodial risk policies have not been adopted by the County. As of December 31, 2019, the County's deposits with financial institutions were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 109,657
Uninsured and collateralized with securities held by pledging financial institutions	2,007,246
Total	\$ 2,116,903

Deposits in each local and area bank are insured by the FDIC. Time and savings deposits are insured up to \$250,000. Separately, demand deposits are insured up to \$250,000. Deposits and the Local Government Investment Pool (LGIP) 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 not be significant to individual organizations. This coverage has not been considered in computing the above amounts.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. As of December 31, 2019, the LGIP had an average maturity of 18 days and a fair value of \$11,519,672.

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statute limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

The 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 LGIP was not rated as of December 31, 2019.

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 <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>. Participants in the LGIP have the rights to withdraw their funds in total on one day's notice. At December 31, 2019, 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 LGIP as of December 31, 2019 was: 88.05% in U.S. Government Securities, 2.70% in Certificates of Deposit and Bankers' Acceptances and 9.25% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk – The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. The County had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total County investments.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES

The Wisconsin Development Fund Grant is made up of economic development loans. The economic development loans bear interest at 4% and have monthly payments over 5-7 years. They are secured by liens against the property, and upon repayment, the loan proceeds plus interest are used to make additional loans to eligible applicants.

The Community Development Block Grant fund is made up of deferred housing loans. The deferred housing loans are interest free and payments are deferred until the property is sold. The loans are secured by liens against the property. The County has established restricted fund balance equal to total loans outstanding, net of allowance, since they do not represent available spendable resources.

The County had the following loans outstanding:

Community Development Block Grant	\$ 63,094
Wisconsin Development Fund Grant	61,512
Total loans receivable	<u>\$ 124,606</u>

At December 31, 2019, delinquent taxes receivable are as follows:

Tax certificates -	
2019	\$ 328,131
2018	170,611
2017	66,862
2016	39,678
2015	24,088
2014	13,618
2013	10,526
2012	8,317
2011	6,603
2010	6,586
2009	9,034
2008	3,513
Totals	<u>687,567</u>
Special assessment tax certificates and deeds	57,928
Total delinquent taxes receivable	<u>745,495</u>
Property taxes receivable	6,870,646
Total taxes receivable in governmental funds	<u>\$ 7,616,141</u>

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES (Continued)

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

	General	Debt Service	U.W. Campus	Dog License	Total
Property taxes receivable	\$ 4,811,657	\$ 1,968,739	\$ 80,000	\$ 10,250	\$ 6,870,646
Total deferred inflows	\$ 4,811,657	\$ 1,968,739	\$ 80,000	\$ 10,250	\$ 6,870,646

C. RESTRICTED CASH

The governmental funds have restricted cash in the amount of \$1,296,184 which consists of:

Community Development Block Grant	\$ 88,710
Wisconsin Development Fund Grant	1,164,314
County Fairground Donations	43,160
	\$ 1,296,184

Pine Valley Community Village had restricted cash and investments of \$320,213 which consisted primarily of debt service reserve funds.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2019 was as follows:

<u>Governmental Activities</u>	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Capital assets not being depreciated:				
Land	\$ 788,618	\$ -	\$ -	\$ 788,618
Construction work in progress	13,448	112,067	-	125,515
Total capital assets not being depreciated	<u>802,066</u>	<u>112,067</u>	<u>-</u>	<u>914,133</u>
Capital assets being depreciated:				
Land improvements	1,169,306	16,367	-	1,185,673
Infrastructure	62,101,926	348,327	6,000	62,444,253
Buildings and improvements	17,172,563	81,140	-	17,253,703
Machinery and equipment	9,114,820	481,377	369,576	9,226,621
Other assets	770,619	-	-	770,619
Total capital assets being depreciated	<u>90,329,234</u>	<u>927,211</u>	<u>375,576</u>	<u>90,880,869</u>
Total capital assets	<u>91,131,300</u>	<u>1,039,278</u>	<u>375,576</u>	<u>91,795,002</u>
Less: Accumulated depreciation	<u>(62,716,249)</u>	<u>(2,063,449)</u>	<u>(350,226)</u>	<u>(64,429,472)</u>
Capital assets, net of depreciation	<u>\$ 28,415,051</u>	<u>\$ (1,024,171)</u>	<u>\$ 25,350</u>	<u>\$ 27,365,530</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 63,254
Public safety	161,405
Highway	1,163,361
Health and social services	81,640
Culture, recreation and education	183,447
Conservation and development	8,302
Subtotal	<u>1,661,409</u>
Capital assets held by Internal Service Fund and charged to highway function	402,040
Total governmental activities depreciation expense	<u>\$ 2,063,449</u>

