

Rock County

Financial Statements and
Supplementary Information

December 31, 2021

Rock County

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Independent Auditors' Report

To the County Board of
Rock County

Report on the Audit of the Financial Statements

Opinions

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 the Rock County, Wisconsin (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

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 is the responsibility of management and, 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 the 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 have also issued our report dated July 29, 2022 on our consideration of the 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 the 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 the County's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
July 29, 2022

ROCK COUNTY, WISCONSIN

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2021

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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.

FUND FINANCIAL STATEMENTS

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.

ROCK COUNTY, WISCONSIN

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2021

CONDENSED FINANCIAL INFORMATION

Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals		Change
	2020	2021	2020	2021	2020	2021	
Current and other assets	\$ 154.7	\$ 198.4	\$ 12.7	\$ 15.1	\$ 167.4	\$ 213.4	\$ 46.1
Capital assets	160.6	179.4	45.3	44.9	205.9	224.3	18.4
Total Assets	<u>315.3</u>	<u>377.8</u>	<u>58.0</u>	<u>60.0</u>	<u>373.3</u>	<u>437.7</u>	<u>64.5</u>
Deferred Outflows of Resources	<u>37.3</u>	<u>48.4</u>	<u>7.7</u>	<u>9.9</u>	<u>45.0</u>	<u>58.3</u>	<u>13.3</u>
Current liabilities	14.9	30.4	1.3	1.4	16.2	31.8	15.6
Long-term liabilities	<u>83.6</u>	<u>106.1</u>	<u>27.3</u>	<u>22.3</u>	<u>110.9</u>	<u>128.4</u>	<u>17.5</u>
Total Liabilities	<u>98.5</u>	<u>136.5</u>	<u>28.6</u>	<u>23.7</u>	<u>127.1</u>	<u>160.2</u>	<u>33.1</u>
Deferred Inflows of Resources	<u>105.9</u>	<u>129.8</u>	<u>15.5</u>	<u>19.5</u>	<u>121.4</u>	<u>149.3</u>	<u>27.9</u>
NET POSITION							
Net investment in capital assets	136.2	128.4	26.5	29.3	162.8	157.7	(5.1)
Restricted	23.3	37.7	2.7	5.0	25.9	42.7	16.8
Unrestricted (deficit)	<u>(11.4)</u>	<u>(6.3)</u>	<u>(7.5)</u>	<u>(7.6)</u>	<u>(18.9)</u>	<u>(13.8)</u>	<u>5.1</u>
Total Net Position	<u>\$ 148.1</u>	<u>\$ 159.8</u>	<u>\$ 21.7</u>	<u>\$ 26.7</u>	<u>\$ 169.8</u>	<u>\$ 186.6</u>	<u>\$ 16.8</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, 2021

CONDENSED FINANCIAL INFORMATION (cont.)

Changes in Net Position (in millions of dollars)							
	Governmental Activities		Business-type Activities		Totals		Change
	2020	2021	2020	2021	2020	2021	
Revenues							
Program Revenues							
Charges for services	\$ 10.7	\$ 12.0	\$ 16.0	\$ 16.6	\$ 26.7	\$ 28.6	\$ 1.9
Grants and contributions	50.2	54.8	6.2	6.6	56.3	61.4	5.1
General Revenues							
Property taxes	60.3	62.6	10.5	10.1	70.8	72.7	1.9
Intergovernmental	8.9	7.5	0.4	-	9.2	7.5	(1.7)
Other	18.4	19.6	1.4	1.4	19.8	20.9	1.1
Total Revenues	<u>148.4</u>	<u>156.3</u>	<u>34.4</u>	<u>34.7</u>	<u>182.8</u>	<u>191.0</u>	<u>8.3</u>
Expenses							
General government	9.1	9.3	-	-	9.1	9.3	0.2
Public safety	47.1	45.8	-	-	47.1	45.8	(1.3)
Health and Social Services	78.1	80.4	-	-	78.1	80.4	2.3
Public works	3.2	2.5	-	-	3.2	2.5	(0.7)
Culture, recreation, and education	3.7	3.7	-	-	3.7	3.7	-
Conservation and Development	1.9	2.0	-	-	1.9	2.0	0.1
Interest and fiscal charges	0.6	1.0	-	-	0.6	1.0	0.4
Rock Haven	-	-	18.0	15.7	18.0	15.7	(2.3)
Highway	-	-	13.9	13.8	13.9	13.8	(0.1)
Total Expenses	<u>143.7</u>	<u>144.8</u>	<u>32.0</u>	<u>29.5</u>	<u>175.6</u>	<u>174.3</u>	<u>(1.5)</u>
Excess (Deficiency) Before Transfers	4.7	11.5	2.4	5.1	7.1	16.8	9.7
Transfers	<u>1.6</u>	<u>0.1</u>	<u>(1.6)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	6.3	11.7	0.9	5.1	7.1	16.8	9.7
Net Position - Beginning of Year	<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>
 Net Position - End of Year	 <u>\$ 148.1</u>	 <u>\$ 159.8</u>	 <u>\$ 21.7</u>	 <u>26.7</u>	 <u>\$ 169.8</u>	 <u>\$ 186.6</u>	 <u>\$ 16.8</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, 2021

NET POSITION AND FUND BALANCE ANALYSIS

NET POSITION

The County's net position increased \$16.8 million for 2021. The governmental activities net position increased by \$11.7 million and the business-type activities net position increased by \$5.1 million.

GOVERNMENTAL FUNDS

At December 31, 2021, the County governmental funds had combined ending fund balances of \$62.4 million, an increase of \$13.5 million, or 27.7%, from the prior year. The overall increase 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 stayed stable from FY2020 to FY2021 at \$40.8 million. The unassigned General Fund Balance is 27% 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.

CAPITAL PROJECTS FUND

The General Capital Projects fund is a capital projects fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of capital assets. This fund had a deficit fund balance of \$(2,518,601) at year end.

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 2021, \$2.1 million was lapsed to the General Fund from the Human Services Department due mainly to an increase in intergovernmental revenue.

The American Rescue Plan Act is included in the financial statements as a Special Revenue Fund. It was created to account for the Fiscal Recovery Funds awarded to the County in 2021. These funds are legally restricted to eligible uses allowed for in the grant fund legislation. Of the \$15,864,800 a total of \$473,441 was spent at year end.

PROPRIETARY FUNDS

Rock Haven Nursing Home

At December 31, 2021, Rock Haven's net position increased by \$2.5 million due mainly a decrease in operational expenses and maintenance and a decrease in interest on debt. The net position at year-end was \$9.2 million.

ROCK COUNTY, WISCONSIN

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2021

NET POSITION AND FUND BALANCE ANALYSIS (cont.)

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 increased by \$2.2 million to \$16.7 million from \$14.4 million in 2020. The increase was due to issuance of debt for road construction projects.

