

# **Rock County**

Financial Statements and  
Supplementary Information

December 31, 2020

# Rock County

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## **Independent Auditors' Report**

To the County Board of  
Rock County

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Rock County, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Rock 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.

### ***Auditors' 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 auditors' 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 over financial reporting relevant to Rock County'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 Rock County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Rock County, Wisconsin, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, Rock County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2020. 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rock County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 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 Rock County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Rock County'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 Rock County's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
December 22, 2021

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2020

Rock County's (the County) discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the County's financial activity, identify changes in the County's financial position and discuss individual fund issues.

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### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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A requirement of Government Accounting Standards Board (GASB) Statement No. 34 is the presentation of government-wide financial statements (Statement of Net Position and Statement of Activities) on a full accrual basis of accounting (see pages 1 and 2). These statements report information about the overall governmental unit, distinguish between governmental activities and business-type activities, report all assets (including infrastructure assets-highways, bridges, etc.) and eliminate internal service fund and inter-fund activity and balances. The government-wide statements are designed to assess the government unit in its entirety, identify the true cost of providing services to its citizens, disclose the extent of capital asset investment and make better comparisons between governmental units.

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### **FUND FINANCIAL STATEMENTS**

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Generally accepted accounting principles (GAAP) require the inclusion of separate sets of financial statements for governmental funds, proprietary (business-type) and fiduciary funds (see pages 3 through 12). The proprietary and fiduciary funds use the full accrual basis of accounting. The financial statements for governmental funds are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, the government-wide financial statements include a summary reconciliation explaining the differences between the data reported in the governmental funds and the data reported for the governmental activities in the government-wide and fund financial statements.

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### **CURRENT YEAR HIGHLIGHTS**

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As described in Note I, the County changed accounting policies related to financial reporting for fiduciary activities by adopting Governmental Accounting Standards Board (GASB) No. 84 - Fiduciary Activities in 2020. This resulted in restated fiduciary net position of 2,463,333.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2020

### CONDENSED FINANCIAL INFORMATION

#### Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals		Change
	2019	2020	2019	2020	2019	2020	
Current and other assets	\$ 142.5	\$ 154.7	\$ 17.0	\$ 12.7	\$ 159.5	\$ 167.4	\$ 7.9
Capital assets	152.6	160.6	41.3	45.3	194.0	205.9	11.9
Total Assets	<u>295.1</u>	<u>315.3</u>	<u>58.3</u>	<u>58.0</u>	<u>353.5</u>	<u>373.3</u>	<u>19.8</u>
Deferred Outflows of Resources	<u>39.7</u>	<u>37.3</u>	<u>8.7</u>	<u>7.7</u>	<u>48.4</u>	<u>45.0</u>	<u>(3.4)</u>
Current liabilities	16.2	14.9	2.4	1.3	18.6	16.2	(2.4)
Long-term liabilities	92.1	83.6	31.5	27.3	123.6	110.9	(12.7)
Total Liabilities	<u>108.3</u>	<u>98.5</u>	<u>33.9</u>	<u>28.6</u>	<u>142.2</u>	<u>127.1</u>	<u>(15.1)</u>
Deferred Inflows of Resources	<u>84.7</u>	<u>105.9</u>	<u>12.3</u>	<u>15.5</u>	<u>97.1</u>	<u>121.4</u>	<u>24.3</u>
<b>NET POSITION</b>							
Net investment in capital assets	124.1	136.2	20.1	26.5	144.2	162.8	18.6
Restricted	9.6	23.3	-	2.7	9.6	25.9	16.3
Unrestricted (deficit)	<u>8.1</u>	<u>(11.4)</u>	<u>0.7</u>	<u>(7.5)</u>	<u>8.8</u>	<u>(18.9)</u>	<u>(27.7)</u>
Total Net Position	<u>\$ 141.8</u>	<u>\$ 148.1</u>	<u>\$ 20.8</u>	<u>\$ 21.7</u>	<u>\$ 162.6</u>	<u>\$ 169.8</u>	<u>\$ 7.2</u>

NOTE: Totals may not foot due to rounding.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2020

### CONDENSED FINANCIAL INFORMATION (cont.)

<b>Changes in Net Position</b> (in millions of dollars)							
	Governmental Activities		Business-type Activities		Totals		Change
	2019	2020	2019	2020	2019	2020	
<b>Revenues</b>							
Program Revenues							
Charges for services	\$ 11.9	\$ 10.7	\$ 17.0	\$ 16.0	\$ 28.9	\$ 26.7	\$ (2.2)
Grants and contributions	46.8	50.2	4.8	6.2	51.6	56.3	4.7
General Revenues							
Property taxes	58.5	60.3	9.7	10.5	68.2	70.8	2.6
Intergovernmental	6.2	8.9	-	0.4	6.2	9.2	3.0
Other	19.3	18.4	1.3	1.4	20.6	19.8	(0.8)
Total Revenues	<u>142.7</u>	<u>148.4</u>	<u>32.8</u>	<u>34.4</u>	<u>175.5</u>	<u>182.8</u>	<u>7.3</u>
<b>Expenses</b>							
General government	10.0	9.1	-	-	10.0	9.1	(0.9)
Public safety	46.3	47.1	-	-	46.3	47.1	0.8
Health and Social Services	78.0	78.1	-	-	78.0	78.1	0.1
Public works	4.4	3.2	-	-	4.4	3.2	(1.2)
Culture, recreation, and education	3.7	3.7	-	-	3.7	3.7	-
Conservation and Development	2.1	1.9	-	-	2.1	1.9	(0.2)
Interest and fiscal charges	0.6	0.6	-	-	0.6	0.6	0.0
Rock Haven	-	-	19.3	18.0	19.3	18.0	(1.3)
Highway	-	-	13.9	13.9	13.9	13.9	-
Total Expenses	<u>145.0</u>	<u>143.7</u>	<u>33.2</u>	<u>32.0</u>	<u>178.3</u>	<u>175.6</u>	<u>(2.7)</u>
Excess (Deficiency) Before Transfers	(2.3)	4.7	(0.4)	2.4	(2.7)	7.1	9.8
Transfers	(1.4)	1.6	1.4	(1.6)	-	-	-
Increase (Decrease) in Net Position	(3.7)	6.3	1.0	0.9	(2.7)	7.1	9.8
Net Position - Beginning of Year	<u>145.6</u>	<u>141.8</u>	<u>19.8</u>	<u>20.8</u>	<u>165.4</u>	<u>162.6</u>	<u>(2.8)</u>
<b>Net Position - End of Year</b>	<u>\$ 141.8</u>	<u>\$ 148.1</u>	<u>\$ 20.8</u>	<u>21.7</u>	<u>\$ 162.6</u>	<u>\$ 169.8</u>	<u>\$ 7.1</u>

NOTE: Totals may not foot due to rounding.



# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2020

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### NET POSITION AND FUND BALANCE ANALYSIS

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#### *NET POSITION*

The County's net position increased \$7.1 million for 2020. The governmental activities net position increased by \$6.3 million and the business-type activities net position increased by \$0.9 million.

#### *GOVERNMENTAL FUNDS*

At December 31, 2020, the County governmental funds had combined ending fund balances of \$48.9 million, a decrease of \$4.6 million, or 8.6%, from the prior year. The overall decrease was due to capital expenditures taking place in 2020 with borrowing to fund the expenditures taking place in 2021.

#### *GENERAL FUND*

The General Fund's unassigned fund balance had an increase of \$3.0 million, or 8.1%, from the prior period of \$37.7 million to \$40.7 million. The unassigned General Fund Balance is 28% of the combined General Fund, Human Services Fund and Airport Fund expenditures and the enterprise funds' operating expenses. This is slightly above the 20%-25% range targeted in the County's Fund Balance policy.

The General Fund operations includes Administration, Corporation Counsel, Finance, Human Resources, Senior Citizen Program, Health Department, Veteran's Service, Medical Examiner, Facilities Management, Land Conservation, Real Property, Surveyor, Planning and Economic Development, Child Support, UW-Extension Services, 4-H Fairgrounds Maintenance, Farm and Communications Center. This fund also includes the elected offices of the Sheriff, Clerk of Circuit Courts, District Attorney, Treasurer, Register of Deeds and County Clerk.

#### *SPECIAL REVENUE FUNDS*

The Human Services Department is included in the financial statements as a Special Revenue Fund. Any unassigned budgetary appropriations remaining at the end of the fiscal year lapse to the General Fund. For 2020, \$1,005,770 was lapsed to the General Fund from the Human Services Department as a result of lower than expected expenditures.

#### *PROPRIETARY FUNDS*

##### *Rock Haven Nursing Home*

At December 31, 2020, Rock Haven's net position increased by \$1,195,176. The net position at year-end was \$6,756,879.

##### *Highway*

The Highway Fund records the operations of the Rock County Highway Division. The Highway Division maintains County roads, bridges and other infrastructure utilizing state transportation aids and County tax levy. It also maintains State highways and local roads on a contract reimbursement basis. The Highway's net position decreased by \$0.4 million to \$14.4 million from \$14.9 million in 2019.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2020

### **GENERAL FUND BUDGET VARIATIONS**

As detailed in the Budgetary Comparison schedule on Page 53, the results of general fund operations for 2020 resulted in a net increase in the general fund balance of \$5,424,296.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### ***CAPITAL ASSETS***

At the end of 2020, the County had \$205.9 million (net of depreciation) invested in a broad range of capital assets, including land, land improvements, buildings, roads, bridges and the Airport water and sewer system as detailed in Footnote 4 (page 29) and summarized below:

**Table 1  
Capital Assets at Year-end  
(Net of Depreciation, in Millions)**

	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Land	\$ 8.4	\$ 8.4	\$ 0.4	\$ 0.4	\$ 8.8	\$ 8.8
Easements	4.0	4.0	-	-	4.0	4.0
Intangibles-Software	0.8	0.6	-	-	0.8	0.6
Land improvements	13.7	12.6	2.1	2.1	15.8	14.7
Buildings	48.1	41.5	18.0	17.3	66.1	58.8
Machinery and equipment	5.0	5.6	19.6	20.5	24.6	26.1
Infrastructure	70.7	71.1	-	-	70.7	71.1
Construction in progress	1.9	16.8	1.2	5.0	3.1	21.8
<b>Totals</b>	<b>\$ 152.6</b>	<b>\$ 160.6</b>	<b>\$ 41.3</b>	<b>\$ 45.3</b>	<b>\$ 193.9</b>	<b>\$ 205.9</b>

NOTE: Totals may not foot due to rounding.

#### ***DEBT ADMINISTRATION***

At year-end, the County had \$42,205,000 in general obligation promissory notes and bonds outstanding versus \$48,730,000 the prior year, a decrease of \$6,525,000.

**Table 2  
Outstanding Debt at Year-end  
(In Millions)**

	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
General Obligation Notes	<b>\$ 27.9</b>	<b>\$ 23.7</b>	<b>\$ 20.8</b>	<b>\$ 18.5</b>	<b>\$ 48.7</b>	<b>\$ 42.2</b>

All of the County's general obligation debt is backed by the full faith and credit of the County and is rated Aa1 by Moody's Investors Services.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2020

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### **CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)**

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State statutes limit the amount of debt that counties can issue to 5% of the County's equalized value of taxable property within the County's jurisdiction. The County's equalized value for 2020 was \$13,178,803,700 resulting in a statutory debt limit of \$658,940,185. The County's debt as of December 31, 2020 of \$42.2 million is 6.4% of the County's legal debt capacity.

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### **OTHER POST EMPLOYMENT BENEFITS**

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GASB 75 significantly changed the way other post-employment benefits (OPEB) are reported in the financial statements. Previously the County reported a liability only for health insurance and only for the difference between the County's annual contributions and an actuarial estimate of the annual OPEB costs. Beginning with FY 2018, the total health insurance OPEB liability is now recorded as a liability. For FY 2020, this amount is \$52.7 million.

In addition, GASB 75 requires the County record its share of the net OPEB liability for retirees' life insurance under the WI State plan. The amount reported in FY 2020 is \$5.2 million.

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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The State of Wisconsin imposed a statutory tax levy limit on counties limiting the tax levy to 0% plus net new construction. The County's 2020 tax levy for the 2021 budget was \$72,576,118 as adjusted for operations and subject to the tax levy limit.

State statutes allow counties to authorize a ½ of 1% local sales and use tax. The Rock County Board authorized the local sales and use tax effective April 1, 2007. The 2021 budget includes \$13.6 million from this revenue source. Of this amount, \$6.1 million is earmarked for capital projects to help lower the need for debt and \$7.5 million is budgeted to offset the 2020 property taxes for the 2021 operating budget.

The County was awarded \$31,729,599 in funding through the American Rescue Plan Act, which will be used to combat the negative effects of the public health emergency in the local economy. The County received 50 percent of the funds in June 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024. On July 8, 2021, the County authorized an allocation of \$7,500,000 of ARPA funding for use in 2021.

In March 2021, the County issued a total of \$46,290,000 in various types of general obligation bonds and notes. The debt will be used for advance refunding prior debt, road construction projects, and the renovation of the human services building.

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### **REQUEST FOR INFORMATION**

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Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Finance Director, Rock County Courthouse, 51 South Main Street, Janesville, WI 53545.