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2019 was as follows:

<u>Business-Type Activities</u>	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Capital assets not being depreciated:				
Land	\$ 7,904	\$ -	\$ -	\$ 7,904
Total capital assets not being depreciated	<u>7,904</u>	<u>-</u>	<u>-</u>	<u>7,904</u>
Capital assets being depreciated:				
Land improvements	311,739	-	-	311,739
Buildings	14,871,245	-	-	14,871,245
Buildings and improvements	5,697,536	14,260	-	5,711,796
Machinery and equipment	1,982,373	45,265	30,884	1,996,754
Total capital assets being depreciated	<u>22,862,893</u>	<u>59,525</u>	<u>30,884</u>	<u>22,891,534</u>
Total capital assets	<u>22,870,797</u>	<u>59,525</u>	<u>30,884</u>	<u>22,899,438</u>
Less: Accumulated depreciation	<u>(3,553,357)</u>	<u>(1,116,587)</u>	<u>(18,644)</u>	<u>(4,651,300)</u>
Capital assets, net of depreciation	<u>\$ 19,317,440</u>	<u>\$ (1,057,062)</u>	<u>\$ 12,240</u>	<u>\$ 18,248,138</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Pine Valley Community Village	<u>\$ 1,116,587</u>

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. INTERFUND TRANSFERS

The following is a schedule of interfund transfers:

Fund Transferred To:	Fund Transferred From:	Principal Purpose:	Amount
General Fund	Pine Valley Community Village	Supplemental appropriation	\$ 300,000
Dog License Fund	General Fund	Supplemental appropriation	2,524

For the Government-Wide Statement of Activities, transfers which are between funds within the governmental activities or business-type activities are netted and eliminated. Remaining transfers between the governmental activities and business-type activities included:

Purpose:	Governmental Activities	Business-Type Activities
Supplemental appropriation from Pine Valley Community Village	\$ 300,000	\$ (300,000)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019 was as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019	Amounts Due Within One Year
Governmental Activities					
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>

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019	Amounts Due Within One Year
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
Subtotal	<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>

General Obligation Debt

All general obligation bonds and notes 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 accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed five percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2019 was \$60,452,320. Total general obligation debt outstanding at year end was \$24,247,144.

Governmental activities debt at December 31, 2019 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2019
Governmental Activities:					
Refunding bonds	2010	2027	2.00 - 4.25%	\$ 2,310,000	\$ 1,455,000
Refunding bonds	2010	2025	1.45 - 5.05%	2,480,000	1,355,000
State trust fund loan	2017	2021	3.00%	30,350	20,827
State trust fund loan	2017	2022	3.00%	272,000	209,194
State trust fund loan	2019	2023	4.25%	200,000	200,000
State trust fund loan	2017	2027	3.50%	1,270,421	1,167,123
Total governmental activities					<u>\$ 4,407,144</u>

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM OBLIGATIONS (Continued)

Debt service requirements to maturity are as follows:

Years	Governmental Activities					
	Direct borrowing and placements			Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 253,069	\$ 57,242	\$ 310,311	\$ 360,000	\$ 112,615	\$ 472,615
2021	262,877	47,435	310,312	375,000	98,319	473,319
2022	261,159	38,267	299,426	390,000	82,618	472,618
2023	196,363	29,102	225,465	405,000	65,639	470,639
2024	147,924	21,888	169,812	425,000	47,331	472,331
2025-2027	475,752	33,684	509,436	855,000	45,049	900,049
Totals	\$ 1,597,144	\$ 227,618	\$ 1,824,762	\$ 2,810,000	\$ 451,571	\$ 3,261,571