GENERAL FUND BUDGET VARIATIONS

As detailed in the Budgetary Comparison schedule on Page 55, the results of general fund operations for 2021 resulted in a net increase in the general fund balance of \$4.1 million. Actual results from operations were \$4.3 million ahead of the budget plan.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of 2021, the County had \$224.3 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 the Notes to the Financial Statements (pages 30-31) and summarized below:

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2021	2020	2021	2020	2021
Land	\$ 8.4	\$ 8.4	\$ 0.4	\$ 0.4	\$ 8.8	\$ 8.8
Easements	4.0	4.0	-	-	4.0	4.0
Intangibles-Software	0.6	0.4	-	-	0.6	0.4
Land improvements	12.6	12.3	2.1	2.0	14.7	14.3
Buildings	41.5	65.7	17.3	21.2	58.8	86.9
Machinery and equipment	5.6	5.0	20.5	20.5	26.1	25.5
Infrastructure	71.1	79.4	-	-	71.1	79.4
Construction in progress	16.8	4.1	5.0	0.9	21.8	5.0
Totals	<u>\$ 160.6</u>	<u>\$ 179.4</u>	<u>\$ 45.3</u>	<u>\$ 44.9</u>	<u>\$ 205.9</u>	<u>\$ 224.3</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, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

DEBT ADMINISTRATION

At year-end, the County had \$64.8 million general obligation promissory notes and bonds outstanding versus \$42.2 million the prior year, an increase of \$22.6 million. The County issued \$6.5 million of general obligation promissory notes for road construction. \$22.6 million in general obligation bonds for a new Human Services building and \$17.2 in refunding general obligation bonds.

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2021	2020	2021	2020	2021
General Obligation Notes	<u>\$ 23.7</u>	<u>\$ 49.2</u>	<u>\$ 18.5</u>	<u>\$ 15.6</u>	<u>\$ 42.2</u>	<u>\$ 64.8</u>

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.

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 2021 was \$14,617,256,446 resulting in a statutory debt limit of \$730,862,822. The County's debt as of December 31, 2021 of \$64.8 million is 8.9% of the County's legal debt capacity.

OTHER POST EMPLOYMENT BENEFITS

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 2021, this amount is \$44.8 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 2021 is \$6.9 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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 2021 tax levy for the 2022 budget was \$73,677,623 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 2022 budget includes \$16.2 million from this revenue source. Of this amount, \$8.7 million is earmarked for capital projects to help lower the need for debt and \$7.5 million is budgeted to offset the 2021 property taxes for the 2022 operating budget.

ROCK COUNTY, WISCONSIN

MANAGEMENT DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (cont.)

On July 14, 2022, the county board established a budget for a broadband expansion project in partnership with Bug Tussel Wireless in the amount of \$16.5 million to be funded from three primary sources: American Rescue Plan Act funds of \$3.6 million, PSC grant of \$2 million, and \$10.9 million of Industrial Revenue Bonding borrowed by Bug Tussel Wireless, and guaranteed by the County.

REQUEST FOR INFORMATION

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, 2021

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and investments	\$ 85,203,319	\$ 2,000	\$ 85,205,319
Taxes receivable	66,636,793	7,040,830	73,677,623
Delinquent taxes receivable	4,409,747	-	4,409,747
Accounts receivable (net)	1,418,039	1,244,099	2,662,138
Due from other governments	9,745,412	1,824,506	11,569,918
Loans receivable (net)	3,053,078	-	3,053,078
Internal balances	1,982,678	(1,982,678)	-
Inventories	8,717	1,897,259	1,905,976
Prepaid items	350,928	-	350,928
Restricted assets:			
Cash and investments	-	31,884	31,884
Net pension asset	23,806,140	4,993,605	28,799,745
Deposit with Wisconsin Mutual Insurance Company	1,741,000	-	1,741,000
Capital assets:			
Land and land improvements	15,007,691	369,775	15,377,466
Construction in progress	4,140,784	881,499	5,022,283
Easements	4,036,955	-	4,036,955
Other capital assets, net of depreciation/amortization	156,209,722	43,642,405	199,852,127
Total assets	<u>377,751,003</u>	<u>59,945,184</u>	<u>437,696,187</u>
Deferred Outflows of Resources			
Pension related amounts	39,426,087	8,569,299	47,995,386
Other post-employment benefit related amounts	8,982,389	1,350,441	10,332,830
Total deferred outflows of resources	<u>48,408,476</u>	<u>9,919,740</u>	<u>58,328,216</u>
Liabilities			
Accounts payable	8,150,786	694,319	8,845,105
Accrued liabilities	5,936,400	571,870	6,508,270
Deposits	26,748	32,784	59,532
Due to other governments	896,597	94,368	990,965
Unearned revenues	15,391,359	-	15,391,359
Noncurrent liabilities:			
Due within one year	9,291,044	4,721,492	14,012,536
Due in more than one year	50,178,620	12,498,085	62,676,705
Other post-employment benefit	46,653,096	5,053,969	51,707,065
Total liabilities	<u>136,524,650</u>	<u>23,666,887</u>	<u>160,191,537</u>
Deferred Inflows of Resources			
Unearned revenue	67,169,703	7,041,400	74,211,103
Pension related amounts	51,818,705	11,255,162	63,073,867
Other post-employment benefit related amounts	10,837,122	1,155,457	11,992,579
Total deferred inflows of resources	<u>129,825,530</u>	<u>19,452,019</u>	<u>149,277,549</u>
Net Position			
Net investment in capital assets	128,378,353	29,308,679	157,687,032
Restricted for grants and loan programs	4,611,901	-	4,611,901
Restricted for other grant activities	968,511	-	968,511
Restricted for land records	520,920	-	520,920
Restricted for debt service	4,289,625	-	4,289,625
Restricted for library activities	281,215	-	281,215
Restricted for bridge aid projects	1,173,978	-	1,173,978
Restricted for other activities	319,795	-	319,795
Restricted for ATC projects	1,007,698	-	1,007,698
Restricted for airport projects	711,253	-	711,253
Restricted for pensions	23,806,140	4,993,605	28,799,745
Unrestricted (deficit)	<u>(6,260,090)</u>	<u>(7,556,266)</u>	<u>(13,816,356)</u>
Total net position	<u>\$ 159,809,299</u>	<u>\$ 26,746,018</u>	<u>\$ 186,555,317</u>