**Rock County**

## Statement of Net Position

December 31, 2020

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 54,589,787	\$ 2,000	\$ 54,591,787
Taxes receivable	65,706,906	6,869,212	72,576,118
Delinquent taxes receivable	4,704,294	-	4,704,294
Accounts receivable (net)	5,396,507	660,725	6,057,232
Due from other governments	6,550,548	1,030,439	7,580,987
Loans receivable (net)	3,144,079	-	3,144,079
Internal balances	419,525	(419,525)	-
Inventories	9,015	1,855,025	1,864,040
Prepaid items	365,283	-	365,283
Restricted assets:			
Cash and investments	-	46,223	46,223
Net pension asset	12,128,069	2,659,076	14,787,145
Deposit with Wisconsin Mutual Insurance Company	1,741,000	-	1,741,000
Capital assets:			
Land and land improvements	14,823,657	369,775	15,193,432
Construction in progress	16,786,928	5,005,064	21,791,992
Easements	4,036,955	-	4,036,955
Other capital assets, net of depreciation/amortization	124,905,360	39,930,316	164,835,676
Total assets	<u>315,307,913</u>	<u>58,008,330</u>	<u>373,316,243</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	28,258,706	6,312,286	34,570,992
Other post-employment benefit related amounts	9,025,676	1,434,465	10,460,141
Total deferred outflows of resources	<u>37,284,382</u>	<u>7,746,751</u>	<u>45,031,133</u>
<b>Liabilities</b>			
Accounts payable	8,127,350	509,828	8,637,178
Accrued liabilities	5,144,495	757,501	5,901,996
Deposits	61,142	47,123	108,265
Due to other governments	1,574,013	-	1,574,013
Noncurrent liabilities:			
Due within one year	8,146,599	3,965,355	12,111,954
Due in more than one year	24,494,905	16,440,973	40,935,878
Other post-employment benefit	50,995,876	6,876,164	57,872,040
Total liabilities	<u>98,544,380</u>	<u>28,596,944</u>	<u>127,141,324</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenue	66,763,607	7,013,352	73,776,959
Pension related amounts	36,327,887	8,005,788	44,333,675
Other post-employment benefit related amounts	2,823,835	483,137	3,306,972
Total deferred inflows of resources	<u>105,915,329</u>	<u>15,502,277</u>	<u>121,417,606</u>
<b>Net Position</b>			
Net investment in capital assets	136,248,570	26,534,878	162,783,448
Restricted for grants and loan programs	4,977,898	-	4,977,898
Restricted for other grant activities	777,509	-	777,509
Restricted for land records	241,053	-	241,053
Restricted for debt service	2,002,399	-	2,002,399
Restricted for library activities	262,321	-	262,321
Restricted for bridge aid projects	1,038,840	-	1,038,840
Restricted for other activities	187,385	-	187,385
Restricted for ATC projects	1,007,698	-	1,007,698
Restricted for airport projects	667,570	-	667,570
Restricted for pensions	12,128,069	2,659,076	14,787,145
Unrestricted (deficit)	(11,406,726)	(7,538,094)	(18,944,820)
Total net position	<u>\$ 148,132,586</u>	<u>\$ 21,655,860</u>	<u>\$ 169,788,446</u>

See notes to financial statements

**Rock County**

Statement of Activities

Year Ended December 31, 2020

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	Total
<b>Governmental Activities</b>							
General government	\$ 9,110,264	\$ 2,973,552	\$ 492,115	\$ -	\$ (5,644,597)	\$ -	\$ (5,644,597)
Public safety	47,054,538	3,135,948	1,756,006	146,865	(42,015,719)	-	(42,015,719)
Health and social services	78,131,586	3,582,223	46,654,516	-	(27,894,847)	-	(27,894,847)
Public works	3,234,077	434,056	57,543	-	(2,742,478)	-	(2,742,478)
Culture, recreation and education	3,665,001	264,615	623,406	-	(2,776,980)	-	(2,776,980)
Conservation and development	1,916,693	313,803	437,438	-	(1,165,452)	-	(1,165,452)
Interest and fiscal charges	582,719	-	-	-	(582,719)	-	(582,719)
Total governmental activities	143,694,878	10,704,197	50,021,024	146,865	(82,822,792)	-	(82,822,792)
<b>Business-Type Activities</b>							
Rock Haven, skilled nursing facility	18,009,182	8,706,414	2,861,750	-	-	(6,441,018)	(6,441,018)
Highway	13,942,322	7,239,036	3,291,835	-	-	(3,411,451)	(3,411,451)
Total business-type activities	31,951,504	15,945,450	6,153,585	-	-	(9,852,469)	(9,852,469)
Total	\$ 175,646,382	\$ 26,649,647	\$ 56,174,609	\$ 146,865	(82,822,792)	(9,852,469)	(92,675,261)
<b>General Revenues</b>							
Taxes:							
Property taxes					60,301,037	10,506,295	70,807,332
Sales taxes					14,680,774	1,245,226	15,926,000
Other taxes					32,176	-	32,176
Interest on taxes					1,043,376	-	1,043,376
Intergovernmental revenues not restricted to specific programs					8,851,422	361,557	9,212,979
Investment income					1,836,280	-	1,836,280
Miscellaneous					820,536	142,699	963,235
<b>Transfers</b>					1,551,525	(1,551,525)	-
Total general revenues and transfers					89,117,126	10,704,252	99,821,378
Change in net position					6,294,334	851,783	7,146,117
<b>Net Position, Beginning</b>					141,838,252	20,804,077	162,642,329
<b>Net Position, Ending</b>					\$ 148,132,586	\$ 21,655,860	\$ 169,788,446

See notes to financial statements

**Rock County**

## Balance Sheet - Governmental Funds

December 31, 2020

	<b>General Fund</b>	<b>Human Services</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Assets</b>				
<b>Assets</b>				
Cash and investments	\$ 53,407,620	\$ 39,564	\$ 1,097,590	\$ 54,544,774
Receivables:				
Taxes	26,829,005	22,944,850	12,904,403	62,678,258
Delinquent taxes	4,704,294	-	-	4,704,294
Accounts	4,790,818	28,715	297,385	5,116,918
Loans (net)	-	-	3,144,079	3,144,079
Due from other funds	13,968,157	-	9,063,945	23,032,102
Due from other governments	-	5,047,389	1,503,159	6,550,548
Inventories	9,015	-	-	9,015
Prepaid items	105,626	9,440	6,875	121,941
Total assets	<u>\$ 103,814,535</u>	<u>\$ 28,069,958</u>	<u>\$ 28,017,436</u>	<u>\$ 159,901,929</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,048,297	\$ 2,976,422	\$ 2,308,655	\$ 7,333,374
Deposits	-	-	61,142	61,142
Accrued liabilities	4,904,997	56,847	-	4,961,844
Due to other governments	574,352	999,661	-	1,574,013
Due to other funds	21,107,715	318,721	7,880,935	29,307,371
Total liabilities	<u>28,635,361</u>	<u>4,351,651</u>	<u>10,250,732</u>	<u>43,237,744</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenue	26,850,042	22,952,550	13,932,336	63,734,928
Unavailable revenue	908,631	-	3,144,089	4,052,720
Total deferred inflows of resources	<u>27,758,673</u>	<u>22,952,550</u>	<u>17,076,425</u>	<u>67,787,648</u>
<b>Fund Balances</b>				
Nonspendable	3,032,201	9,440	6,875	3,048,516
Restricted	-	-	8,201,235	8,201,235
Committed	-	-	1,386,268	1,386,268
Assigned	3,686,668	756,317	266,526	4,709,511
Unassigned (deficit)	40,701,632	-	(9,170,625)	31,531,007
Total fund balances	<u>47,420,501</u>	<u>765,757</u>	<u>690,279</u>	<u>48,876,537</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 103,814,535</u>	<u>\$ 28,069,958</u>	<u>\$ 28,017,436</u>	<u>\$ 159,901,929</u>

See notes to financial statements

## Rock County

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2020

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<b>Total Fund Balances, Governmental Funds</b>	<b>\$ 48,876,537</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds (Note 2).	155,825,153
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.	4,052,720
The net pension asset does not relate to current financial resources and is not reported in the governmental funds	11,757,639
The deferred outflows of resources and deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(7,876,965)
The deferred outflows of resources and deferred inflows of resources related to other post-employment benefits do not relate to current financial resources and are not reported in the governmental funds.	6,083,603
Some liabilities, including long-term debt, are not due and payable in the current period, and, therefore, are not reported in the funds (Note 2).	(81,570,195)
Internal service funds are used by management to charge the costs of various services to of resources individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of the internal service funds which primarily serve governmental activities are included as governmental activities.	<u>10,984,094</u>
<b>Total Net Position, Governmental Activities</b>	<b><u>\$ 148,132,586</u></b>

See notes to financial statements

**Rock County****Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
Year Ended December 31, 2020

	<u>General</u>	<u>Human Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 39,028,158	\$ 22,748,021	\$ 10,669,245	\$ 72,445,424
Intergovernmental	12,246,474	30,525,138	10,216,632	52,988,244
Regulation and compliance	1,315,325	-	-	1,315,325
Public charges for services	3,276,834	812,984	1,347,898	5,437,716
Intergovernmental charges for services	1,351,109	6,973,693	409,640	8,734,442
Other	2,070,821	258,735	523,893	2,853,449
Total revenues	<u>59,288,721</u>	<u>61,318,571</u>	<u>23,167,308</u>	<u>143,774,600</u>
<b>Expenditures</b>				
Current:				
General government	7,263,045	-	873,223	8,136,268
Public safety	40,078,371	-	488,196	40,566,567
Health and social services	5,254,859	60,167,905	9,358,327	74,781,091
Public works	-	-	1,032,321	1,032,321
Culture, recreation, and education	299,724	-	2,604,577	2,904,301
Conservation and development	1,380,326	-	812,144	2,192,470
Capital outlay	-	-	11,781,867	11,781,867
Debt service:				
Principal retirement	-	-	3,893,653	3,893,653
Interest and fiscal charges	-	-	609,159	609,159
Total expenditures	<u>54,276,325</u>	<u>60,167,905</u>	<u>31,453,467</u>	<u>145,897,697</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>5,012,396</u>	<u>1,150,666</u>	<u>(8,286,159)</u>	<u>(2,123,097)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,652,989	-	2,324,957	3,977,946
Transfers out	(1,241,089)	(1,005,770)	(4,198,596)	(6,445,455)
Total other financing sources (uses)	<u>411,900</u>	<u>(1,005,770)</u>	<u>(1,873,639)</u>	<u>(2,467,509)</u>
Net change in fund balances	5,424,296	144,896	(10,159,798)	(4,590,606)
<b>Fund Balances, Beginning</b>	<u>41,996,205</u>	<u>620,861</u>	<u>10,850,077</u>	<u>53,467,143</u>
<b>Fund Balances, Ending</b>	<u>\$ 47,420,501</u>	<u>\$ 765,757</u>	<u>\$ 690,279</u>	<u>\$ 48,876,537</u>

See notes to financial statements



## Rock County

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended December 31, 2020

**Net Change in Fund Balances, Total Governmental Funds** \$ (4,590,606)

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

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 is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	11,781,867
Some items reported as capital outlay were expensed in the government-wide financial statements	(98,780)
Assets transferred from business-type activities to governmental activities	4,024,034
Depreciation is reported in the government-wide statements	(7,421,396)
Net book value of capital assets disposed of during the year	56,032

Some receivables not currently available are reported as unavailable revenue in the fund financial  
statements but are recognized as revenue when collected and expenditures when disbursed  
in the government-wide financial statements:

Loans	259,113
Grants	127,444

Debt that was issued provides current financial resources to governmental funds,  
but issuing debt increases long-term liabilities in the statement of net  
position. Repayment of principal is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities in the statement of net position:  
Principal repaid

3,893,653

Some expenses in the statement of activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures  
in the governmental funds:

Compensated absences	(663,443)
Other postemployment benefits	(8,156,666)
Net pension asset/liability	24,631,918
Deferred outflows of resources related to pensions	(7,327,898)
Deferred inflows of resources related to pensions	(17,539,032)
Deferred outflows of resources related to post-employment benefits	4,979,760
Deferred inflows of resources related to post-employment benefits	249,599
Accrued interest on debt	(13,927)
Unamortized debt premium	61,373

The net revenues of certain activities of internal service funds are  
reported within governmental activities.