Business-type activities debt at December 31, 2019 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2019
Business-Type Activities:					
Bonds	2015	2035	2.00 - 3.50%	\$ 10,000,000	\$ 9,650,000
Promissory note	2015	2023	1.40 - 3.00%	1,500,000	1,000,000
Bonds	2016	2036	2.00 - 3.00%	10,000,000	9,190,000
Total business-type activities					\$ 19,840,000

Debt service requirements to maturity are as follow:

Years	Business -Type Activities		
	Bonds and Note		
	Principal	Interest	Total
2020	\$ 920,000	\$ 562,913	\$ 1,482,913
2021	940,000	540,813	1,480,813
2022	965,000	516,013	1,481,013
2023	990,000	489,075	1,479,075
2024	1,015,000	461,200	1,476,200
2025-2029	6,655,000	1,774,075	8,429,075
2030-2034	5,440,000	907,313	6,347,313
2035-2036	2,915,000	90,100	3,005,100
Totals	\$ 19,840,000	\$ 5,341,502	\$ 25,181,502

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM OBLIGATIONS (Continued)

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 and Highway. Likewise, no debt service requirement schedule has been provided as no repayment schedule has been determined.

G. GOVERNMENTAL ACTIVITIES NET POSITION / FUND BALANCES

Governmental activities net position reported on the government-wide statement of net position at December 31, 2019 includes the following:

Net investment in capital assets:	
Land and construction work in progress	\$ 914,133
Other capital assets, net of accumulated depreciation	26,451,397
Less: related long-term debt outstanding	(3,052,144)
Total net investment in capital assets	24,313,386
Restricted:	
Debt service	127,692
Revolving loans	1,377,630
Donor restricted	43,160
Total restricted	1,548,482
Unrestricted	7,798,114
Total governmental activities net position	\$ 33,659,982

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

G. GOVERNMENTAL ACTIVITIES NET POSITION / FUND BALANCES (Continued)

Governmental fund balances reported on the fund financial statements at December 31, 2019 include the following:

Nonspendable

Major Fund:

General Fund:

Tax certificates and deeds	\$ 745,495
Materials and supplies inventories	3,746
Prepaid expenses	108,964
Total nonspendable	858,205

Restricted

Major Fund:

Debt service	127,692
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Nonmajor Funds:

Community Development Block Grant	151,804
Wisconsin Development Fund Grant	1,225,826
County Fairgrounds donations	43,160
Total restricted	1,548,482

Assigned

Nonmajor Funds:

Swimming Pool Projects	25,378
U.W. Campus Fund	4,527
U.W. Symons Building	28,365
Capital Projects Fund	1,838,092
Total assigned	1,896,362

Unassigned

Major Fund:

General Fund	3,927,078
Total unassigned	3,927,078
Total governmental fund balance	\$ 8,230,127

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

The Governmental Fund Balance Sheet includes a reconciliation between total governmental funds – fund balance and governmental activities – net position as reported in the Government-Wide Statement of Net Position.

One element of that reconciliation states that “capital assets used in the General Fund are not financial resources and therefore are not reported in the funds.”

	12/31/2019
Land	\$ 683,818
Construction work in progress	112,067
Land improvements	751,819
Infrastructure	146,049
Buildings and improvements	14,546,149
Machinery and equipment	2,433,430
Other assets	766,490
Accumulated depreciation	(11,777,771)
Combined adjustment for capital assets	\$ 7,662,051

A second element of that reconciliation states that “infrastructure assets used in the Highway Fund are not capitalized in the Internal Service Fund statements.”

	12/31/2019
Infrastructure	\$ 62,298,204
Accumulated depreciation	(45,258,428)
Combined adjustment for highway infrastructure	\$ 17,039,776

A third element of that reconciliation states that “some liabilities, including long-term debt, are not due and payable in the current period, and therefore, are not reported in the funds.”