See notes to financial statements

Rock County

Statement of Activities

Year Ended December 31, 2021

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
Governmental Activities							
General government	\$ 9,296,648	\$ 3,330,466	\$ 898,657	\$ -	\$ (5,067,525)	\$ -	\$ (5,067,525)
Public safety	45,750,084	3,816,141	1,730,217	167,838	(40,035,888)	-	(40,035,888)
Health and social services	80,422,240	3,790,986	50,728,872	-	(25,902,382)	-	(25,902,382)
Public works	2,524,990	506,586	104,063	-	(1,914,341)	-	(1,914,341)
Culture, recreation and education	3,706,886	265,096	591,525	-	(2,850,265)	-	(2,850,265)
Conservation and development	2,042,571	271,850	561,276	-	(1,209,445)	-	(1,209,445)
Interest and fiscal charges	1,018,165	-	-	-	(1,018,165)	-	(1,018,165)
Total governmental activities	144,761,584	11,981,125	54,614,610	167,838	(77,998,011)	-	(77,998,011)
Business-Type Activities							
Rock Haven, skilled nursing facility	15,676,800	8,534,794	2,469,834	-	-	(4,672,172)	(4,672,172)
Highway	13,817,828	8,035,485	4,133,802	-	-	(1,648,541)	(1,648,541)
Total business-type activities	29,494,628	16,570,279	6,603,636	-	-	(6,320,713)	(6,320,713)
Total	\$ 174,256,212	\$ 28,551,404	\$ 61,218,246	\$ 167,838	(77,998,011)	(6,320,713)	(84,318,724)
General Revenues							
Taxes:							
Property taxes					62,620,041	10,122,347	72,742,388
Sales taxes					17,031,813	1,146,000	18,177,813
Other taxes					59,244	-	59,244
Interest on taxes					1,396,793	-	1,396,793
Intergovernmental revenues not restricted to specific programs					7,471,756	-	7,471,756
Investment income (loss)					(128,229)	-	(128,229)
Gain on sale of capital assets					-	177,957	177,957
Miscellaneous					1,082,654	105,219	1,187,873
Transfers					140,652	(140,652)	-
Total general revenues and transfers					89,674,724	11,410,871	101,085,595
Change in net position					11,676,713	5,090,158	16,766,871
Net Position, Beginning					148,132,586	21,655,860	169,788,446
Net Position, Ending					\$ 159,809,299	\$ 26,746,018	\$ 186,555,317

See notes to financial statements

Rock County

 Balance Sheet - Governmental Funds
 December 31, 2021

	General Fund	Human Services	American Rescue Plan Act	General Capital Projects	Nonmajor Governmental Funds	Total
Assets						
Assets						
Cash and investments	\$ 68,018,632	\$ 39,616	\$ 15,777,725	\$ -	\$ 1,343,372	\$ 85,179,345
Receivables:						
Taxes	27,994,797	22,999,159	-	-	12,750,161	63,744,117
Delinquent taxes	4,409,747	-	-	-	-	4,409,747
Accounts	1,152,558	5,310	9,649	4,137	58,254	1,229,908
Loans (net)	-	-	-	-	3,053,078	3,053,078
Due from other funds	8,635,894	-	-	279,547	12,474,201	21,389,642
Due from other governments	3,520,542	5,694,706	-	-	530,164	9,745,412
Inventories	8,717	-	-	-	-	8,717
Prepaid items	99,432	9,040	-	-	6,172	114,644
	<u>\$ 113,840,319</u>	<u>\$ 28,747,831</u>	<u>\$ 15,787,374</u>	<u>\$ 283,684</u>	<u>\$ 30,215,402</u>	<u>\$ 188,874,610</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 1,244,070	\$ 3,075,771	\$ 287,408	\$ 1,359,962	\$ 1,269,599	\$ 7,236,810
Deposits	19,493	-	-	-	7,255	26,748
Accrued liabilities	5,439,642	56,012	-	-	-	5,495,654
Due to other governments	153,984	742,578	-	-	35	896,597
Due to other funds	26,618,973	1,070,896	108,607	1,442,323	-	29,240,799
Unearned revenue	-	-	15,391,359	-	-	15,391,359
	<u>33,476,162</u>	<u>4,945,257</u>	<u>15,787,374</u>	<u>2,802,285</u>	<u>1,276,889</u>	<u>58,287,967</u>
Deferred Inflows of Resources						
Unearned revenue	28,016,488	23,036,817	-	-	13,223,692	64,276,997
Unavailable revenue	863,762	-	-	-	3,053,078	3,916,840
	<u>28,880,250</u>	<u>23,036,817</u>	<u>-</u>	<u>-</u>	<u>16,276,770</u>	<u>68,193,837</u>
Fund Balances						
Nonspendable	2,925,915	9,040	-	-	6,172	2,941,127
Restricted	-	-	-	-	11,272,564	11,272,564
Committed	-	-	-	-	1,240,930	1,240,930
Assigned	7,798,595	756,717	-	-	142,077	8,697,389
Unassigned (deficit)	40,759,397	-	-	(2,518,601)	-	38,240,796
	<u>51,483,907</u>	<u>765,757</u>	<u>-</u>	<u>(2,518,601)</u>	<u>12,661,743</u>	<u>62,392,806</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 113,840,319</u>	<u>\$ 28,747,831</u>	<u>\$ 15,787,374</u>	<u>\$ 283,684</u>	<u>\$ 30,215,402</u>	<u>\$ 188,874,610</u>

See notes to financial statements

Rock CountyReconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds	\$ 62,392,806
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).	175,126,763
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.	3,916,840
The net pension asset does not relate to current financial resources and is not reported in the governmental funds	22,966,377
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.	(12,048,792)
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.	(1,863,577)
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).	(104,606,757)
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>13,925,639</u>
Total Net Position, Governmental Activities	<u>\$ 159,809,299</u>

See notes to financial statements

Rock County

 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 Year Ended December 31, 2021

	General	Human Services	American Rescue Plan Act	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 42,044,669	\$ 22,944,850	\$ -	\$ 2,588,139	\$ 10,018,869	\$ 77,596,527
Intergovernmental	12,239,690	32,995,170	473,441	34,904	8,835,493	54,578,698
Regulation and compliance	1,265,440	-	-	-	-	1,265,440
Public charges for services	3,473,572	776,668	-	167,838	1,557,256	5,975,334
Intergovernmental charges for services	1,715,723	9,456,634	-	-	480,406	11,652,763
Other	325,274	160,957	-	9,808	685,392	1,181,431
Total revenues	61,064,368	66,334,279	473,441	2,800,689	21,577,416	152,250,193
Expenditures						
Current:						
General government	7,210,275	-	473,441	-	647,310	8,331,026
Public safety	41,118,290	-	-	-	589,754	41,708,044
Health and social services	7,265,280	64,222,966	-	-	9,161,093	80,649,339
Public works	-	-	-	-	1,129,660	1,129,660
Culture, recreation, and education	266,926	-	-	-	2,644,822	2,911,748
Conservation and development	1,242,374	-	-	-	1,081,922	2,324,296
Capital outlay	-	-	-	21,225,365	131,949	21,357,314
Debt service:						
Principal retirement	-	-	-	-	3,429,000	3,429,000
Interest and fiscal charges	-	-	-	227,377	554,846	782,223
Total expenditures	57,103,145	64,222,966	473,441	21,452,742	19,370,356	162,622,650
Excess (Deficiency) of Revenues Over Expenditures	3,961,223	2,111,313	-	(18,652,053)	2,207,060	(10,372,457)
Other Financing Sources (Uses)						
General obligation debt issued	-	-	-	29,095,000	-	29,095,000
General obligation refunding debt issued	-	-	-	-	1,610,000	1,610,000
Premium on debt issued	-	-	-	245,428	1,041,810	1,287,238
Payment to refunding escrow	-	-	-	-	(1,623,512)	(1,623,512)
Transfers in	2,594,895	-	-	2,606,482	402,378	5,603,755
Transfers out	(2,492,712)	(2,111,313)	-	(6,642,833)	(836,897)	(12,083,755)
Total other financing sources (uses)	102,183	(2,111,313)	-	25,304,077	593,779	23,888,726
Net change in fund balances	4,063,406	-	-	6,652,024	2,800,839	13,516,269
Fund Balances (Deficit), Beginning	47,420,501	765,757	-	(9,170,625)	9,860,904	48,876,537
Fund Balances (Deficit), Ending	\$ 51,483,907	\$ 765,757	\$ -	\$ (2,518,601)	\$ 12,661,743	\$ 62,392,806