2,041,289

**Change in Net Position of Governmental Activities**

\$ 6,294,334

**Rock County**Statement of Net Position - Proprietary Funds  
December 31, 2020

	<u>Rock Haven</u>	<u>Highway</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 2,000	\$ -	\$ 2,000	\$ 45,013
Taxes receivable	4,195,294	2,673,918	6,869,212	3,028,648
Accounts receivable (net)	645,706	15,019	660,725	279,589
Due from other funds	4,352,660	-	4,352,660	7,803,266
Due from other governments	-	1,030,439	1,030,439	-
Inventories	98,222	1,756,803	1,855,025	-
Prepaid items	-	-	-	243,342
Total current assets	<u>9,293,882</u>	<u>5,476,179</u>	<u>14,770,061</u>	<u>11,399,858</u>
<b>Noncurrent Assets</b>				
Restricted assets:				
Cash and investments	46,223	-	46,223	-
Net pension asset	1,686,476	972,600	2,659,076	370,430
Deposit with Wisconsin Mutual Insurance Company	-	-	-	1,741,000
Capital assets:				
Land	-	369,775	369,775	575,710
Construction work in progress	-	5,005,064	5,005,064	-
Intangible assets, software	-	-	-	1,730,590
Other capital assets	33,260,887	36,372,430	69,633,317	6,682,546
Less accumulated depreciation/amortization	<u>(8,512,731)</u>	<u>(21,190,270)</u>	<u>(29,703,001)</u>	<u>(4,261,099)</u>
Total noncurrent assets	<u>26,480,855</u>	<u>21,529,599</u>	<u>48,010,454</u>	<u>6,839,177</u>
Total assets	<u>35,774,737</u>	<u>27,005,778</u>	<u>62,780,515</u>	<u>18,239,035</u>
<b>Deferred Outflows of Resources</b>				
Pension related amounts	3,907,752	2,404,534	6,312,286	928,603
Other post-employment benefit related amounts	833,389	601,076	1,434,465	184,249
Total deferred outflows of resources	<u>4,741,141</u>	<u>3,005,610</u>	<u>7,746,751</u>	<u>1,112,852</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	100,870	408,958	509,828	793,976
Accrued liabilities	757,501	-	757,501	-
Deposits	47,123	-	47,123	-
Accrued vacation and comp time	584,490	410,865	995,355	233,941
Due to other funds	-	5,230,096	5,230,096	650,561
Current portion of long-term debt	2,970,000	-	2,970,000	186,000
Total current liabilities	<u>4,459,984</u>	<u>6,049,919</u>	<u>10,509,903</u>	<u>1,864,478</u>
<b>Noncurrent Liabilities</b>				
General obligation debt	15,500,000	-	15,500,000	796,783
Unamortized premium on debt	300,277	-	300,277	16,976
Accrued sick leave	238,666	402,030	640,696	139,807
Other post-employment benefits	3,865,883	3,010,281	6,876,164	876,329
Total noncurrent liabilities	<u>19,904,826</u>	<u>3,412,311</u>	<u>23,317,137</u>	<u>1,829,895</u>
Total liabilities	<u>24,364,810</u>	<u>9,462,230</u>	<u>33,827,040</u>	<u>3,694,373</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	4,195,294	2,818,058	7,013,352	3,028,679
Pension related amounts	4,917,655	3,088,133	8,005,788	1,120,819
Other post-employment benefit related amounts	281,240	201,897	483,137	66,011
Total deferred inflows of resources	<u>9,394,189</u>	<u>6,108,088</u>	<u>15,502,277</u>	<u>4,215,509</u>
<b>Net Position</b>				
Net investment in capital assets	5,977,879	20,556,999	26,534,878	3,727,988
Restricted for pensions	1,686,476	972,600	2,659,076	370,430
Unrestricted (deficit)	<u>(907,476)</u>	<u>(7,088,529)</u>	<u>(7,996,005)</u>	<u>7,343,587</u>
Total net position	<u>\$ 6,756,879</u>	<u>\$ 14,441,070</u>	<u>21,197,949</u>	<u>\$ 11,442,005</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>457,911</u>	
Net position of business-type activities			<u>\$ 21,655,860</u>	

See notes to financial statements

**Rock County**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
Year Ended December 31, 2020

	<u>Rock Haven</u>	<u>Highway</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Operating Revenues</b>				
Charges for services	\$ 8,706,414	\$ 7,239,036	\$ 15,945,450	\$ 28,703,558
Total operating revenues	<u>8,706,414</u>	<u>7,239,036</u>	<u>15,945,450</u>	<u>28,703,558</u>
<b>Operating Expenses</b>				
Operation and maintenance	16,145,981	12,361,895	28,507,876	29,503,182
Depreciation/amortization	<u>1,060,623</u>	<u>1,838,864</u>	<u>2,899,487</u>	<u>732,991</u>
Total operating expenses	<u>17,206,604</u>	<u>14,200,759</u>	<u>31,407,363</u>	<u>30,236,173</u>
Operating loss	<u>(8,500,190)</u>	<u>(6,961,723)</u>	<u>(15,461,913)</u>	<u>(1,532,615)</u>
<b>Nonoperating Revenues (Expenses)</b>				
General property taxes	7,196,660	3,309,635	10,506,295	2,221,648
Sales taxes	-	1,245,226	1,245,226	874,409
Intergovernmental grants	3,001,247	3,513,895	6,515,142	535,903
Miscellaneous revenues	124,145	18,554	142,699	-
Investment income	-	-	-	50,495
Interest expense	<u>(626,686)</u>	<u>-</u>	<u>(626,686)</u>	<u>(21,006)</u>
Total nonoperating revenues (expenses)	<u>9,695,366</u>	<u>8,087,310</u>	<u>17,782,676</u>	<u>3,661,449</u>
Income before transfers	<u>1,195,176</u>	<u>1,125,587</u>	<u>2,320,763</u>	<u>2,128,834</u>
<b>Transfers</b>				
Transfers in	-	2,472,509	2,472,509	1,485,545
Transfers out	<u>-</u>	<u>(4,024,034)</u>	<u>(4,024,034)</u>	<u>(1,490,545)</u>
Total transfers	<u>-</u>	<u>(1,551,525)</u>	<u>(1,551,525)</u>	<u>(5,000)</u>
Change in net position	1,195,176	(425,938)	769,238	2,123,834
<b>Net Position, Beginning</b>	<u>5,561,703</u>	<u>14,867,008</u>		<u>9,318,171</u>
<b>Net Position, Ending</b>	<u>\$ 6,756,879</u>	<u>\$ 14,441,070</u>		<u>\$ 11,442,005</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>82,545</u>	
Change in net position of business-type activities			<u>\$ 851,783</u>	

See notes to financial statements

**Rock County**Statement of Cash Flows - Proprietary Funds  
Year Ended December 31, 2020

	<b>Rock Haven</b>	<b>Highway</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>				
Cash received from customers	\$ 8,972,148	\$ 7,252,238	\$ 16,224,386	\$ 28,444,108
Cash paid to suppliers for goods and services	(3,494,743)	(6,439,855)	(9,934,598)	(28,221,873)
Cash paid to employees for payroll	(12,533,585)	(7,098,256)	(19,631,841)	(3,310,962)
Net cash flows from operating activities	(7,056,180)	(6,285,873)	(13,342,053)	(3,088,727)
<b>Cash Flows From Noncapital Financing Activities</b>				
General property tax revenues	7,196,660	3,309,635	10,506,295	3,096,057
Other tax revenues	-	1,245,226	1,245,226	-
Pooled cash held by general fund	-	6,670,800	6,670,800	-
Transfers in (out)	-	(1,551,525)	(1,551,525)	(5,000)
Intergovernmental grants	3,001,247	3,513,895	6,515,142	535,903
Net cash flows from noncapital financing activities	10,197,907	13,188,031	23,385,938	3,626,960
<b>Cash Flows From Investing Activities</b>				
Investment income	-	-	-	50,495
Net cash flows from investing activities	-	-	-	50,495
<b>Cash Flows From Capital and Related Financing Activities</b>				
Debt principal paid	(2,382,221)	-	(2,382,221)	(249,126)
Interest paid	(719,451)	-	(719,451)	(24,402)
Acquisition and construction of capital assets	(18,646)	(6,902,158)	(6,920,804)	(315,315)
Net cash flows from capital and related financing activities	(3,120,318)	(6,902,158)	(10,022,476)	(588,843)
Net change in cash and cash equivalents	21,409	-	21,409	(115)
<b>Cash and Cash Equivalents, Beginning</b>	26,814	-	26,814	45,128
<b>Cash and Cash Equivalents, Ending</b>	\$ 48,223	\$ -	\$ 48,223	\$ 45,013

See notes to financial statements

**Rock County**Statement of Cash Flows - Proprietary Funds  
Year Ended December 31, 2020

	<u>Rock Haven</u>	<u>Highway</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Reconciliation of Operating Loss to Net Cash Flows From Operating Activities</b>				
Operating loss	\$ (8,500,190)	\$ (6,961,723)	\$ (15,461,913)	\$ (1,532,615)
Adjustments to reconcile operating loss to net cash flows from operating activities:				
Nonoperating revenues (expenses)	124,145	18,554	142,699	-
Noncash items included in operating loss				
Depreciation/amortization	1,060,623	1,838,864	2,899,487	732,991
Change in assets, liabilities, deferred outflows of resources and deferred inflows of resources:				
Accounts receivable	212,421	668,540	880,961	(323,526)
Due to/from other funds	(142,067)	-	(142,067)	(1,625,756)
Inventories	(14,409)	(339,555)	(353,964)	-
Prepaid items	-	-	-	1,455,573
Deposits	22,309	-	22,309	-
Accounts payable	(5,693)	(1,031,463)	(1,037,156)	(2,670,564)
Other current liabilities	548	-	548	111,611
Compensated absences	-	87,016	87,016	36,216
Pension and OPEB related amounts	159,940	107,786	267,726	(52,034)
Unearned revenues	26,193	(673,892)	(647,699)	779,377
	<u>(7,056,180)</u>	<u>(6,285,873)</u>	<u>(13,342,053)</u>	<u>(3,088,727)</u>
Net cash flows from operating activities				
	<u>(7,056,180)</u>	<u>(6,285,873)</u>	<u>(13,342,053)</u>	<u>(3,088,727)</u>
<b>Noncash Investing, Capital and Related Financing Activities</b>				
Premium on debt amortized	<u>\$ 74,113</u>	<u>\$ -</u>	<u>\$ 74,113</u>	<u>\$ 3,396</u>

See notes to financial statements

## Rock County

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2020

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and investments	\$ 40,634,670
Delinquent special assessments receivable	<u>1,323,409</u>
Total assets	<u>41,958,079</u>
<b>Liabilities</b>	
Accounts payable	424,255
Due to other governmental units	<u>39,208,733</u>
Total liabilities	<u>39,632,988</u>
<b>Net Position</b>	
Restricted	<u>2,325,091</u>
Total net position	<u><u>\$ 2,325,091</u></u>

See notes to financial statements

## Rock County

### Statement of Changes in Fiduciary Net Position

#### Fiduciary Funds

Year Ended December 31, 2020

	<b>Custodial Funds</b>
<b>Additions</b>	
Property tax collections	\$ 148,967,379
Delinquent special collections	620,364
Drainage District collections	16,624
Dog license collections	28,172
Deposits for human services clients	2,386,363
Inmate deposits	2,198,539
Clerk of courts deposits	1,709,058
	<hr/>
Total additions	155,926,499
<b>Deductions</b>	
Property taxes paid to overlying districts	148,967,379
Delinquent special disbursements	620,364
Drainage District disbursements	11,676
Dog license distributions	51,537
Payments for human services clients	2,386,363
Distributions to inmates	2,227,728
Distributions for court cases	1,635,616
Distributions for victims	164,078
	<hr/>
Total deductions	156,064,741
Change in net position	(138,242)
<b>Net Position, Beginning (as restated)</b>	<hr/> 2,463,333
<b>Net Position, Ending</b>	<hr/> <b>\$ 2,325,091</b> <hr/>

See notes to financial statements

# Rock County

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December 31, 2020

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# Rock County

Notes to Financial Statements  
December 31, 2020

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## 1. Summary of Significant Accounting Policies

The accounting policies of Rock County, Wisconsin (the County) conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

### Reporting Entity

This report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax-exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

### Government-Wide and Fund Financial Statements

In January 2017, the GASB issued statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented on January 1, 2020.

### 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. 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.

# Rock County

Notes to Financial Statements  
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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.

## Fund Financial Statements

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 of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

### Major Governmental Funds

General Fund - Accounts for the County's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Human Services Special Revenue Fund - Account for and report resources legally restricted or committed for services provided to chemically dependent individuals and for operations associated with social services and welfare programs.

# Rock County

Notes to Financial Statements  
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The County reports the following major enterprise funds:

## Major Enterprise Funds

Rock Haven - Accounts for the operations of the County's skilled nursing and intermediate care facilities for aged and disabled residents.

Highway Fund - Accounts for the operations of the County's department of public works.

The County reports the following nonmajor governmental funds:

## Nonmajor Governmental Funds

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Revolving loans	Arrowhead Library System
Parks	County Bridge Aid
Other grants	Other activities
Land records	Other special revenue funds
Veterans' relief	Income maintenance consortium
	Airport

Debt Service Fund - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure, the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

General Capital Projects  
Airport Projects

In addition, the County reports the following fund types:

Internal service funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

The County's internal service funds are:

Motor Pool  
Information Technology  
Self Insurance  
Job Center  
Health Insurance

Custodial funds are used to account for and report assets controlled by the County and the assets are for the benefit of individuals, private organizations and/or other governmental units. The County's custodial funds include tax collections for municipalities, delinquent special assessments, clerk of courts, dog licenses, human services trust, sheriff trust and drainage districts.

## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported 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 recorded when 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. 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 unearned revenue. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are 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 except for certain federal and state grants for which the County considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. 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.

Property taxes are recorded in the year levied as receivables and unearned revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Sales taxes are recognized as revenues in the year in which the underlying sales relating to it takes place.

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 unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are reported as deferred inflows of resources/unearned revenues.

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.

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

## Rock County

Notes to Financial Statements  
December 31, 2020

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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 Rock Haven and Highway funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### All Financial Statements

The preparation of financial statements in conformity with 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.