	12/31/2019
Bonds and notes payable	\$ 3,240,020
Compensated absences	431,458
Net pension liability	1,571,826
Accrued interest	52,811
Net OPEB liability	281,964
Combined adjustment for long-term liabilities	\$ 5,578,079

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN

General Information about the Other Post-Employment Benefits

Plan description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

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

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance Employee Contribution Rates*
For the Year Ended December 31, 2018

Attained Age	Basic	Supplemental
Under 30	\$ 0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver of premium benefits

During the reporting period, the LRLIF recognized \$4,201 in contributions from the employer.

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

At December 31, 2019, the LRLIF Employer reported a liability (asset) of \$562,667 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.218059%, which was a decrease of 0.01638% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized OPEB expense of \$43,854.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (Continued)

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (28,544)
Changes of assumptions	53,688	(121,964)
Net differences between projected and actual earnings on OPEB plan investments	13,447	-
Changes in proportion and differences between County contributions and proportion share of contributions	-	(70,484)
County contributions subsequent to the measurement date	4,206	-
Totals	\$ 71,341	\$ (220,992)

\$4,206 reported as deferred outflows related to OPEB resulting from the County’s employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Net Deferred Outflows (Inflows) of Resources
2020	\$ (23,118)
2021	(23,118)
2022	(23,118)
2023	(25,006)
2024	(26,952)
Thereafter	(32,545)
Total	\$ (153,857)

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (Continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate	4.22%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (Continued)

Asset Allocation Targets and Expected Returns

As of December 31, 2018

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount Rate. A single discount rate of 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the County’s proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the County’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent, as well as what the County’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	<u>1% Decrease to Discount Rate (3.22%)</u>	<u>Current Discount Rate (4.22%)</u>	<u>1% Increase to Discount Rate (5.22%)</u>
County's proportionate share of the net OPEB liability (asset)	\$ 800,429	\$ 562,667	\$ 379,285

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN

General Information about the 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, expected to work at least 1,200 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.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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)
2017	2.0	4
2018	2.4	17

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, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$787,658 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with social security	6.55%	10.55%
Protective without social security	6.55%	14.95%

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

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

At December 31, 2019, the County reported a liability (asset) of \$2,782,273 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.07820456%, which was a decrease of 0.00147453% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized pension expense of \$1,874,908. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,166,969	\$ (3,830,422)
Changes of assumptions	468,989	-
Net difference between projected and actual earnings on pension plan investments	4,063,319	-
Changes in proportion and difference between County contributions and proportionate share of contributions	10,078	(7,178)
County contributions subsequent to the measurement date	791,098	-
Total	<u>\$ 7,500,453</u>	<u>\$ (3,837,600)</u>

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

\$791,098 reported as deferred outflows of resources related to pension resulting from the County'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, 2020. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2020	\$ 1,036,895
2021	264,571
2022	455,915
2023	1,114,374
2024	-
Total	\$ 2,871,755

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. 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, 2018

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49.0%	8.1%	5.5%
Fixed Income	24.5%	4.0%	1.5%
Inflation Sensitive Assets	15.5%	3.8%	1.3%
Real Estate	9.0%	6.5%	3.9%
Private Equity/Debt	8.0%	9.4%	6.7%
Multi-Asset	4.0%	6.7%	4.1%
Total Core Fund	110.0%	7.3%	4.7%
Variable Fund Asset Class			
US Equities	70.0%	7.6%	5.0%
International Equities	30.0%	8.5%	5.9%
Total Variable Fund	100.0%	8.0%	5.4%

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

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

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

Single Discount Rate. A single discount rate of 7.00% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6%)	Current Discount Rate (7%)	1% Increase to Discount Rate (8%)
County's proportionate share of the net pension liability (asset)	\$ 11,057,044	\$ 2,782,273	\$ (3,370,661)

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

Allocation of Pension Plan

Pension amounts are allocated between the Proprietary Funds and the General Fund based on the percentage of required contributions of each fund to the whole.

Payables to the Pension Plan

At December 31, 2019, the County had no outstanding contributions due to the pension plan.