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, 2021

Net Change in Fund Balances, Total Governmental Funds \$ 13,516,269

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	21,357,314
Some items reported as capital outlay were expensed in the government-wide financial statements	(507,804)
Assets transferred from business-type activities to governmental activities	6,625,652
Depreciation is reported in the government-wide statements	(8,208,597)
Net book value of capital assets disposed of during the year	35,045

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	(91,011)
County-levied delinquent taxes	(44,869)

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	5,029,000
Debt issued	(30,705,000)

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	(97,567)
Other postemployment benefits	4,220,965
Net pension asset/liability	11,208,738
Deferred outflows of resources related to pensions	10,772,552
Deferred inflows of resources related to pensions	(14,944,379)
Deferred outflows of resources related to post-employment benefits	(50,826)
Deferred inflows of resources related to post-employment benefits	(7,896,354)
Accrued interest on debt	(258,095)
Unamortized debt premium	(1,225,865)

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

2,941,545

Change in Net Position of Governmental Activities

\$ 11,676,713

Rock CountyStatement of Net Position - Proprietary Funds
December 31, 2021

	<u>Rock Haven</u>	<u>Highway</u>	<u>Total</u>	<u>Internal Service Funds</u>
Assets				
Current assets:				
Cash and investments	\$ 2,000	\$ -	\$ 2,000	\$ 23,974
Taxes receivable	4,307,022	2,733,808	7,040,830	2,892,676
Accounts receivable (net)	1,036,005	208,094	1,244,099	188,131
Due from other funds	2,478,038	-	2,478,038	11,387,187
Due from other governments	-	1,824,506	1,824,506	-
Inventories	116,337	1,780,922	1,897,259	-
Prepaid items	-	-	-	236,284
Total current assets	<u>7,939,402</u>	<u>6,547,330</u>	<u>14,486,732</u>	<u>14,728,252</u>
Noncurrent Assets				
Restricted assets:				
Cash and investments	31,884	-	31,884	-
Net pension asset	3,079,309	1,914,296	4,993,605	839,763
Deposit with Wisconsin Mutual Insurance Company	-	-	-	1,741,000
Capital assets:				
Land	-	369,775	369,775	575,710
Construction work in progress	-	881,499	881,499	-
Intangible assets, software	-	-	-	1,730,590
Other capital assets	33,267,948	41,809,155	75,077,103	6,847,664
Less accumulated depreciation/amortization	<u>(9,557,586)</u>	<u>(21,877,112)</u>	<u>(31,434,698)</u>	<u>(4,885,575)</u>
Total noncurrent assets	<u>26,821,555</u>	<u>23,097,613</u>	<u>49,919,168</u>	<u>6,849,152</u>
Total assets	<u>34,760,957</u>	<u>29,644,943</u>	<u>64,405,900</u>	<u>21,577,404</u>
Deferred Outflows of Resources				
Pension related amounts	5,272,896	3,296,403	8,569,299	1,323,432
Other post-employment benefit related amounts	<u>767,688</u>	<u>582,753</u>	<u>1,350,441</u>	<u>191,788</u>
Total deferred outflows of resources	<u>6,040,584</u>	<u>3,879,156</u>	<u>9,919,740</u>	<u>1,515,220</u>
Liabilities				
Current liabilities:				
Accounts payable	165,631	528,688	694,319	913,976
Accrued liabilities	571,870	-	571,870	-
Deposits	32,784	-	32,784	-
Accrued vacation and comp time	561,696	431,606	993,302	230,481
Due to other funds	-	5,324,745	5,324,745	689,323
Due to other governments	-	94,368	94,368	-
Current portion of long-term debt	<u>3,728,190</u>	<u>-</u>	<u>3,728,190</u>	<u>186,000</u>
Total current liabilities	<u>5,060,171</u>	<u>6,379,407</u>	<u>11,439,578</u>	<u>2,019,780</u>
Noncurrent Liabilities				
General obligation debt	11,856,810	-	11,856,810	610,783
Unamortized premium on debt	-	-	-	13,580
Accrued sick leave	219,652	421,623	641,275	161,391
Other post-employment benefits	<u>2,639,892</u>	<u>2,414,077</u>	<u>5,053,969</u>	<u>754,514</u>
Total noncurrent liabilities	<u>14,716,354</u>	<u>2,835,700</u>	<u>17,552,054</u>	<u>1,540,268</u>
Total liabilities	<u>19,776,525</u>	<u>9,215,107</u>	<u>28,991,632</u>	<u>3,560,048</u>
Deferred Inflows of Resources				
Unearned revenues	4,307,592	2,733,808	7,041,400	2,892,706
Pension related amounts	6,921,383	4,333,779	11,255,162	1,667,258
Other post-employment benefit related amounts	<u>586,446</u>	<u>569,011</u>	<u>1,155,457</u>	<u>182,944</u>
Total deferred inflows of resources	<u>11,815,421</u>	<u>7,636,598</u>	<u>19,452,019</u>	<u>4,742,908</u>
Net Position				
Net investment in capital assets	8,125,362	21,183,317	29,308,679	3,458,026
Restricted for pensions	3,079,309	1,914,296	4,993,605	839,763
Unrestricted (deficit)	<u>(1,995,076)</u>	<u>(6,425,219)</u>	<u>(8,420,295)</u>	<u>10,491,879</u>
Total net position	<u>\$ 9,209,595</u>	<u>\$ 16,672,394</u>	<u>25,881,989</u>	<u>\$ 14,789,668</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>864,029</u>	
Net position of business-type activities			<u>\$ 26,746,018</u>	