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

#### Deposits and Investments

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of county funds is restricted by state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company.
- 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, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The County has adopted an investment policy. That policy follows the state statute for allowable investments.

The County's investment policy as it relates to custodial credit risk specifies that safekeeping agreements shall be in effect with each financial institution.

## Rock County

Notes to Financial Statements  
December 31, 2020

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The County's investment policy as it relates to custodial credit risk states that ownership of all securities shall be perfected in the name of the County.

The County's investment policy as it relates to credit risk states that the County may invest in treasury obligations, federal agencies, local government investment pool, commercial paper rated at least A-1 by Standard & Poor's or P-1 by Moody's, and other allowable investments. Complete details are available in the County's investment policy.

The County's investment policy states that the County may invest in U.S. treasuries and agencies not exceeding five years, corporate bonds not exceeding three years, and the LGIP in accordance with Federal Securities Regulation 2a-7.

No policy exists for concentration of credit risk.

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 inputs and methods described in Note 4. 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. Investment income on commingled investments is allocated based on average balances of individual funds. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice.

At December 31, 2020, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 4 for further information.

### Receivables

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.

Local property taxes as levied are collected by local treasurers, typically through the last day of January in each year. Twenty municipalities have contracted with the County for tax collections. 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, except for the City of Beloit, and delinquent taxes receivable represent unpaid taxes levied for all taxing entities within the County. On August 20, the County purchased 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.

## Rock County

Notes to Financial Statements  
December 31, 2020

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

Property tax calendar, 2020 tax roll:

Levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Final installment due	July 31, 2021
	January 31, 2021 (except improvements on leased land due January 31, 2021 and July 31, 2021)
Personal property taxes in full	September 1, 2020
Tax certificate date	September 1, 2020
Tax sale, 2020 delinquent real estate taxes	October 2023

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 revenues and 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.

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. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Rock County has a 0.5 percent sales tax which is collected by the State of Wisconsin and is remitted to the County monthly. Sales taxes are accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2020, the County has accrued two months of the subsequent year's collections as receivable.

The County has received federal and state grant funds for housing rehabilitation loan programs. The County records a loan receivable when the loan has been made and funds have been disbursed.

Accounts receivable have been shown net of an allowance for uncollectible accounts. It is the County's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

### **Inventories and Prepaid Items**

Governmental fund inventories are valued at cost using the first-in, first-out (FIFO) method and using the consumption method of accounting. Inventories of the proprietary funds, except for the public works department, are valued at cost using the FIFO method. The public works department uses the average cost method.

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.

# Rock County

Notes to Financial Statements  
December 31, 2020

## Capital Assets

### Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$25,000 for general capital assets and \$100,000 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.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. 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 capital 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	Years
Land improvements	10-20 years
Machinery and equipment	4-25 years
Infrastructure	15-75 years

### Fund Financial Statements

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

### Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

### Compensated Absences

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 and proprietary 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, and 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, 2020 are determined on the basis of current salary rates and include salary related payments.



## Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments 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 effective interest method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Equity Classifications

### Government-Wide Statements

Equity is classified 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 (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - Consists of net position with constraints placed on their 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 position that does 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 balances are displayed as follows:

- a) Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b) Restricted - Consists of fund balances with constraints placed on their 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) Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the County. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County that originally created the commitment.
- d) Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) the County has adopted a financial policy authorizing the finance director to assign amounts; 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e) Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The County has a formal fund balance policy. The policy is to maintain an unassigned general fund balance of 20 percent to 25 percent of the total general, human services, airport, and enterprise fund expenditures/expenses. The unassigned general fund balance at year-end was \$40,701,632, or 28 percent of the expenditures/expenses of the funds listed above.

## Postemployment Benefit Plans Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the County health insurance OPEB Plan has been determined on the same basis as reported by the plan. For this purpose, the County OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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

# Rock County

Notes to Financial Statements  
December 31, 2020

## Pension

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.

## 2. 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 *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The details of this reconciliation include the following:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land and land improvements	\$ 14,823,657
Construction in progress	16,786,928
Easements	4,036,955
Other capital assets, net of depreciation/amortization	124,905,360
Less internal service fund capital assets included above, net of depreciation/amortization	<u>(4,727,747)</u>
Adjustment for capital assets	<u>\$ 155,825,153</u>

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term are reported in the statement of net position.

General obligation debt payable	\$ 22,752,217
Unamortized debt premium	552,354
Compensated absences	7,963,426
Other postemployment benefits	50,119,547
Accrued interest	<u>182,651</u>
Combined adjustment for long-term liabilities	<u>\$ 81,570,195</u>

## Rock County

Notes to Financial Statements

December 31, 2020

### 3. Stewardship, Compliance and Accountability

#### Limitations on the County's Tax Levy

Wisconsin law 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 zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The County is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

### 4. Detailed Notes on All Funds

#### Deposits and Investments

The County's cash and investments at year-end were comprised of the following:

	<b>Carrying Value</b>	<b>Bank Balance</b>	<b>Associated Risks</b>
Demand deposits U.S. agencies, implicitly guaranteed	\$ 43,749,689 2,084,579	\$ 29,169,800 2,084,579	Custodial credit risk Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
U.S. treasuries	15,619,768	15,619,768	Custodial credit risk, interest rate risk
State and local bonds	161,130	161,130	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Corporate bonds	11,133,849	11,133,849	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Other debt securities	1,244,485	1,244,485	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Negotiable certificate of deposit	162,729	162,729	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
LGIP	21,099,158	21,099,158	Credit risk
Petty cash	17,293	18,475	N/A
Total cash and investments	<u>\$ 95,272,680</u>	<u>\$ 80,693,973</u>	

## Rock County

Notes to Financial Statements  
December 31, 2020

	<u>Carrying Value</u>
Reconciliation to financial statements	
Per statement of net position:	
Cash and investments	\$ 54,591,787
Restricted cash and investments	46,223
Per statement of fiduciary net position:	
Custodial funds	<u>40,634,670</u>
 Total cash and investments	 <u>\$ 95,272,680</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be in cash. Additionally, through Lloyds of London, accounts have additional securities coverage of \$99.5 million per customer subject to a \$500 million aggregate firm limit.

The County maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$13,000,000 to secure the County's deposits and an additional \$20,000,000 in collateral for tax deposits.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Quoted market prices
- Automated method using spread scales

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
State and local bonds	\$ -	\$ 161,130	\$ -	\$ 161,130
U.S. agencies, implicitly guaranteed	-	2,084,579	-	2,084,579
U.S. treasuries	15,619,768	-	-	15,619,768
Corporate bonds	-	11,133,849	-	11,133,849
Negotiable certificates of deposit	-	162,729	-	162,729
Other debt securities	-	1,244,485	-	1,244,485
 Total	 <u>\$ 15,619,768</u>	 <u>\$ 14,786,772</u>	 <u>\$ -</u>	 <u>\$ 30,406,540</u>

## Rock County

Notes to Financial Statements  
December 31, 2020

### Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

The County does not have any deposits exposed to custodial credit risk.

Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The County does not have any investments exposed to custodial credit risk.

### Credit Risk

As of December 31, 2020, the County's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's</u>
U.S. agencies, implicitly guaranteed	AA+
Corporate bonds	AAA, AA+, AA, AA-, A+, A, A-, BBB+
State and local bonds	Not rated
Other debt securities	AAA, not rated
Negotiable certificates of deposit	Not rated

The County also had investments in the following external pool, which is not rated:

Local Government Investment Pool

### Interest Rate Risk

As of December 31, 2020, the County's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>More Than 5</u>
State and local bonds	\$ 161,130	\$ -	\$ 161,130	\$ -
U.S. agencies, implicitly guaranteed	2,084,579	582,114	1,502,465	-
U.S. treasuries	15,619,768	4,434,352	11,185,416	-
Corporate bonds	11,133,849	2,893,939	8,239,910	-
Other debt securities	1,244,485	-	1,244,485	-
Negotiable certificates of deposit	162,729	162,729	-	-
Total fair value	<u>\$ 30,406,540</u>	<u>\$ 8,073,134</u>	<u>\$ 22,333,406</u>	<u>\$ -</u>

# Rock County

Notes to Financial Statements  
December 31, 2020

## Receivables

Receivables are not expected to be collected within one year as follows:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>
Amounts not expected to be collected within one year	\$ 4,704,294	\$ 3,114,079

Receivables in the Rock Haven and nonmajor governmental funds have been recorded net of allowances. The allowances as of December 31, 2020, in these funds, respectively, are \$160,536 and \$159,232.

At December 31, 2020, delinquent taxes receivable are as follows:

Tax certificates:		
2019	\$ 2,673,561	
2018	1,136,889	
2017	500,697	
2016	154,512	
2015 and prior	144,927	
	<u>4,610,586</u>	
Totals	4,610,586	
Other miscellaneous taxes	<u>93,707</u>	
Total delinquent taxes receivable	<u>\$ 4,704,294</u>	

Governmental funds report *unavailable revenue* 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 *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable	\$ -	\$ 62,678,258
Delinquent property taxes receivable	908,631	-
Loans receivable	3,144,089	-
Grants	<u>-</u>	<u>1,056,670</u>
Total unavailable/unearned revenue for Governmental funds	<u>\$ 4,052,720</u>	63,734,928
Internal service fund:		
Property taxes receivable		3,028,648
Subsequent period prepayments		<u>31</u>
Governmental activities unearned revenue		<u>\$ 66,763,607</u>

# Rock County

Notes to Financial Statements  
December 31, 2020

## Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 8,386,556	\$ -	\$ -	\$ 8,386,556
Construction in progress	774,955	12,819,064	65,634	13,528,385
Easements	4,036,955	-	-	4,036,955
Infrastructure construction in progress	1,157,693	3,232,129	1,131,279	3,258,543
Infrastructure and land improvements	6,437,101	-	-	6,437,101
Total capital assets not being depreciated/amortized	<u>20,793,260</u>	<u>16,051,193</u>	<u>1,196,913</u>	<u>35,647,540</u>
Capital assets being depreciated/amortized:				
Intangible assets, software	1,805,960	-	-	1,805,960
Land improvements	34,962,020	32,200	-	34,994,220
Buildings and improvements	117,574,753	473,322	2,743,630	115,304,445
Machinery and equipment	12,858,100	1,634,926	2,072,747	12,420,279
Roads	54,803,153	1,923,184	811,470	55,914,867
Bridges	15,521,763	-	-	15,521,763
Stop lights	515,846	-	-	515,846
Airport water and sewer system	1,557,502	-	-	1,557,502
Snowmobile bridges	247,574	-	-	247,574
Total capital assets being depreciated/amortized	<u>239,846,671</u>	<u>4,063,632</u>	<u>5,627,847</u>	<u>238,282,456</u>
Less accumulated depreciation/amortization for:				
Intangible assets, software	(974,511)	(257,538)	-	(1,232,049)
Land improvements	(21,214,895)	(1,186,519)	-	(22,401,414)
Buildings and improvements	(69,430,218)	(4,343,517)	5,107	(73,768,628)
Machinery and equipment	(7,898,496)	(956,994)	1,996,908	(6,858,582)
Roads	(5,684,179)	(1,118,297)	811,470	(5,991,006)
Bridges	(2,158,742)	(255,486)	-	(2,414,228)
Stop lights	(73,495)	(10,317)	-	(83,812)
Airport water and sewer system	(498,408)	(20,767)	-	(519,175)
Snowmobile bridges	(103,250)	(4,952)	-	(108,202)
Total accumulated depreciation/amortization	<u>(108,036,194)</u>	<u>(8,154,387)</u>	<u>2,813,485</u>	<u>(113,377,096)</u>
Net capital assets being depreciated/amortized	<u>131,810,477</u>	<u>(4,090,755)</u>	<u>2,814,362</u>	<u>124,905,360</u>
Total governmental activities capital assets, net of depreciation/amortization	<u>\$ 152,603,737</u>	<u>\$ 11,960,438</u>	<u>\$ 4,011,275</u>	<u>\$ 160,552,900</u>



# Rock County

Notes to Financial Statements  
December 31, 2020

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 784,180
Public safety	2,852,553
Health and social services	361,420
Public works	2,818,316
Culture, recreation and education	600,602
Conservation and development	4,325
Subtotal	7,421,396
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	732,991
Total governmental activities depreciation expenses	\$ 8,154,387

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 369,775	\$ -	\$ -	\$ 369,775
Construction in progress	1,161,482	5,438,579	1,594,997	5,005,064
Total capital assets not being depreciated	1,531,257	5,438,579	1,594,997	5,374,839
Capital assets being depreciated:				
Land improvements	2,857,237	-	-	2,857,237
Buildings	24,759,555	36,720	60,480	24,735,795
Machinery and equipment	39,765,271	3,396,875	1,121,861	42,040,285
Total capital assets being depreciated	67,382,063	3,433,595	1,182,341	69,633,317
Less accumulated depreciation/amortization for:				
Land improvements	(705,872)	(82,994)	-	(788,866)
Buildings	(6,716,395)	(718,623)	15,456	(7,419,562)
Machinery and equipment	(20,142,764)	(2,102,913)	751,104	(21,494,573)
Total accumulated depreciation	(27,565,031)	(2,904,530)	766,560	29,703,001
Net capital assets being depreciated	39,817,032	529,065	415,781	39,930,316
Total business-type activities capital assets, net of depreciation	\$ 41,348,289	\$ 5,967,644	\$ 2,010,778	\$ 45,305,155

# Rock County

Notes to Financial Statements  
December 31, 2020

Depreciation expense was charged to functions as follows:

Business-type activities:	
Rock Haven	\$ 1,060,623
Highway	<u>1,838,864</u>
Total business-type activities depreciation expense	<u>\$ 2,899,487</u>

Depreciation expense may be different from business-type activity capital asset additions because of salvage, cost of removal, internal allocations or costs associated with the disposal of assets.