NOTE 4. OTHER INFORMATION

A. COMMITMENTS AND CONTINGENCIES

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 Attorneys 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.

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4. OTHER INFORMATION (Continued)

A. COMMITMENTS AND CONTINGENCIES (Continued)

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. Management believes such disallowances, if any, would be immaterial.

Funding for the operating budget of the County comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the County. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the County.

The County authorized and has entered into several contracts related to the 911 emergency response system update and a county-wide roof replacement project. As of December 31, 2019, the County had outstanding commitments of \$2,134,531. These commitments have been financed by long-term debt and insurance proceeds.

B. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

C. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 87, *Leases*, and GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. When these become effective, application of these standards may restate portions of these financial statements.

D. PRIOR PERIOD ADJUSTMENTS

Prior period adjustments have been recorded effective January 1, 2019, on the Government-Wide Statements as follows:

	Governmental Activities
Total net position as previously reported	\$ 32,077,172
To record and adjust accrued payroll	(188,776)
To adjust cash	(11,786)
To adjust compensated absences	10,256
Net position restated	\$ 31,886,866

RICHLAND COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4. OTHER INFORMATION (Continued)

D. PRIOR PERIOD ADJUSTMENTS (Continued)

Prior period adjustments have been recorded effective January 1, 2019, on the Proprietary Fund Statements as follows:

	Highway
Net position as previously reported	\$ 3,906,089
To adjust accrued payroll	8,057
To adjust cash	(11,786)
To adjust compensated absences	10,256
Net position restated	\$ 3,912,616

Prior period adjustments have been recorded effective January 1, 2019, on the General Fund Statements as follows:

	General Fund
Fund balance as previously reported	\$ 3,928,702
To record accrued payroll	(196,833)
Fund balance restated	\$ 3,731,869

E. SUBSEQUENT EVENTS

Subsequent to year end but prior to the issuance of this report, the County issued long-term debt as follows:

- 1) \$1,175,000 general obligation refunding bonds issued to refinance existing long-term debt
- 2) \$2,575,000 general obligation refunding bonds issued to refinance existing long-term debt
- 3) \$2,970,000 general obligation promissory note for 2020 capital improvement projects.

The recent spread of the COVID-19 coronavirus has created economic uncertainty internationally. The potential of COVID-19 having a financial and economic impact on the County is a possibility, although no such impact can be determined at this time.

REQUIRED SUPPLEMENTARY INFORMATION

RICHLAND COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
Revenues:				
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)
Total revenues	14,762,154	14,762,154	17,105,221	2,343,067
Expenditures:				
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)
Total expenditures	14,758,339	14,758,339	16,549,283	(1,790,944)
Excess (deficiency) of revenues over expenditures	3,815	3,815	555,938	552,123
Other financing sources (uses):				
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
Total other financing sources (uses)	(3,815)	(3,815)	497,476	501,291
Net change in fund balance	-	-	1,053,414	1,053,414
Fund balance, January 1	3,928,702	3,928,702	3,928,702	-
Prior period adjustment	-	-	(196,833)	196,833
Fund balance, January 1, restated	3,928,702	3,928,702	3,731,869	196,833
Fund balance, December 31	\$ 3,928,702	\$ 3,928,702	\$ 4,785,283	\$ 1,250,247

See notes to required supplementary information.

RICHLAND COUNTY, WISCONSIN
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
Year Ended December 31, 2019

Schedule of Proportionate Share of the Net OPEB Liability (Asset)

Last 10 Years

Year ended December 31,	County's proportionate share of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	County's covered- employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2018	0.21805900%	\$ 562,667	\$ 8,975,000	6.27%	48.69%
2017	0.23443900%	\$ 705,329	\$ 9,858,831	7.15%	44.81%

Schedule of Contributions

Last 10 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
2019	\$ 4,206	\$ 4,206	\$ -	\$ 9,533,678	0.04%
2018	4,137	4,137	-	8,975,000	0.05%

See notes to required supplementary information.