See notes to financial statements

Rock CountyStatement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2021

	<u>Rock Haven</u>	<u>Highway</u>	<u>Total</u>	<u>Internal Service Funds</u>
Operating Revenues				
Charges for services	\$ 8,534,794	\$ 8,035,485	\$ 16,570,279	\$ 29,909,228
Total operating revenues	<u>8,534,794</u>	<u>8,035,485</u>	<u>16,570,279</u>	<u>29,909,228</u>
Operating Expenses				
Operation and maintenance	14,749,455	11,854,130	26,603,585	29,278,243
Depreciation/amortization	<u>1,044,855</u>	<u>2,029,891</u>	<u>3,074,746</u>	<u>692,289</u>
Total operating expenses	<u>15,794,310</u>	<u>13,884,021</u>	<u>29,678,331</u>	<u>29,970,532</u>
Operating loss	<u>(7,259,516)</u>	<u>(5,848,536)</u>	<u>(13,108,052)</u>	<u>(61,304)</u>
Nonoperating Revenues (Expenses)				
General property taxes	7,448,429	2,673,918	10,122,347	3,028,648
Sales taxes	-	1,146,000	1,146,000	361,315
Intergovernmental grants	2,469,834	4,133,802	6,603,636	-
Gain on sale of assets	-	177,957	177,957	-
Miscellaneous revenues	16,384	88,835	105,219	21
Investment income	-	-	-	39,691
Interest expense	<u>(222,415)</u>	<u>-</u>	<u>(222,415)</u>	<u>(15,708)</u>
Total nonoperating revenues (expenses)	<u>9,712,232</u>	<u>8,220,512</u>	<u>17,932,744</u>	<u>3,413,967</u>
Income before transfers	<u>2,452,716</u>	<u>2,371,976</u>	<u>4,824,692</u>	<u>3,352,663</u>
Transfers				
Transfers in	-	6,485,000	6,485,000	-
Transfers out	<u>-</u>	<u>(6,625,652)</u>	<u>(6,625,652)</u>	<u>(5,000)</u>
Total transfers	<u>-</u>	<u>(140,652)</u>	<u>(140,652)</u>	<u>(5,000)</u>
Change in net position	2,452,716	2,231,324	4,684,040	3,347,663
Net Position, Beginning	<u>6,756,879</u>	<u>14,441,070</u>		<u>11,442,005</u>
Net Position, Ending	<u>\$ 9,209,595</u>	<u>\$ 16,672,394</u>		<u>\$ 14,789,668</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>406,118</u>	
Change in net position of business-type activities			<u>\$ 5,090,158</u>	

See notes to financial statements

Rock CountyStatement of Cash Flows - Proprietary Funds
Year Ended December 31, 2021

	<u>Rock Haven</u>	<u>Highway</u>	<u>Total</u>	<u>Internal Service Funds</u>
Cash Flows From Operating Activities				
Cash received from customers	\$ 10,027,054	\$ 7,087,406	\$ 17,114,460	\$ 26,416,764
Cash paid to suppliers for goods and services	(4,526,701)	(5,443,674)	(9,970,375)	(26,392,525)
Cash paid to employees for payroll	(11,827,249)	(7,073,197)	(18,900,446)	(3,000,200)
Net cash flows from operating activities	<u>(6,326,896)</u>	<u>(5,429,465)</u>	<u>(11,756,361)</u>	<u>(2,975,961)</u>
Cash Flows From Noncapital Financing Activities				
General property tax revenues	7,448,429	2,673,918	10,122,347	3,389,984
Other tax revenues	-	1,146,000	1,146,000	-
Pooled cash held by general fund	-	94,649	94,649	-
Transfers in (out)	-	(140,652)	(140,652)	(5,000)
Intergovernmental grants	2,469,834	4,133,802	6,603,636	-
Net cash flows from noncapital financing activities	<u>9,918,263</u>	<u>7,907,717</u>	<u>17,825,980</u>	<u>3,384,984</u>
Cash Flows From Investing Activities				
Investment income	-	-	-	39,691
Net cash flows from investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,691</u>
Cash Flows From Capital and Related Financing Activities				
Debt issued	15,585,000	-	15,585,000	-
Debt principal paid	(18,470,000)	-	(18,470,000)	(186,000)
Interest paid	(798,645)	-	(798,645)	(19,104)
Issuance costs of new debt	85,000	-	85,000	-
Acquisition and construction of capital assets	(7,061)	(2,478,252)	(2,485,313)	(264,649)
Net cash flows from capital and related financing activities	<u>(3,605,706)</u>	<u>(2,478,252)</u>	<u>(6,083,958)</u>	<u>(469,753)</u>
Net change in cash and cash equivalents	(14,339)	-	(14,339)	(21,039)
Cash and Cash Equivalents, Beginning	<u>48,223</u>	<u>-</u>	<u>48,223</u>	<u>45,013</u>
Cash and Cash Equivalents, Ending	<u>\$ 33,884</u>	<u>\$ -</u>	<u>\$ 33,884</u>	<u>\$ 23,974</u>

See notes to financial statements

Rock County

Statement of Cash Flows - Proprietary Funds

Year Ended December 31, 2021

	<u>Rock Haven</u>	<u>Highway</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities				
Operating loss	\$ (7,259,516)	\$ (5,848,536)	\$ (13,108,052)	\$ (61,304)
Adjustments to reconcile operating loss to net cash flows from operating activities:				
Nonoperating revenues (expenses)	16,384	88,835	105,219	-
Noncash items included in operating loss				
Depreciation/amortization	1,044,855	2,029,891	3,074,746	692,289
Change in assets, liabilities, deferred outflows of resources and deferred inflows of resources:				
Accounts receivable	(502,027)	(952,664)	(1,454,691)	227,430
Due to/from other funds	1,874,622	-	1,874,622	(3,545,159)
Inventories	(18,115)	(24,119)	(42,234)	-
Prepaid items	-	-	-	7,058
Deposits	(14,339)	-	(14,339)	-
Accounts payable	64,761	119,730	184,491	151,718
Other current liabilities	(36,486)	40,334	3,848	(3,459)
Compensated absences	-	(84,250)	(84,250)	21,583
Pension and OPEB related amounts	(1,609,333)	(210,767)	(1,820,100)	(330,144)
Unearned revenues	112,298	(587,919)	(475,621)	(135,973)
	<u>\$ (6,326,896)</u>	<u>\$ (5,429,465)</u>	<u>\$ (11,756,361)</u>	<u>\$ (2,975,961)</u>
Net cash flows from operating activities				
	<u>\$ (6,326,896)</u>	<u>\$ (5,429,465)</u>	<u>\$ (11,756,361)</u>	<u>\$ (2,975,961)</u>
Noncash Investing, Capital and Related Financing Activities				
Premium on debt amortized	<u>\$ 28,880</u>	<u>\$ -</u>	<u>\$ 28,880</u>	<u>\$ 3,396</u>
Write-offs on refunding	<u>\$ 271,397</u>	<u>\$ -</u>	<u>\$ 271,397</u>	<u>\$ -</u>