## Interfund Receivables/Payables and Transfers

### Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
<b>General Fund</b>	Special revenue, Human Services	\$ 206,565
	Special revenue, other grants	155,033
	Special revenue, County bridge	48,715
	Capital projects, general	7,677,187
	Enterprise, highway	5,230,096
	Internal service, motor pool	650,561
<b>Special Revenue Funds</b>		
Parks	General	104
Revolving loans	General	992,074
Land records	General	212,203
Veterans' relief	General	8,711
Income maintenance consortium	General	501,941
Arrowhead library system	General	621,547
County bridge aid	General	1,087,555
Other activities	General	187,385
Other special revenue funds	General	2,457,238
Airport	General	550,405
<b>Debt Service Fund</b>	General	2,185,050
<b>Capital Projects Fund</b>		
Airport projects	General	259,732
<b>Enterprise Fund</b>		
Rock Haven	General	4,352,660
<b>Internal Service Funds</b>		
Information technology	General	1,218,154
Self-insurance	General	2,939,172
Job center	General	178,412
Health insurance	General	3,355,372
Job center	Special revenue, Human Services	<u>112,156</u>
Subtotal, fund financial statements		35,188,028
Less fund eliminations		(17,151,445)
Less government-wide eliminations		(17,998,197)
Less interfund receivables, IT, self-insurance created with internal service and fund eliminations		<u>(457,911)</u>
Total government-wide financial statements		<u>\$ (419,525)</u>

## Rock County

Notes to Financial Statements  
December 31, 2020

All amounts are considered to be due within one year and the principal purpose of these interfunds is for operating activities.

Balances owed by the general fund to other funds result from the cash and investment management for the County being accounted for in the general fund with the share owned by other funds being reported as interfund balances. Balances owed to the general fund resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

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

### Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred to</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Special revenue, Human Services	\$ 1,005,770
General	Nonmajor governmental funds	642,219
General	Internal service funds	5,000
Nonmajor governmental funds	General	1,241,089
Nonmajor governmental funds	Nonmajor governmental funds	1,083,868
Internal service funds	Internal service funds	1,485,545
Highway	Nonmajor governmental funds	<u>2,472,509</u>
Subtotal, fund financial statements		7,936,000
Add governmental activities' infrastructure paid by Highway		4,024,034
Less fund eliminations		(3,972,946)
Less government-wide eliminations		<u>(9,538,613)</u>
Total transfers, government-wide statement of activities		<u>\$ (1,551,525)</u>
<u>Fund Transferred to</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 4,024,034
Business-type activities	Governmental activities	<u>(2,472,509)</u>
Total government-wide financial statements		<u>\$ 1,551,525</u>

Generally, transfers are used to 1) close lapsing funds, 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and 3) funding for various projects.

# Rock County

Notes to Financial Statements  
December 31, 2020

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Notes payable:					
General obligation debt:					
General	\$ 26,645,870	\$ -	\$ 3,893,653	\$ 22,752,217	\$ 3,426,300
Internal service	1,231,909	-	249,126	982,783	186,000
Add deferred amounts for premiums:					
Premium on long-term debt:					
General	613,727	-	61,373	552,354	-
Internal service	20,372	-	3,396	16,976	-
Total notes payable	<u>28,511,878</u>	<u>-</u>	<u>4,207,548</u>	<u>24,304,330</u>	<u>3,612,300</u>
Other liabilities:					
Vested compensated absences:					
General	7,299,983	4,486,428	3,822,985	7,963,426	4,300,358
Internal services	275,922	225,799	127,973	373,748	233,941
Total other liabilities	<u>7,575,905</u>	<u>4,712,227</u>	<u>3,950,958</u>	<u>8,337,174</u>	<u>4,534,299</u>
Total governmental activities long-term liabilities	<u>\$ 36,087,783</u>	<u>\$ 4,712,227</u>	<u>8,158,506</u>	<u>\$ 32,641,504</u>	<u>\$ 8,146,599</u>
	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Business-type activities:					
Bonds and notes payable:					
General obligation debt	\$ 20,852,221	\$ -	\$ 2,382,221	\$ 18,470,000	\$ 2,970,000
Add deferred amounts for premiums:					
Premium on long-term debt:					
Premium on long-term debt:	374,390	-	74,113	300,277	-
Total bonds and notes payable	<u>21,226,611</u>	<u>-</u>	<u>2,456,334</u>	<u>18,770,277</u>	<u>2,970,000</u>
Other liabilities:					
Vested compensated absences					
Vested compensated absences	1,571,731	1,027,886	963,566	1,636,051	995,355
Total other liabilities	<u>1,571,731</u>	<u>1,027,886</u>	<u>963,566</u>	<u>1,636,051</u>	<u>995,355</u>
Total business-type activities long-term liabilities	<u>\$ 22,798,342</u>	<u>\$ 1,027,886</u>	<u>3,404,084</u>	<u>\$ 20,406,328</u>	<u>\$ 3,965,355</u>

# Rock County

Notes to Financial Statements  
December 31, 2020

## General Obligation Debt

All general obligation bonds and notes payable are backed by the full faith and credit of the County. Notes in the governmental funds will be retired by future property tax levies or other revenues 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 5 percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2020 was \$658,940,185. Total general obligation debt outstanding at year-end was \$42,205,000.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance, December 31, 2020</u>
General obligation debt:					
Promissory bonds	2011	2026	2.00-4.00 %	\$ 22,000,000	\$ 17,200,000
Promissory bonds	2012	2021	1.25-4.00	7,300,000	1,270,000
Promissory notes	2013	2023	2.00-3.05	6,040,000	2,435,000
Promissory notes	2015	2025	1.00-2.00	7,890,000	3,980,000
Promissory notes	2017	2027	1.50-2.20	8,785,000	6,985,000
Promissory notes	2019	2029	2.00-4.00	11,655,000	10,335,000
Total general obligation debt					<u>\$ 42,205,000</u>

	<u>Balance, December 31, 2020</u>
Governmental activities:	
General	\$ 22,752,217
Internal service	982,783
Subtotal	<u>23,735,000</u>
Business-type activities:	
Enterprise	<u>18,470,000</u>
Total general obligation debt	<u>\$ 42,205,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 3,612,300	\$ 552,057	\$ 2,970,000	\$ 663,495
2022	3,425,000	503,495	3,100,000	589,000
2023	3,110,000	412,795	3,100,000	496,000
2024	3,020,000	342,195	3,100,000	372,000
2025	3,085,000	281,795	3,100,000	248,000
2026-2029	7,482,700	405,515	3,100,000	124,000
Total	<u>\$ 23,735,000</u>	<u>\$ 2,497,852</u>	<u>\$ 18,470,000</u>	<u>\$ 2,492,495</u>

# Rock County

Notes to Financial Statements  
December 31, 2020

## Governmental Activities Net Position/Fund Balances

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

### Governmental Activities

Net investment in capital assets:

Land and land improvements	\$ 14,823,657
Construction in progress	16,786,928
Easements	4,036,955
Other capital assets, net of accumulated depreciation	124,905,360
Less long-term debt outstanding	(23,735,000)
Less unamortized debt premium	(569,330)
Total net investment in capital assets	<u>\$ 136,248,570</u>

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

### Nonspendable

Major funds:

General fund:

Delinquent taxes	\$ 2,917,560
Inventories	9,015
Prepaid items	105,626
Subtotal	<u>3,032,201</u>

Human Services:

Prepaid items	<u>9,440</u>
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Nonmajor funds:

Special revenue funds, prepaid items	<u>6,875</u>
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Total	<u>\$ 3,048,516</u>
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### Restricted

Nonmajor funds, special revenue funds:

Revolving loans	\$ 1,833,809
Other grants	777,509
Land records	241,053
Arrowhead library system	262,321
County bridge aid	1,038,840
Other activities	187,385
Other special revenue funds	1,007,698
Airport	667,570
Subtotal	<u>6,016,185</u>

Nonmajor fund, debt service fund

<u>2,185,050</u>
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Total	<u>\$ 8,201,235</u>
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### Committed

Nonmajor funds, special revenue funds:

Veterans' relief	\$ 8,711
Other special revenue funds	1,377,557
Total	<u>\$ 1,386,268</u>

## Rock County

Notes to Financial Statements  
December 31, 2020

### Assigned

Major funds:

General fund:

Sales taxes for future expenditures	\$ 3,498,060
Carryforward appropriations	<u>188,608</u>

Total general fund 3,686,668

Human Services fund:

Human Service programs	<u>756,317</u>
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Nonmajor fund:

Airport projects	<u>266,526</u>
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Total \$ 4,709,511

### Unassigned (deficit)

Major fund:

General fund	\$ 40,701,632
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Nonmajor Funds:

General capital projects	<u>(9,170,625)</u>
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Total \$ 31,531,007

### Business-Type Activities Net Position

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

#### Business-Type Activities

Net investment in capital assets:

Land	\$ 369,775
Construction in progress	5,005,064
Other capital assets, net of depreciation	39,930,316
Less related long-term debt outstanding	(18,470,000)
Less unamortized premium on debt	<u>(300,277)</u>

Total net investment in capital assets \$ 26,534,878

### Restatement of Net Position

The agency fund has been reclassified as a custodial fund and did not report net position under the previous standards. Beginning January 1, 2020, the custodial fund is reporting \$2,463,333 in beginning net position as a result of the implementation of GASB No. 84. Refer to Note 1 for additional information related to this standard.

## 5. Other Information

### Employees' Retirement System

Plan description -The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours 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 Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports--and-studies/financial-reports-and-statements>.

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

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 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 period. 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 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.



# Rock County

Notes to Financial Statements  
December 31, 2020

## Summary of Significant Accounting Policies

### 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>
2010	(1.3) %	22.0 %
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

### 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 and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category 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 \$4,781,397 in contributions from the County.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives and elected officials)	6.55 %	6.55 %
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

## Rock County

Notes to Financial Statements  
December 31, 2020

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

At December 31, 2020, the County reported an asset of \$14,787,145 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the County's proportion was 0.45859342 percent, which was an increase of 0.00252350 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized pension expense of \$5,098,051.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected actual experience	\$ 28,069,382	\$ 14,046,847
Changes of assumptions	1,152,311	-
Net differences between projected and actual earnings on pension plan investments	-	30,230,182
Changes in proportion and differences between employer contributions and proportionate share of contributions	54,306	56,646
Employer contributions subsequent to the measurement date	5,294,993	-
Total	<u>\$ 34,570,992</u>	<u>\$ 44,333,675</u>

## Rock County

Notes to Financial Statements  
December 31, 2020

\$5,294,993 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources</u>
2021	\$ (4,481,376)
2022	(3,336,051)
2023	537,543
2024	(7,777,792)
2025	-
Thereafter	-
Total	<u>\$ (15,057,676)</u>

### Actuarial Assumptions

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

Actuarial valuation date	December 31, 2018
Measurement date of net pension liability (asset)	December 31, 2019
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases:	
Inflation	3.0%
Seniority/merit	0.1-5.6%
Mortality	Wisconsin 2018 Mortality Table
Post retirement adjustments *	1.9%

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

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

## Rock County

Notes to Financial Statements  
December 31, 2020

### Long-Term Expected Return on Plan Assets

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

	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Core fund asset class:			
Global equities	49.0 %	8.0 %	5.1 %
Fixed income	24.5	4.9	2.1
Inflation sensitive assets	15.5	4.0	1.2
Real estate	9	6.3	3.5
Private equity/debt	8	10.6	7.6
Multi-asset	4	6.9	4.0
Total core fund	<u>110 %</u>	<u>7.5 %</u>	<u>4.6 %</u>
Variable fund asset class:			
U.S. equities	70 %	7.5 %	4.6 %
International equities	30	8.2	5.3
Total variable fund	<u>100 %</u>	<u>7.8 %</u>	<u>4.9 %</u>

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent

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

# Rock County

Notes to Financial Statements

December 31, 2020

## Single Discount Date

A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## 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 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 38,079,542	\$ (14,787,145)	\$ (54,311,074)

## Pension Plan Fiduciary Net Position

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

At December 31, 2020, the County reported a payable to the pension plan of \$1,283,566, which represents contractually required contributions outstanding as of the end of the year.

## Risk Management

### Commercial Insurance

As of January 1, 2020, the County is now using commercial health insurance. The County is exposed to various risks of loss related to health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in 2020. There were no significant reductions in coverage compared to the prior year.

# Rock County

Notes to Financial Statements  
December 31, 2020

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## Self Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and worker's compensation. The County participates in a public entity risk pool called WMMIC to provide coverage for losses from theft of, damage to or destruction of assets. However, other risks, such as worker's compensation and any outstanding claims related to health care of employees under the County's previous self-insured health plan, are accounted for and financed through self-insurance activities recorded in the self-insurance internal service fund.