**RICHLAND COUNTY, WISCONSIN
WISCONSIN RETIREMENT SYSTEM
Year Ended December 31, 2019**

Schedule of Proportionate Share of the Net Pension Liability (Asset)

Last 10 Years

Year ended December 31,	County's proportionate share of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	County's 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)
2018	0.07820456%	\$ 2,782,273	\$11,117,687	25.03%	96.45%
2017	0.07967909%	(2,365,766)	10,789,246	(21.93%)	102.93%
2016	0.08145200%	671,359	11,442,962	5.87%	99.12%
2015	0.08172636%	1,328,037	11,072,613	11.99%	98.20%
2014	0.08174206%	(2,007,809)	10,940,454	(18.35%)	102.74%

Schedule of Contributions

Last 10 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
2019	\$ 788,885	\$ 788,885	\$ -	\$ 11,396,572	6.92%
2018	787,065	787,065	-	11,117,687	7.08%
2017	770,376	770,376	-	10,789,246	7.14%
2016	783,377	783,377	-	11,442,962	6.85%
2015	780,837	780,837	-	11,072,613	7.05%

See notes to required supplementary information.

RICHLAND COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2019

NOTE 1. WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Account Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

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

Changes of Assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total pension liability changed including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

NOTE 2. EXCESS EXPENDITURES OVER APPROPRIATIONS

The County controls expenditures at the department level. The General Fund experienced expenditures which exceeded appropriations as follows:

	Final Budgeted Expenditures	Actual Expenditures	Expenditures Over Appropriations
General Fund:			
Current:			
General government	\$ 1,904,689	\$ 1,948,492	\$ (43,803)
Public safety	3,893,181	4,101,867	(208,686)
Health and social services	6,681,080	7,614,221	(933,141)
Conservation and development	865,429	1,062,901	(197,472)
Capital Outlay	115,053	555,429	(440,376)

Excess expenditures were financed by other expenditures under budget, and excess revenues.

NOTE 3. LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 8 preceding years.

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

Changes of Assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

OTHER SUPPLEMENTARY INFORMATION

**RICHLAND COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019**

	Special Revenue			Capital Projects					Totals
	Community Development Block Grant	Wisconsin Development Fund Grant	Dog License Fund	Swimming Pool Projects	U.W. Campus	U.W. Symons Building	Capital Projects	County Fairgrounds Donations	
<u>ASSETS</u>									
Treasurer's cash and cash equivalents	\$ -	\$ -	\$ -	\$ 26,189	\$ 41,004	\$ 28,365	\$ 2,035,882	\$ -	\$ 2,131,440
Receivables:									
Taxes	-	-	10,250	-	80,000	-	-	-	90,250
Loans, net of allowance	63,094	61,512	-	-	-	-	-	-	124,606
Restricted cash	88,710	1,164,314	-	-	-	-	-	43,160	1,296,184
Total assets	\$ 151,804	\$ 1,225,826	\$ 10,250	\$ 26,189	\$ 121,004	\$ 28,365	\$ 2,035,882	\$ 43,160	\$ 3,642,480
<u>LIABILITIES</u>									
Accounts payable	\$ -	\$ -	\$ -	\$ 811	\$ 36,477	\$ -	\$ 197,790	\$ -	\$ 235,078
Total liabilities	-	-	-	811	36,477	-	197,790	-	235,078
<u>DEFERRED INFLOWS OF RESOURCES</u>	-	-	10,250	-	80,000	-	-	-	90,250
<u>FUND BALANCES</u>									
Restricted	151,804	1,225,826	-	-	-	-	-	43,160	1,420,790
Assigned	-	-	-	25,378	4,527	28,365	1,838,092	-	1,896,362
Total fund balances	151,804	1,225,826	-	25,378	4,527	28,365	1,838,092	43,160	3,317,152
Total liabilities, deferred inflows of resources, and fund balances	\$ 151,804	\$ 1,225,826	\$ 10,250	\$ 26,189	\$ 121,004	\$ 28,365	\$ 2,035,882	\$ 43,160	\$ 3,642,480