See notes to financial statements

Rock County

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 41,155,347
Delinquent special assessments receivable	<u>1,302,896</u>
Total assets	<u>42,458,243</u>
Liabilities	
Accounts payable	527,504
Due to other governmental units	<u>39,390,722</u>
Total liabilities	<u>39,918,226</u>
Net Position	
Restricted	<u>2,540,017</u>
Total net position	<u><u>\$ 2,540,017</u></u>

See notes to financial statements

Rock County

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2021

	Custodial Funds
Additions	
Property tax collections	\$ 180,705,807
Delinquent special collections	1,259,220
Drainage District collections	12,162
Dog license collections	28,576
Deposits for human services clients	937,358
Inmate deposits	3,072,536
Clerk of courts deposits	5,767,171
	<hr/>
Total additions	191,782,830
	<hr/>
Deductions	
Property taxes paid to overlying districts	180,705,807
Delinquent special disbursements	1,259,220
Drainage District disbursements	6,968
Dog license distributions	33,540
Payments for human services clients	937,358
Distributions to inmates	3,040,810
Distributions for court cases	5,496,339
Distributions for victims	87,862
	<hr/>
Total deductions	191,567,904
	<hr/>
Change in net position	214,926
	<hr/>
Net Position, Beginning	2,325,091
	<hr/>
Net Position, Ending	<u><u>\$ 2,540,017</u></u>

See notes to financial statements

Rock County

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December 31, 2021

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Rock County

Notes to Financial Statements
December 31, 2021

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

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
December 31, 2021

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% 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% test is at least 5% 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 - Used to 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.

American Rescue Plan Act Special Revenue Fund - Used to account for and report resources legally restricted to eligible uses allowed in the grant fund legislation.

General Capital Projects Fund - 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.

Rock County

Notes to Financial Statements
December 31, 2021

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 Fund - 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.

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 take 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, 2021

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, 2021

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, 2021, 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, 2021

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

Property tax calendar, 2021 tax roll:

Levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Final installment due	July 31, 2022
	January 31, 2022 (except improvements on leased land due January 31, 2022 and July 31, 2022)
Personal property taxes in full	September 1, 2021
Tax certificate date	September 1, 2021
Tax sale, 2021 delinquent real estate taxes	October 2024

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% 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, 2021, 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, 2021

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
Machinery and equipment	4-25
Infrastructure	15-75

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, 2021 are determined on the basis of current salary rates and include salary related payments.

Rock County

Notes to Financial Statements
December 31, 2021

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% to 25% of the total general, human services, airport and enterprise fund expenditures/expenses. The unassigned general fund balance at year-end was \$40,759,397 or 27% 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, 2021

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	\$ 15,007,691
Construction in progress	4,140,784
Easements	4,036,955
Other capital assets, net of depreciation/amortization	156,209,722
Less internal service fund capital assets included above, net of depreciation/amortization	<u>(4,268,389)</u>
Adjustment for capital assets	<u>\$ 175,126,763</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	\$ 48,428,217
Unamortized debt premium	1,778,219
Compensated absences	8,060,993
Other postemployment benefits	45,898,582
Accrued interest	<u>440,746</u>
Combined adjustment for long-term liabilities	<u>\$ 104,606,757</u>

Rock County

Notes to Financial Statements

December 31, 2021

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.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2021, the General Capital Projects fund held a deficit balance of \$2,518,601 due to expenditures exceeding funding.

4. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 51,335,449	\$ 15,119,678	Custodial credit risk
U.S. agencies, implicitly guaranteed	1,490,360	1,490,360	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
U.S. treasuries	23,766,836	23,766,836	Custodial credit risk, interest rate risk
State and local bonds	157,889	157,889	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Corporate bonds	11,590,060	11,590,060	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Other debt securities	2,681,793	2,681,793	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Negotiable certificates of deposit	163,428	163,428	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
LGIP	35,198,888	35,198,888	Credit risk
Petty cash	7,847	-	N/A
Total cash and investments	<u>\$ 126,392,550</u>	<u>\$ 90,168,932</u>	

Rock County

Notes to Financial Statements

December 31, 2021

	<u>Carrying Value</u>
Reconciliation to financial statements	
Per statement of net position:	
Cash and investments	\$ 85,205,319
Restricted cash and investments	31,884
Per statement of fiduciary net position:	
Custodial funds	<u>41,155,347</u>
 Total cash and investments	 <u>\$ 126,392,550</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, 2021, the banks had pledged various government securities in the amount of \$13,000,000 to secure the County's deposits and an additional \$18,000,000 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	\$ -	\$ 157,889	\$ -	\$ 157,889
U.S. agencies, implicitly guaranteed	-	1,490,360	-	1,490,360
U.S. treasuries	23,766,836	-	-	23,766,836
Corporate bonds	-	11,590,060	-	11,590,060
Negotiable certificates of deposit	-	163,428	-	163,428
Other debt securities	-	<u>2,681,793</u>	-	<u>2,681,793</u>
 Total	 <u>\$ 23,766,836</u>	 <u>\$ 16,083,530</u>	 <u>\$ -</u>	 <u>\$ 39,850,366</u>

Rock County

Notes to Financial Statements

December 31, 2021

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, 2021, the County's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor'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, 2021, 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	\$ 157,889	\$ -	\$ 157,889	\$ -
U.S. agencies, implicitly guaranteed	1,490,360	-	1,490,360	-
U.S. treasuries	23,766,836	2,516,664	21,250,172	-
Corporate bonds	11,590,060	525,059	11,065,001	-
Other debt securities	2,681,793	-	2,387,690	294,103
Negotiable certificates of deposit	163,428	163,428	-	-
Total fair value	<u>\$ 39,850,366</u>	<u>\$ 3,205,151</u>	<u>\$ 36,351,112</u>	<u>\$ 294,103</u>

Rock County

Notes to Financial Statements
December 31, 2021

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	\$ 4,409,747	\$ 3,053,078

Receivables in the Rock Haven and nonmajor governmental funds have been recorded net of allowances. The allowances as of December 31, 2021, in these funds, respectively, are \$433,287 and \$134,531.