The County has self-funded insurance programs for worker's compensation. Claims for worker's compensation and any outstanding health claims incurred prior to January 1, 2020 are processed by an administrator on behalf of the County. A separate fund has been established into which deposits are made and actual claims are paid out. As a part of the plan, a reinsurance policy has been purchased which picks up worker's compensation claims in excess of \$400,000 per individual. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the County participate in the risk management program. Amounts payable to the fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. The excess of deposits over claims as of December 31, 2020 was \$4,334,076 and is reflected in an internal service fund in these statements. Total contributions to the program during the year were \$2,266,618.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Accounts payable include an amount for claims that have been incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claim's liability.

## Public Entity Risk Pool

In 2007, Rock County became a member of the Wisconsin Municipal Mutual Insurance Company (WMMIC). WMMIC is a mutual company operating solely within the property and liability insurance industry. WMMIC was organized to provide liability insurance and risk management services to participant municipalities. The aggregate annual maximum coverage per municipality is \$15,000,000. At December 31, 2020, WMMIC was owned by twenty municipalities. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

WMMIC was formed pursuant to an Intergovernmental Charter-Contract dated November 1, 1987 by municipal members. WMMIC's initial capitalization was obtained by a \$13,935,000 tax-exempt revenue bond issuance. The bonds were repaid in full in 2007.

WMMIC is self-insured for all insurance risks up to a maximum of \$15,000,000 of losses involving two or more of its members. WMMIC retains the first \$1,000,000 of the loss and the remaining \$14,000,000 is through reinsurance. Losses paid by WMMIC plus administrative costs will be recovered through premiums of the participating pool of municipalities. The county's share of such losses is 5.4 percent. A list of other members and their share of participation is in the WMMIC report. Financial statements of WMMIC can be obtained directly from WMMIC's offices.

The County's investment in WMMIC is reported on the statement of net position as a noncurrent asset in the amount of \$1,741,000.

## Rock County

Notes to Financial Statements  
December 31, 2020

### Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims, beginning	\$ 3,083,560	\$ 3,193,466
Current year claims and administration	26,605,440	245,710
Claims and administration payments	<u>(26,495,534)</u>	<u>(2,989,858)</u>
Unpaid claims, ending	<u>\$ 3,193,466</u>	<u>\$ 449,318</u>

### Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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 attorney that the likelihood is remote that any other claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

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.

The County has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures/expenses.

The County has encumbrances of \$13,234,736 outstanding at year-end related to nonmajor governmental funds, which are expected to be honored upon performance by the vendor.

### Other Postemployment Benefits (OPEB)

#### General Information About the OPEB Plan

##### Plan Description

The County administers a single-employer defined benefit healthcare plan (the Retiree Healthcare Benefit Program). The plan provides health insurance for eligible retirees and their spouses through the County's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive postemployment healthcare insurance at established contribution rates. The Retiree Health Plan does not issue a publicly available financial report.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

# Rock County

Notes to Financial Statements

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## Benefits Provided

The County's group health insurance plan provides coverage to eligible retirees and their spouses. Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the County and the union. For Deputy Sheriffs and Deputy Sheriff's Supervisors, the County makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year until age 65. The County provides other employees access to the retiree healthcare benefits; however, these retirees must pay 100 percent of the premium. The premium for coverage prior to age 65 is the same as the active employee rate. There is a separate plan for members after age 65 that is fully insured through outside carriers that retirees may elect at that time. All post-65 retirees pay 100 percent of that premium for coverage. The County contributes 100 percent of the current year premiums for a family or single plan for eligible Deputy Sheriffs and Deputy Sheriff's Supervisors, retired plan members, and their spouses. All other eligible retirees pay 100 percent of the current year premiums for a family or single plan. The County, by paying the blended premium for active employees, in effect contributes the difference between the blended premium and the age adjustment premium towards retiree benefits. This results in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

## Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	85
Active plan members	1,220
	<hr/>
	1,305
	<hr/>

## Total OPEB Liability

The County's total OPEB liability of \$52,673,095 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2019 projected to December 31, 2020.

## Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	For general employees, salary increase rates start at 6.5% at less than 1 year service and decrease steadily to 3.4% at 30+ years of service. For protective service employees, salary increase rates start at 7.8% at less than 1 year of service and decrease steadily to 3.5% at 30+ years of service.
Healthcare cost trend rates	3.5% for 2020, 7.0% for 2021, then 6.5% for 2022 reduced by 0.25% increments each year going forward to an ultimate rate of 4.25% in 2031.
Retirees' share of benefit-related costs	Deputy sheriffs and deputy sheriff supervisor, 0% and Other, 100%

The discount rate was based on the yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA as of the measurement date.



## Rock County

Notes to Financial Statements  
December 31, 2020

Mortality rates are from Wisconsin 2018 Mortality Table for men and women adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60 percent).

Other assumptions are based on a county-determined analysis of past trends and future expectations.

### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance, December 31, 2019	\$ 45,252,040
Changes for the year:	
Service cost	2,654,711
Interest	1,266,601
Changes of benefit terms	-
Differences between expected and actual experience	566,115
Changes in assumptions or other inputs	4,764,232
Benefit payments	<u>(1,830,604)</u>
Net changes	<u>7,421,055</u>
Balance, December 31, 2020	<u>\$ 52,673,095</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.75 percent in 2019 to 2.00 percent in 2020.

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00 percent) or 1-percentage-point higher (3.00 percent) than the current discount rate:

	<u>1% Decrease (1.00%)</u>	<u>Discount Rate (2.00%)</u>	<u>1% Increase (3.00%)</u>
Total OPEB liability	\$ 60,175,659	\$ 52,673,095	\$ 46,459,960

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6 percent decreasing to 2.5 percent) or 1-percentage-point higher (8 percent decreasing to 4.5 percent) than the current healthcare cost trend rates:

	<u>1% Decrease (6% Decreasing to 2.5%)</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase (8% Decreasing to 4.5%)</u>
Total OPEB liability	\$ 44,406,746	\$ 52,673,095	\$ 63,296,805

## Rock County

Notes to Financial Statements  
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### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the County recognized OPEB expense of \$6,846,506. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected actual experience	\$ 639,800	\$ 1,017,290
Changes of assumptions or other inputs	7,752,536	1,387,926
Total	<u>\$ 8,392,336</u>	<u>\$ 2,405,216</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending December 31</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources, Net</u>
2021	\$ 668,052
2022	668,052
2023	668,052
2024	668,052
2025	668,052
Thereafter	<u>2,646,860</u>
Total	<u>\$ 5,987,120</u>

### Local Retiree Life Insurance Fund (LRLIF)

#### Plan Description

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

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

## Rock County

Notes to Financial Statements  
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### 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

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 contribution 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 for the plan year reported as of December 31, 2020 are:

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

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

Life Insurance Member Contribution Rates for the Plan Year	
Attained Age	Basic
Under 30	\$ 0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$22,071 in contributions from the employer.

# Rock County

Notes to Financial Statements

December 31, 2020

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

At December 31, 2020, the County reported a liability of \$5,198,945 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the County's proportion was 1.22092700 percent, which was a decrease of .02800100 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized OPEB expense of \$347,344.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 232,906
Net differences between projected and actual earnings on OPEB plan investments	98,070	-
Changes in assumptions	1,917,914	571,845
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,588	97,005
Employer contributions subsequent to the measurement date	33,233	-
<b>Total</b>	<b>\$ 2,067,805</b>	<b>\$ 901,756</b>

\$33,233 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Years Ending December 31</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources, Net</b>
2021	\$ 194,561
2022	194,561
2023	183,987
2024	173,095
2025	138,278
Thereafter	248,334
<b>Total</b>	<b>\$ 1,132,816</b>

## Rock County

Notes to Financial Statements  
December 31, 2020

### Actuarial Assumptions

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

Actuarial valuation date	January 1, 2019
Measurement date of net OPEB liability	December 31, 2019
Actuarial cost method	Entry age normal
20-year tax-exempt municipal bond yield	2.74%
Long-term expected rate or return	4.25%
Discount rate	2.87%
Salary increases:	
Inflation	3.00%
Seniority/merit	0.1%-5.6%
Mortality	Wisconsin 2018 Mortality Table

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

### Long-Term Expected Return on Plan Assets

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

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	45 %	2.12 %
U.S. Long Credit Bonds	Barclays Long Credit	5	2.90
U.S. Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long-term expected rate of return			4.25

**Single Discount Rate**

A single discount rate of 2.87 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22 percent for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10 percent as of December 31, 2018 to 2.74 percent as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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.

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

**Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	<b>1% Decrease to Discount Rate (1.87%)</b>	<b>Current Discount Rate (2.87%)</b>	<b>1% Increase to Discount Rate (3.87%)</b>
County's proportionate share of the net OPEB liability	\$ 7,178,872	\$ 5,198,945	\$ 3,692,606

**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/about-etf/reports-and-studies/financial-reports-and-statements>.

**Subsequent Events**

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The County's total award is \$31,729,599, which will be used to combat the negative effects of the public health emergency in the local economy. The County received 50 percent of the funds in June 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024. On July 8, 2021, the County authorized an allocation of \$7,500,000 of ARPA funding for use in 2021.

On September 9, 2021, the County authorized an \$8,047,246 contract for the construction of an IT department addition and 911 Communication Center renovation project.

## Rock County

Notes to Financial Statements  
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On March 23, 2021, the County issued the following debt obligations:

- General obligation promissory notes in the amount of \$6,485,000 with an interest rate of 1.50-2.50 percent. This amount will be used for paying the costs of highway road construction projects.
- General obligation bonds in the amount of \$22,610,000 with an interest rate of 2.00-3.00 percent. This amount will be used for paying the costs of renovating the Human Services Building.
- Taxable general obligation refunding bonds in the amount of \$17,195,000 with an interest rate of 0.15-0.40 percent. This amount will be used to advance refund general obligation bonds series 2011B and 2013 general obligation promissory notes.

### **Effect of New Accounting Standards on Current-Period Financial Statements**

The GASB has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**



**Rock County**

Required Supplementary Information  
Budgetary Comparison Schedule - General Fund  
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 36,127,543	\$ 36,127,543	\$ 39,028,158	\$ 2,900,615
Intergovernmental	11,176,221	11,537,940	12,246,474	708,534
Regulation and compliance	1,613,675	1,613,675	1,315,325	(298,350)
Public charges for services	3,272,682	3,272,682	3,276,834	4,152
Intergovernmental charges for services	1,110,223	1,110,223	1,351,109	240,886
Other	2,642,970	2,781,368	2,070,821	(710,547)
Total revenues	<u>55,943,314</u>	<u>56,443,431</u>	<u>59,288,721</u>	<u>2,845,290</u>
<b>Expenditures</b>				
Current:				
General government	7,242,990	7,411,146	7,263,045	148,101
Public safety	39,434,333	40,029,071	40,078,371	(49,300)
Health and social services	7,484,439	7,481,529	5,254,859	2,226,670
Culture, recreation and education	380,176	380,176	299,724	80,452
Conservation and development	1,560,096	1,574,091	1,380,326	193,765
Total expenditures	<u>56,102,034</u>	<u>56,876,013</u>	<u>54,276,325</u>	<u>2,599,688</u>
Excess (deficiency) of revenues over expenditures	<u>(158,720)</u>	<u>(432,582)</u>	<u>5,012,396</u>	<u>5,444,978</u>
<b>Other Financing Sourced (Uses)</b>				
Transfers in	158,720	423,587	1,652,989	1,229,402
Transfers out	-	(5,000)	(1,241,089)	(1,236,089)
Total other financing sources (uses)	<u>158,720</u>	<u>418,587</u>	<u>411,900</u>	<u>(6,687)</u>
Net change in fund balance	-	(13,995)	5,424,296	5,438,291
<b>Fund Balance, Beginning</b>	<u>41,996,205</u>	<u>41,996,205</u>	<u>41,996,205</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 41,996,205</u>	<u>\$ 41,982,210</u>	<u>\$ 47,420,501</u>	<u>\$ 5,438,291</u>

See notes to required supplementary information

## Rock County

Required Supplementary Information  
Budgetary Comparison Schedule - Human Services Fund  
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 22,748,021	\$ 22,748,021	\$ 22,748,021	\$ -
Intergovernmental	31,495,291	34,578,550	30,525,138	(4,053,412)
Public charges for services	736,250	736,250	812,984	76,734
Intergovernmental charges for services	9,635,505	9,635,505	6,973,693	(2,661,812)
Other	15,000	25,609	258,735	233,126
Total revenues	<u>64,630,067</u>	<u>67,723,935</u>	<u>61,318,571</u>	<u>(6,405,364)</u>
<b>Expenditures</b>				
Current:				
Health and social services	<u>64,630,067</u>	<u>67,723,935</u>	<u>60,167,905</u>	<u>7,556,030</u>
Total expenditures	<u>64,630,067</u>	<u>67,723,935</u>	<u>60,167,905</u>	<u>7,556,030</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,150,666</u>	<u>1,150,666</u>
<b>Other Financing Uses</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,005,770)</u>	<u>(1,005,770)</u>
Total other financial uses	<u>-</u>	<u>-</u>	<u>(1,005,770)</u>	<u>(1,005,770)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>144,896</u>	<u>144,896</u>
<b>Fund Balance, Beginning</b>	<u>620,861</u>	<u>620,861</u>	<u>620,861</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 620,861</u>	<u>\$ 620,861</u>	<u>\$ 765,757</u>	<u>\$ 144,896</u>