RICHLAND COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	Special Revenue			Capital Projects					Totals
	Community Development Block Grant	Wisconsin Development Fund Grant	Dog License Fund	Swimming Pool Projects	U.W. Campus	U.W. Symons Building	Capital Projects	County Fairgrounds Donations	
Revenues:									
General property taxes	\$ -	\$ -	\$ 7,800	\$ -	\$ 63,000	\$ 4,877	\$ -	\$ -	\$ 75,677
Licenses and permits	-	-	4,285	-	-	-	-	-	4,285
Interest on investments	-	28,148	-	-	-	-	49,037	-	77,185
Miscellaneous general revenues	-	-	-	8,673	-	8,184	-	8,222	25,079
Total revenues	-	28,148	12,085	8,673	63,000	13,061	49,037	8,222	182,226
Expenditures:									
Current:									
Public safety	-	-	14,640	-	-	-	-	-	14,640
Conservation and development	14,425	-	-	-	36,524	-	166	3,341	54,456
Capital outlay:									
Culture and recreation	-	-	-	10,038	-	-	-	-	10,038
Conservation and development	-	-	-	-	35,723	16,367	797,864	-	849,954
Total expenditures	14,425	-	14,640	10,038	72,247	16,367	798,030	3,341	929,088
Excess (deficiency) of revenues over expenditures	(14,425)	28,148	(2,555)	(1,365)	(9,247)	(3,306)	(748,993)	4,881	(746,862)
Other financing sources (uses):									
Transfer from other funds	-	-	2,524	-	-	-	-	-	2,524
Insurance recoveries	-	-	-	-	-	-	2,529,600	-	2,529,600
Total other financing sources (uses)	-	-	2,524	-	-	-	2,529,600	-	2,532,124
Net change in fund balance	(14,425)	28,148	(31)	(1,365)	(9,247)	(3,306)	1,780,607	4,881	1,785,262
Fund balance, January 1	166,229	1,197,678	31	26,743	13,774	31,671	57,485	38,279	1,531,890
Fund balance, December 31	\$ 151,804	\$ 1,225,826	\$ -	\$ 25,378	\$ 4,527	\$ 28,365	\$ 1,838,092	\$ 43,160	\$ 3,317,152

**RICHLAND COUNTY, WISCONSIN
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY FUNDS - AGENCY FUNDS
 As of December 31, 2019**

	Sheriff	Clerk of Circuit Court	Health Agency	Pop Fund	Miscellaneous	Totals
<u>ASSETS</u>						
Departmental cash and investments	\$ 31,558	\$ 187,722	\$ 9,133	\$ 1,517	\$ 14,196	\$ 244,126
Total assets	\$ 31,558	\$ 187,722	\$ 9,133	\$ 1,517	\$ 14,196	\$ 244,126
<u>LIABILITIES AND NET POSITION</u>						
Liabilities:						
Special deposits	\$ 31,558	\$ 187,722	\$ 9,133	\$ 1,517	\$ 14,196	\$ 244,126
Net position	-	-	-	-	-	-
Total liabilities and net position	\$ 31,558	\$ 187,722	\$ 9,133	\$ 1,517	\$ 14,196	\$ 244,126

RICHLAND COUNTY, WISCONSIN
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS
As of December 31, 2019

	Veteran's Service	Burial Trust	Totals
<u>ASSETS</u>			
Treasurer's cash and cash equivalents	\$ 2,338	\$ 121	\$ 2,459
Total assets	\$ 2,338	\$ 121	\$ 2,459
<u>LIABILITIES AND NET POSITION</u>			
Liabilities	\$ -	\$ -	\$ -
Net position:			
Restricted	2,338	121	2,459
Total liabilities and net position	\$ 2,338	\$ 121	\$ 2,459

**RICHLAND COUNTY, WISCONSIN
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION
 FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS
 Year Ended December 31, 2019**

	Veteran's Service	Burial Trust	Totals
Revenues:			
Operating revenues	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:			
Culture and recreation	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	-
Net position, January 1	2,338	121	2,459
Net position, December 31	<u>\$ 2,338</u>	<u>\$ 121</u>	<u>\$ 2,459</u>