At December 31, 2021, delinquent taxes receivable are as follows:

Tax certificates:	
2020	\$ 2,288,170
2019	1,180,984
2018	444,336
2017	186,959
2016 and prior	<u>219,402</u>
Total	4,319,851
Other miscellaneous taxes	<u>89,896</u>
Total delinquent taxes receivable	<u>\$ 4,409,747</u>

Rock County

Notes to Financial Statements
December 31, 2021

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	\$ -	\$ 63,744,117
Delinquent property taxes receivable	863,762	-
Loans receivable	3,053,078	-
Grants	-	15,924,239
	<hr/>	<hr/>
Total unavailable/unearned revenue for Governmental funds	<u>\$ 3,916,840</u>	<u>\$ 79,668,356</u>
Unearned revenue included in liabilities		\$ 15,391,359
Unearned revenue included in deferred inflows of resources		<u>64,276,997</u>
		<hr/>
Total unavailable/unearned revenue for governmental funds		79,668,365
Internal service fund:		
Property taxes receivable		2,892,676
Subsequent period prepayments		<u>30</u>
		<hr/>
Governmental activities unearned revenue		<u>\$ 82,561,062</u>

Rock County

Notes to Financial Statements
December 31, 2021

Capital Assets

Capital asset activity for the year ended December 31, 2021 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	13,528,385	3,982,642	13,396,657	4,114,370
Easements	4,036,955	-	-	4,036,955
Infrastructure construction in progress	3,258,543	-	3,232,129	26,414
Infrastructure and land improvements	6,437,101	184,034	-	6,621,135
Total capital assets not being depreciated/amortized	<u>35,647,540</u>	<u>4,166,676</u>	<u>16,628,786</u>	<u>23,185,430</u>
Capital assets being depreciated/amortized:				
Intangible assets, software	1,805,960	-	-	1,805,960
Land improvements	34,994,220	759,370	316,542	35,437,048
Buildings and improvements	115,304,445	29,256,683	-	144,561,128
Machinery and equipment	12,420,279	566,446	434,531	12,552,194
Roads	55,914,867	9,673,747	4,081,750	61,506,864
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>238,282,456</u>	<u>40,256,246</u>	<u>4,832,823</u>	<u>273,705,879</u>
Less accumulated depreciation/amortization for:				
Intangible assets, software	(1,232,049)	(193,488)	-	(1,425,537)
Land improvements	(22,401,414)	(1,084,195)	316,542	(23,169,067)
Buildings and improvements	(73,768,628)	(5,076,858)	7,150	(78,838,336)
Machinery and equipment	(6,858,582)	(1,031,834)	383,533	(7,506,883)
Roads	(5,991,006)	(1,230,137)	4,081,750	(3,139,393)
Bridges	(2,414,228)	(255,488)	-	(2,669,716)
Stop lights	(83,812)	(10,317)	-	(94,129)
Airport water and sewer system	(519,175)	(20,767)	-	(539,942)
Snowmobile bridges	(108,202)	(4,952)	-	(113,154)
Total accumulated depreciation/amortization	<u>(113,377,096)</u>	<u>(8,908,036)</u>	<u>4,788,975</u>	<u>(117,496,157)</u>
Net capital assets being depreciated/amortized	<u>124,905,360</u>	<u>31,348,210</u>	<u>43,848</u>	<u>156,209,722</u>
Total governmental activities capital assets, net of depreciation/amortization	<u>\$ 160,552,900</u>	<u>\$ 35,514,886</u>	<u>\$ 16,672,634</u>	<u>\$ 179,395,152</u>

Rock County

Notes to Financial Statements
December 31, 2021

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 804,662
Public safety	2,888,002
Health and social services	1,085,213
Public works	2,823,378
Culture, recreation and education	603,016
Conservation and development	4,325

Subtotal	8,208,596
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Capital assets held by internal service funds are charged to the various functions based on their usage of the assets

699,440

Total governmental activities depreciation expenses	\$ 8,908,036
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	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 369,775	\$ -	\$ -	\$ 369,775
Construction in progress	5,005,064	1,793,962	5,917,527	881,499
Total capital assets not being depreciated	5,374,839	1,793,962	5,917,527	1,251,274
Capital assets being depreciated:				
Land improvements	2,857,237	-	-	2,857,237
Buildings	24,735,795	4,718,471	-	29,454,266
Machinery and equipment	42,040,285	2,433,893	1,708,578	42,765,600
Total capital assets being depreciated	69,633,317	7,152,364	1,708,578	75,077,103
Less accumulated depreciation/amortization for:				
Land improvements	(788,866)	(82,994)	-	(871,860)
Buildings	(7,419,562)	(850,972)	-	(8,270,534)
Machinery and equipment	(21,494,573)	(2,171,091)	1,373,360	(22,292,304)
Total accumulated depreciation	(29,703,001)	(3,105,057)	1,373,360	(31,434,698)
Net capital assets being depreciated	39,930,316	4,047,307	335,218	43,642,405
Total business-type activities capital assets, net of depreciation	\$ 45,305,155	\$ 5,841,269	\$ 6,252,745	\$ 44,893,679

Rock County

Notes to Financial Statements
December 31, 2021

Depreciation expense was charged to functions as follows:

Business-type activities:	
Rock Haven	\$ 1,044,855
Highway	<u>2,029,891</u>
Total business-type activities depreciation expense	<u>\$ 3,074,746</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
General Fund	Special revenue, Human Services	\$ 1,070,896
	Special revenue, American Rescue Plan Act	108,607
	Capital projects, general	1,442,323
	Enterprise, highway	5,324,745
	Internal service, motor pool	689,323
Special Revenue Funds		
Parks	General	8,107
Other grants	General	723,947
Revolving loans	General	553,269
Land records	General	521,346
Veterans' relief	General	11,709
Income maintenance consortium	General	545,506
Arrowhead library system	General	697,307
County bridge aid	General	1,173,978
Other activities	General	319,795
Other special revenue funds	General	2,300,760
Airport		745,902
Debt Service Fund	General	4,730,371
Capital Projects Fund		
Airport projects	General	142,204
General capital projects	General	279,547
Enterprise Fund		
Rock Haven	General	2,478,038
Internal Service Funds		
Information technology	General	716,546
Self-insurance	General	2,884,162
Job center	General	325,347
Health insurance	General	<u>7,461,132</u>
Subtotal, fund financial statements		35,254,867
Less fund eliminations		(15,375,574)
Less government-wide eliminations		(20,997,942)
Less interfund receivables, IT, self-insurance created with internal service and fund eliminations		<u>(864,029)</u>
Total government-wide financial statements		<u>\$ (1,982,678)</u>