See notes to required supplementary information

## Rock County

### Required Supplementary Information

#### Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System Year Ended December 31, 2020

<b>Fiscal Year Ending</b>	<b>Proportion of the Net Pension Liability (Asset)</b>	<b>Proportionate Share of the Net Pension Liability (Asset)</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
12/31/20	0.45859342 %	\$ (14,787,145)	\$ 65,711,335	-22.50 %	102.96 %
12/31/19	0.45606992 %	16,225,538	63,975,578	25.36 %	96.45 %
12/31/18	0.45758515 %	(13,586,246)	61,432,280	-22.12 %	102.93 %
12/31/17	0.45374505 %	3,739,943	59,894,237	6.24 %	99.12 %
12/31/16	0.45470008 %	7,388,788	61,691,490	11.98 %	98.20 %
12/31/15	0.44871979 %	(11,021,786)	57,733,976	-19.09 %	102.74 %

#### Schedule of Employer Contributions - Wisconsin Retirement System Year Ended December 31, 2020

<b>Fiscal Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/20	\$ 5,294,993	\$ 5,294,993	\$ -	\$ 69,036,386	7.67 %
12/31/19	4,821,039	4,821,039	-	65,675,939	7.34 %
12/31/18	4,762,978	4,762,978	-	63,972,191	7.45 %
12/31/17	4,635,457	4,635,457	-	61,432,281	7.55 %
12/31/16	4,283,383	4,283,383	-	59,894,237	7.15 %
12/31/15	4,349,693	4,349,693	-	61,691,490	7.05 %

#### Schedule of Proportionate Share of the Net Life Insurance OPEB Liability - Local Retiree Life Insurance Fund Year Ended December 31, 2020

<b>Fiscal Year Ending</b>	<b>Proportion of the Net OPEB Liability</b>	<b>Proportionate Share of the Net OPEB Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
12/31/20	1.22092700 %	\$ 5,198,945	\$ 56,047,000	9.28 %	37.58 %
12/31/19	1.24892800 %	3,222,656	55,169,000	5.84 %	48.69 %
12/31/18	1.26204300 %	3,796,957	53,072,518	7.15 %	44.81 %

See notes to required supplementary information

## Rock County

Required Supplementary Information

Schedule of Changes in Employer's Total OPEB Liability and Related Ratios - Health Insurance

Year Ended December 31, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 2,319,710	\$ 2,249,458	\$ 2,654,711
Interest	1,330,117	1,428,166	1,266,601
Changes of benefit terms	-	-	-
Differences between expected and actual experience	180,437	(1,266,584)	566,115
Changes of assumptions	(1,925,523)	4,311,319	4,764,232
Benefit payments	<u>(1,461,657)</u>	<u>(1,583,192)</u>	<u>(1,830,604)</u>
Net change in total OPEB liability	443,084	5,139,167	7,421,055
<b>Total OPEB Liability, Beginning</b>	<u>39,669,789</u>	<u>40,112,873</u>	<u>45,252,040</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 40,112,873</u>	<u>\$ 45,252,040</u>	<u>\$ 52,673,095</u>
<b>Covered Payroll</b>	\$ 61,987,476	\$ 67,204,706	\$ 69,220,847
Total OPEB liability as a percentage of covered payroll	64.71 %	67.33 %	76.09 %

### Notes to Schedule:

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Benefit changes - There were no changes to the benefits.

Changes in assumptions - There was a change in the discount rate used from 2.75% to 2.00%.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The County is required to present the last ten fiscal years' data; however, the standards allow the County to present as many years as are available until ten fiscal years are presented.

# Rock County

Notes to Required Supplementary Information  
Year Ended December 31, 2020

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## 1. 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.

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

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$188,608 in the general fund.

## 2. Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The County is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms:* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions:* No significant change in assumptions were noted from the prior year.

## 3. Local Retiree Life Insurance Funds

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

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

## **SUPPLEMENTARY INFORMATION**

**Rock County**

Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2020

	<b>Special Revenue Funds</b>					
	<b>Revolving Loans</b>	<b>Parks</b>	<b>Other Grants</b>	<b>Land Records</b>	<b>Veterans' Relief</b>	<b>Arrowhead Library System</b>
<b>Assets</b>						
Cash and investments	\$ 841,845	\$ -	\$ 255,595	\$ -	\$ -	\$ 150
Taxes receivable	-	653,777	1,369,597	-	3,754	1,247,683
Accounts receivable	-	1,027	59,468	28,850	-	-
Loans receivable (net)	3,144,079	-	-	-	-	-
Due from other funds	992,074	104	-	212,203	8,711	621,547
Due from other governments	-	-	1,503,159	-	-	-
Prepaid items	-	-	-	-	-	6,875
<b>Total assets</b>	<b>\$ 4,977,998</b>	<b>\$ 654,908</b>	<b>\$ 3,187,819</b>	<b>\$ 241,053</b>	<b>\$ 12,465</b>	<b>\$ 1,876,255</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 100	\$ 1,131	\$ 288,673	\$ -	\$ -	\$ 8,511
Deposits	-	-	-	-	-	-
Due to other funds	-	-	155,033	-	-	-
<b>Total liabilities</b>	<b>100</b>	<b>1,131</b>	<b>443,706</b>	<b>-</b>	<b>-</b>	<b>8,511</b>
<b>Deferred Inflows of Resources</b>						
Unearned revenues	-	653,777	1,966,604	-	3,754	1,598,548
Unavailable revenues	3,144,089	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>3,144,089</b>	<b>653,777</b>	<b>1,966,604</b>	<b>-</b>	<b>3,754</b>	<b>1,598,548</b>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	6,875
Restricted	1,833,809	-	777,509	241,053	-	262,321
Committed	-	-	-	-	8,711	-
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,833,809</b>	<b>-</b>	<b>777,509</b>	<b>241,053</b>	<b>8,711</b>	<b>269,196</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,977,998</b>	<b>\$ 654,908</b>	<b>\$ 3,187,819</b>	<b>\$ 241,053</b>	<b>\$ 12,465</b>	<b>\$ 1,876,255</b>

County Bridge Aid	Special Revenue Funds				Debt Service Fund	Capital Project Funds		Total
	Other Activities	Other Special Revenue Funds	Income Maintenance Consortium	Airport	Debt Service	General Capital Projects	Airport Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,097,590
148,200	-	90,744	-	539,645	8,754,003	97,000	-	12,904,403
-	-	2,345	-	191,118	-	4,246	10,331	297,385
-	-	-	-	-	-	-	-	3,144,079
1,087,555	187,385	2,457,238	501,941	550,405	2,185,050	-	259,732	9,063,945
-	-	-	-	-	-	-	-	1,503,159
-	-	-	-	-	-	-	-	6,875
<u>\$ 1,235,755</u>	<u>\$ 187,385</u>	<u>\$ 2,550,327</u>	<u>\$ 501,941</u>	<u>\$ 1,281,168</u>	<u>\$ 10,939,053</u>	<u>\$ 101,246</u>	<u>\$ 270,063</u>	<u>\$ 28,017,436</u>
\$ -	\$ -	\$ 2,306	\$ 501,941	\$ 4,772	\$ -	\$ 1,497,684	\$ 3,537	\$ 2,308,655
-	-	-	-	61,142	-	-	-	61,142
48,715	-	-	-	-	-	7,677,187	-	7,880,935
48,715	-	2,306	501,941	65,914	-	9,174,871	3,537	10,250,732
148,200	-	162,766	-	547,684	8,754,003	97,000	-	13,932,336
-	-	-	-	-	-	-	-	3,144,089
148,200	-	162,766	-	547,684	8,754,003	97,000	-	17,076,425
-	-	-	-	-	-	-	-	6,875
1,038,840	187,385	1,007,698	-	667,570	2,185,050	-	-	8,201,235
-	-	1,377,557	-	-	-	-	-	1,386,268
-	-	-	-	-	-	-	266,526	266,526
-	-	-	-	-	-	(9,170,625)	-	(9,170,625)
<u>1,038,840</u>	<u>187,385</u>	<u>2,385,255</u>	<u>-</u>	<u>667,570</u>	<u>2,185,050</u>	<u>(9,170,625)</u>	<u>266,526</u>	<u>690,279</u>
<u>\$ 1,235,755</u>	<u>\$ 187,385</u>	<u>\$ 2,550,327</u>	<u>\$ 501,941</u>	<u>\$ 1,281,168</u>	<u>\$ 10,939,053</u>	<u>\$ 101,246</u>	<u>\$ 270,063</u>	<u>\$ 28,017,436</u>



**Rock County**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2020

	Special Revenue Funds					Arrowhead Library System
	Revolving Loans	Parks	Other Grants	Land Records	Veterans' Relief	
<b>Revenues</b>						
Taxes	\$ -	\$ 605,156	\$ 1,570,823	\$ -	\$ 2,754	\$ 1,188,742
Intergovernmental	-	-	4,781,338	77,715	-	467,820
Public charges for services	138,997	64,935	186,489	425,275	-	6,102
Intergovernmental charges for services	-	-	151,352	-	-	252,645
Other	19,319	3,632	160,598	20	-	2,000
<b>Total revenues</b>	<b>158,316</b>	<b>673,723</b>	<b>6,850,600</b>	<b>503,010</b>	<b>2,754</b>	<b>1,917,309</b>
<b>Expenditures</b>						
Current:						
General government	-	-	5,627	568,821	-	-
Public safety	-	-	470,396	-	-	-
Health and social services	-	-	5,302,286	-	1,014	-
Public works	-	-	60,587	-	-	-
Culture, recreation and education	-	661,792	-	-	-	1,940,135
Conservation and development	435,782	-	348,368	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>435,782</b>	<b>661,792</b>	<b>6,187,264</b>	<b>568,821</b>	<b>1,014</b>	<b>1,940,135</b>
Excess (deficiency) of revenues over expenditures	(277,466)	11,931	663,336	(65,811)	1,740	(22,826)
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,050,000	-	26,391	-	-	-
Transfers out	-	(33,664)	(354,835)	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,050,000</b>	<b>(33,664)</b>	<b>(328,444)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>772,534</b>	<b>(21,733)</b>	<b>334,892</b>	<b>(65,811)</b>	<b>1,740</b>	<b>(22,826)</b>
<b>Fund Balances, Beginning</b>	<b>1,061,275</b>	<b>21,733</b>	<b>442,617</b>	<b>306,864</b>	<b>6,971</b>	<b>292,022</b>
<b>Fund Balances, Ending</b>	<b>\$ 1,833,809</b>	<b>\$ -</b>	<b>\$ 777,509</b>	<b>\$ 241,053</b>	<b>\$ 8,711</b>	<b>\$ 269,196</b>

County Bridge Aid	Special Revenue Funds				Debt Service Fund	Capital Project Funds		Total
	Other Activities	Other Special Revenue Funds	Income Maintenance Consortium	Airport	Debt Service	General Capital Projects	Airport Projects	
\$ 403,239	\$ -	\$ 76,261	\$ -	\$ 590,415	\$ 4,574,241	\$ 1,644,614	\$ 13,000	\$ 10,669,245
-	-	16,770	4,055,027	157,000	-	660,962	-	10,216,632
-	-	-	-	379,235	-	146,865	-	1,347,898
-	-	5,643	-	-	-	-	-	409,640
-	74,290	79,198	-	175,738	-	9,098	-	523,893
<u>403,239</u>	<u>74,290</u>	<u>177,872</u>	<u>4,055,027</u>	<u>1,302,388</u>	<u>4,574,241</u>	<u>2,461,539</u>	<u>13,000</u>	<u>23,167,308</u>
-	16,294	282,481	-	-	-	-	-	873,223
-	-	17,800	-	-	-	-	-	488,196
-	-	-	4,055,027	-	-	-	-	9,358,327
30,634	-	-	-	941,100	-	-	-	1,032,321
-	-	2,650	-	-	-	-	-	2,604,577
-	-	27,994	-	-	-	-	-	812,144
-	-	-	-	-	-	11,716,288	65,579	11,781,867
-	-	-	-	-	3,893,653	-	-	3,893,653
-	-	-	-	-	609,159	-	-	609,159
<u>30,634</u>	<u>16,294</u>	<u>330,925</u>	<u>4,055,027</u>	<u>941,100</u>	<u>4,502,812</u>	<u>11,716,288</u>	<u>65,579</u>	<u>31,453,467</u>
<u>372,605</u>	<u>57,996</u>	<u>(153,053)</u>	<u>-</u>	<u>361,288</u>	<u>71,429</u>	<u>(9,254,749)</u>	<u>(52,579)</u>	<u>(8,286,159)</u>
-	146,181	928,385	-	-	-	174,000	-	2,324,957
-	(818,144)	(13,022)	-	-	-	(2,978,931)	-	(4,198,596)
-	(671,963)	915,363	-	-	-	(2,804,931)	-	(1,873,639)
372,605	(613,967)	762,310	-	361,288	71,429	(12,059,680)	(52,579)	(10,159,798)
666,235	801,352	1,622,945	-	306,282	2,113,621	2,889,055	319,105	10,850,077
<u>\$ 1,038,840</u>	<u>\$ 187,385</u>	<u>\$ 2,385,255</u>	<u>\$ -</u>	<u>\$ 667,570</u>	<u>\$ 2,185,050</u>	<u>\$ (9,170,625)</u>	<u>\$ 266,526</u>	<u>\$ 690,279</u>

**Rock County**

 Combining Statement of Net Position - Internal Service Funds  
 December 31, 2020

	<b>Motor Pool</b>	<b>Information Technology</b>	<b>Self Insurance</b>	<b>Job Center</b>	<b>Health Insurance</b>	<b>Total</b>
<b>Assets</b>						
<b>Current Assets</b>						
Cash and investments	\$ -	\$ -	\$ 45,013	\$ -	\$ -	\$ 45,013
Taxes receivable	-	2,578,648	150,000	-	300,000	3,028,648
Accounts receivable	-	132,444	58,210	35,469	53,466	279,589
Due from other funds	-	1,218,154	2,939,172	290,568	3,355,372	7,803,266
Prepaid items	-	243,342	-	-	-	243,342
Total current assets	-	4,172,588	3,192,395	326,037	3,708,838	11,399,858
<b>Noncurrent Assets</b>						
Restricted assets:						
Net pension asset	-	356,965	-	13,465	-	370,430
Deposit with Wisconsin Mutual Insurance Company	-	-	1,741,000	-	-	1,741,000
Capital assets:						
Land	-	-	-	575,710	-	575,710
Intangible assets, software	-	1,730,590	-	-	-	1,730,590
Other capital assets	1,526,015	1,174,132	-	3,982,399	-	6,682,546
Less accumulated depreciation/ amortization	(735,224)	(1,954,241)	-	(1,571,634)	-	(4,261,099)
Net capital assets	790,791	950,481	-	2,986,475	-	4,727,747
Total assets	790,791	5,480,034	4,933,395	3,325,977	3,708,838	18,239,035
<b>Deferred Outflows of Resources</b>						
Pension related amounts	-	895,958	-	32,645	-	928,603
OPEB related amounts	-	179,633	-	4,616	-	184,249
Total deferred outflows of resources	-	1,075,591	-	37,261	-	1,112,852
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	32,241	300,316	449,318	-	12,101	793,976
Accrued vacation and comp time	-	233,941	-	-	-	233,941
Due to other funds	650,561	-	-	-	-	650,561
Current portion of debt	-	-	-	186,000	-	186,000
Total current liabilities	682,802	534,257	449,318	186,000	12,101	1,864,478
<b>Noncurrent Liabilities</b>						
General obligation debt	-	-	-	796,783	-	796,783
Unamortized premium	-	-	-	16,976	-	16,976
Accrued sick leave	-	139,807	-	-	-	139,807
Other post employment benefits liability	-	849,888	-	26,441	-	876,329
Total noncurrent liabilities	-	989,695	-	840,200	-	1,829,895
Total liabilities	682,802	1,523,952	449,318	1,026,200	12,101	3,694,373
<b>Deferred Inflows of Resources</b>						
Unearned revenues	-	2,578,648	150,001	-	300,030	3,028,679
Pension related amounts	-	1,082,321	-	38,498	-	1,120,819
OPEB related amounts	-	64,685	-	1,326	-	66,011
Total deferred inflows of resources	-	3,725,654	150,001	39,824	300,030	4,215,509
<b>Net Position</b>						
Net investment in capital assets	790,791	950,481	-	1,986,716	-	3,727,988
Restricted for pensions	-	356,965	-	13,465	-	370,430
Unrestricted (deficit)	(682,802)	(1,427)	4,334,076	297,033	3,396,707	7,343,587
Total net pension	\$ 107,989	\$ 1,306,019	\$ 4,334,076	\$ 2,297,214	\$ 3,396,707	\$ 11,442,005

**Rock County**

Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds  
 Year Ended December 31, 2020

	<b>Motor Pool</b>	<b>Information Technology</b>	<b>Self Insurance</b>	<b>Job Center</b>	<b>Health Insurance</b>	<b>Total</b>
<b>Operating Revenues</b>						
Charges for services	\$ 188,142	\$ 3,994,345	\$ 3,008,024	\$ 564,428	\$ 20,948,619	\$ 28,703,558
Total operating revenues	188,142	3,994,345	3,008,024	564,428	20,948,619	28,703,558
<b>Operating Expenses</b>						
Operation and maintenance	134,254	7,921,435	2,043,206	337,074	19,067,213	29,503,182
Depreciation/amortization	189,912	363,725	-	179,354	-	732,991
Total operating expenses	324,166	8,285,160	2,043,206	516,428	19,067,213	30,236,173
Operating income (loss)	(136,024)	(4,290,815)	964,818	48,000	1,881,406	(1,532,615)
<b>Nonoperating Revenues</b>						
Property taxes	-	2,121,648	100,000	-	-	2,221,648
Sales taxes	-	874,409	-	-	-	874,409
Intergovernmental grants	-	535,903	-	-	-	535,903
Investment income	-	-	50,495	-	-	50,495
Interest expense	-	(1,578)	-	(19,428)	-	(21,006)
Total nonoperating revenues (expenses)	-	3,530,382	150,495	(19,428)	-	3,661,449
Increase (decrease) before transfers	(136,024)	(760,433)	1,115,313	28,572	1,881,406	2,128,834
<b>Transfers</b>						
Transfers in	-	-	-	-	1,485,545	1,485,545
Transfers out	-	-	(1,485,545)	-	(5,000)	(1,490,545)
Total transfers	-	-	(1,485,545)	-	1,480,545	(5,000)
Increase (decrease) in net position	(136,024)	(760,433)	(370,232)	28,572	3,361,951	2,123,834
<b>Net Position, Beginning</b>	244,013	2,066,452	4,704,308	2,268,642	34,756	9,318,171
<b>Net Position, Ending</b>	\$ 107,989	\$ 1,306,019	\$ 4,334,076	\$ 2,297,214	\$ 3,396,707	\$ 11,442,005

**Rock County**

Combining Statement of Cash Flows - Internal Service Funds  
 Year Ended December 31, 2020

	<b>Motor Pool</b>	<b>Information Technology</b>	<b>Self Insurance</b>	<b>Job Center</b>	<b>Health Insurance</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>						
Cash received from customers	\$ 188,142	\$ 4,762,618	\$ 5,380,883	\$ 550,831	\$ 17,561,634	\$ 28,444,108
Cash paid to suppliers for goods and services	(92,212)	(4,811,763)	(4,045,948)	(229,771)	(19,042,179)	(28,221,873)
Cash paid to employees for payroll	(4,115)	(3,194,611)	-	(112,236)	-	(3,310,962)
Net cash flows from operating Activities	91,815	(3,243,756)	1,334,935	208,824	(1,480,545)	(3,088,727)
<b>Cash Flows From Noncapital Financing Activities</b>						
General property taxes	-	2,996,057	100,000	-	-	3,096,057
Intergovernmental grants	-	535,903	-	-	-	535,903
Transfers in (out)	-	-	(1,485,545)	-	1,480,545	(5,000)
Net cash flows from noncapital financing activities	-	3,531,960	(1,385,545)	-	1,480,545	3,626,960
<b>Cash Flows From Capital and Related Financing Activities</b>						
Debt principal paid	-	(63,126)	-	(186,000)	-	(249,126)
Interest paid	-	(1,578)	-	(22,824)	-	(24,402)
Acquisition and construction of capital assets	(91,815)	(223,500)	-	-	-	(315,315)
Net cash flows from capital and related financing activities	(91,815)	(288,204)	-	(208,824)	-	(588,843)
<b>Cash Flows From Investing Activities</b>						
Investment income	-	-	50,495	-	-	50,495
Net cash flows from investing activities	-	-	50,495	-	-	50,495
Net change in cash and cash equivalents	-	-	(115)	-	-	(115)
<b>Cash and Cash Equivalents, Beginning</b>	-	-	45,128	-	-	45,128
<b>Cash and Cash Equivalents, Ending</b>	\$ -	\$ -	\$ 45,013	\$ -	\$ -	\$ 45,013
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>						
Operating income (loss)	\$ (136,024)	\$ (4,290,815)	\$ 964,818	\$ 48,000	\$ 1,881,406	\$ (1,532,615)
Adjustments to reconcile operating loss to net cash flows from operating activities						
Noncash items included in operating loss						
Depreciation/amortization	189,912	363,725	-	179,354	-	732,991
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Accounts receivable	-	(560,274)	538,869	11,027	(313,148)	(323,526)
Due to/from other funds	37,927	836,267	2,525,396	(24,624)	(5,000,722)	(1,625,756)
Prepaid items	-	(197,148)	-	-	1,652,721	1,455,573
Compensated absences	-	36,216	-	-	-	36,216
Accounts payable	-	61,483	(2,744,148)	-	12,101	(2,670,564)
Other current liabilities	-	61,611	50,000	-	-	111,611
Unearned revenues	-	492,280	-	-	287,097	779,377
Pension and OPEB related amounts	-	(47,101)	-	(4,933)	-	(52,034)
Net cash flows from operating activities	\$ 91,815	\$ (3,243,756)	\$ 1,334,935	\$ 208,824	\$ (1,480,545)	\$ (3,088,727)
<b>Noncash Investing, Capital and Related Financing Activities</b>						
Premium on debt amortized	\$ -	\$ -	\$ -	\$ 3,396	\$ -	\$ 3,396

# Rock County

Combining Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2020

	<u>Property Tax</u>	<u>Human Services Trust</u>	<u>Sheriff Trust</u>
<b>Assets</b>			
Cash and investments	\$ 37,885,324	\$ 368,707	\$ 470,687
Delinquent special assessments receivable	-	-	-
Total assets	<u>37,885,324</u>	<u>368,707</u>	<u>470,687</u>
<b>Liabilities</b>			
Accounts payable	-	368,707	55,548
Due to other governmental units	<u>37,885,324</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>37,885,324</u>	<u>368,707</u>	<u>55,548</u>
<b>Net position</b>			
Restricted for:			
Dog licenses	-	-	-
Drainage district	-	-	-
Jail inmates	-	-	415,139
Victims	-	-	-
Court cases	-	-	-
Net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,139</u>

<b>Custodial Funds</b>				
<b>Clerk of Circuit Courts</b>	<b>Delinquent Special Assessments</b>	<b>Drainage District</b>	<b>Dog Licenses</b>	<b>Total Custodial Funds</b>
\$ 1,867,301	\$ -	\$ 17,215	\$ 25,436	\$ 40,634,670
-	1,323,409	-	-	1,323,409
1,867,301	1,323,409	17,215	25,436	41,958,079
-	-	-	-	424,255
-	1,323,409	-	-	39,208,733
-	1,323,409	-	-	39,632,988
-	-	-	25,436	25,436
-	-	17,215	-	17,215
-	-	-	-	415,139
167,632	-	-	-	167,632
1,699,669	-	-	-	1,699,669
<u>\$ 1,867,301</u>	<u>\$ -</u>	<u>\$ 17,215</u>	<u>\$ 25,436</u>	<u>\$ 2,325,091</u>

## Rock County

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2020

	<u>Property Tax</u>	<u>Human Services Trust</u>	<u>Sheriff Trust</u>
<b>Additions</b>			
Property tax collections	\$ 148,967,379	\$ -	\$ -
Delinquent special collections	-	-	-
Drainage District collections	-	-	-
Dog license collections	-	-	-
Deposits for human services clients	-	2,386,363	-
Inmate deposits	-	-	2,198,539
Clerk of courts deposits	-	-	-
Total additions	<u>148,967,379</u>	<u>2,386,363</u>	<u>2,198,539</u>
<b>Deductions</b>			
Property taxes paid to overlying districts	148,967,379	-	-
Delinquent special disbursements	-	-	-
Drainage District disbursements	-	-	-
Dog license distributions	-	-	-
Payments for human services clients	-	2,386,363	-
Distributions to inmates	-	-	2,227,728
Distributions for court cases	-	-	-
Distributions for victims	-	-	-
Total deductions	<u>148,967,379</u>	<u>2,386,363</u>	<u>2,227,728</u>
Change in fiduciary net position	-	-	(29,189)
<b>Net Position, Beginning (as restated)</b>	<u>-</u>	<u>-</u>	<u>444,328</u>
<b>Net Position, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,139</u>



**Custodial Funds**

<u>Clerk of Courts</u>	<u>Delinquent Special Assessments</u>	<u>Drainage District</u>	<u>Dog Licenses</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 148,967,379
-	620,364	-	-	620,364
-	-	16,624	-	16,624
-	-	-	28,172	28,172
-	-	-	-	2,386,363
-	-	-	-	2,198,539
<u>1,709,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,709,058</u>
<u>1,709,058</u>	<u>620,364</u>	<u>16,624</u>	<u>28,172</u>	<u>155,926,499</u>
-	-	-	-	148,967,379
-	620,364	-	-	620,364
-	-	11,676	-	11,676
-	-	-	51,537	51,537
-	-	-	-	2,386,363
-	-	-	-	2,227,728
1,635,616	-	-	-	1,635,616
<u>164,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,078</u>
<u>1,799,694</u>	<u>620,364</u>	<u>11,676</u>	<u>51,537</u>	<u>156,064,741</u>
(90,636)	-	4,948	(23,365)	(138,242)
<u>1,957,937</u>	<u>-</u>	<u>12,267</u>	<u>48,801</u>	<u>2,463,333</u>
<u>\$ 1,867,301</u>	<u>\$ -</u>	<u>\$ 17,215</u>	<u>\$ 25,436</u>	<u>\$ 2,325,091</u>