Rock County

Notes to Financial Statements

December 31, 2021

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	\$ 2,111,313
General	Nonmajor governmental funds	478,582
General	Internal service funds	5,000
General capital projects	General	2,471,687
General capital projects	Nonmajor governmental funds	134,795
Nonmajor governmental funds	General capital projects	157,833
Nonmajor governmental funds	General	21,025
Nonmajor governmental funds	Nonmajor governmental funds	223,520
Highway	General capital projects	<u>6,485,000</u>
Subtotal, fund financial statements		12,088,755
Add governmental activities' infrastructure paid by Highway		6,625,652
Less fund eliminations		(5,598,755)
Less government-wide eliminations		<u>(13,256,304)</u>
Total transfers, government-wide statement of activities		<u>\$ (140,652)</u>
<u>Fund Transferred to</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 6,625,652
Business-type activities	Governmental activities	<u>(6,485,000)</u>
Total government-wide financial statements		<u>\$ 140,652</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, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt:					
General	\$ 22,752,217	\$ 30,705,000	\$ 5,029,000	\$ 48,428,217	\$ 4,623,110
Internal service	982,783	-	186,000	796,783	186,000
Add deferred amounts for premiums:					
Premium on long-term debt:					
General	552,354	1,287,238	61,373	1,778,219	-
Internal service	16,976	-	3,396	13,580	-
Total notes payable	<u>24,304,330</u>	<u>31,992,238</u>	<u>5,279,769</u>	<u>51,016,799</u>	<u>4,809,110</u>
Other liabilities:					
Vested compensated absences:					
General	7,963,426	4,397,925	4,300,358	8,060,993	4,251,453
Internal services	373,748	243,923	225,799	391,872	230,481
Total other liabilities	<u>8,337,174</u>	<u>4,641,848</u>	<u>4,526,157</u>	<u>8,452,865</u>	<u>4,481,934</u>
Total governmental activities long-term liabilities	<u>\$ 32,641,504</u>	<u>\$ 36,634,087</u>	<u>9,805,926</u>	<u>\$ 59,469,664</u>	<u>\$ 9,291,044</u>
	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 18,470,000	\$ 15,585,000	\$ 18,470,000	\$ 15,585,000	\$ 3,728,190
Add deferred amounts for premiums:					
Premium on long-term debt:					
	300,277	-	300,277	-	-
Total bonds and notes payable	<u>18,770,277</u>	<u>15,585,000</u>	<u>18,544,113</u>	<u>15,585,000</u>	<u>3,728,190</u>
Other liabilities:					
Vested compensated absences					
	1,636,051	1,013,050	1,014,524	1,634,577	993,302
Total other liabilities	<u>1,636,051</u>	<u>1,013,050</u>	<u>1,014,524</u>	<u>1,634,577</u>	<u>993,302</u>
Total business-type activities long-term liabilities	<u>\$ 20,406,328</u>	<u>\$ 16,598,050</u>	<u>\$ 19,558,637</u>	<u>\$ 17,219,577</u>	<u>\$ 4,721,492</u>

Rock County

Notes to Financial Statements

December 31, 2021

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% of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2021 was \$730,862,822. Total general obligation debt outstanding at year-end was \$64,810,000.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance, December 31, 2021</u>
General obligation debt:					
Promissory notes	2015	2025	1.00-2.00 %	\$ 7,890,000	\$ 3,205,000
Promissory notes	2017	2027	1.50-2.20	8,785,000	6,235,000
Promissory notes	2019	2029	2.00-4.00	11,655,000	9,080,000
Promissory notes	2021	2030	1.50-2.50	6,485,000	6,485,000
Bonds	2021	2040	2.00-3.00	22,610,000	22,610,000
Refunding bonds	2021	2026	0.15-0.40	17,195,000	17,195,000
Total general obligation debt					<u>\$ 64,810,000</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>
2022	\$ 4,809,110	\$ 1,337,625	\$ 3,728,190	\$ 90,635
2023	4,876,990	979,025	3,655,710	57,397
2024	5,203,750	892,292	2,831,250	50,086
2025	5,258,410	777,517	2,731,590	38,761
2026	4,656,740	655,366	2,638,260	22,371
2027-2031	13,730,000	1,760,470	-	-
2032-2036	5,950,000	831,000	-	-
2037-2040	4,740,000	236,600	-	-
Total	<u>\$ 49,225,000</u>	<u>\$ 7,469,895</u>	<u>\$ 15,585,000</u>	<u>\$ 259,250</u>

Other Debt Information

On March 23, 2021, the county issued \$17,195,000 in General Obligation Refunding Bonds with an average coupon rate of 0.51% to advance refund \$17,100,000 of the 2011 and 2013 promissory notes outstanding with an average coupon rate of 3.46%. The net proceeds along with a premium on the issuance were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded debt prior to the advance refunding was \$19,001,000 from 2021 through 2026. The cash flow requirements on the refunding bonds are \$17,477,841 from 2021 through 2026. The advance refunding resulted in total savings of \$1,523,159 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,813,380.

Rock County

Notes to Financial Statements
December 31, 2021

Governmental Activities Net Position/Fund Balances

Governmental activities net position reported on the government wide statement of net position at December 31, 2021 includes the following:

Governmental Activities

Net investment in capital assets:

Land and land improvements	\$ 15,007,691
Construction in progress	4,140,784
Easements	4,036,955
Other capital assets, net of accumulated depreciation	156,209,722
Less long-term debt outstanding	(49,225,000)
Less unamortized debt premium	<u>(1,791,799)</u>
Total net investment in capital assets	<u>\$ 128,378,353</u>

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

Nonspendable

Major funds:

General fund:

Delinquent taxes	\$ 2,817,766
Inventories	8,717
Prepaid items	<u>99,432</u>
Subtotal	2,925,915

Human Services:

Prepaid items	9,040
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Nonmajor funds:

Special revenue funds, prepaid items	<u>6,172</u>
Total	<u>\$ 2,941,127</u>

Restricted

Nonmajor funds, special revenue funds:

Revolving loans	\$ 1,558,853
Other grants	968,511
Land records	520,920
Arrowhead library system	281,215
County bridge aid	1,173,978
Other activities	319,795
Other special revenue funds	1,007,698
Airport	<u>711,253</u>
Subtotal	6,542,193

Nonmajor fund, debt service fund

Total	<u>\$ 11,272,564</u>
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Committed

Nonmajor funds, special revenue funds:

Veterans' relief	\$ 11,709
Other special revenue funds	<u>1,229,221</u>
Total	<u>\$ 1,240,930</u>

Rock County

Notes to Financial Statements
December 31, 2021

Assigned

Major funds:

General fund:

Sales taxes for future expenditures	\$ 5,620,675
Subsequent budget	2,000,000
Carryforward appropriations	<u>177,920</u>

Total general fund 7,798,595

Human Services fund:

Human Service programs	756,717
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Nonmajor fund:

Airport projects	<u>142,077</u>
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Total \$ 8,697,389

Unassigned (deficit)

Major fund:

General fund	\$ 40,759,397
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Nonmajor Funds:

General capital projects	<u>(2,518,601)</u>
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Total \$ 38,240,796

Business-Type Activities Net Position

Business-type activities net position reported on the government-wide statement of net position at December 31, 2021 includes the following:

Business-Type Activities

Net investment in capital assets:

Land	\$ 369,775
Construction in progress	881,499
Other capital assets, net of depreciation	43,642,405
Less related long-term debt outstanding	<u>(15,585,000)</u>

Total net investment in capital assets \$ 29,308,679

Rock County

Notes to Financial Statements
December 31, 2021

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 expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone 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, 2021

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>Years</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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)
2020	1.7	21.0

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 \$5,247,750 in contributions from the County.

Contribution rates for the plan year reported as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives and elected officials)	6.75 %	6.75 %
Protective with Social Security	6.75	11.65
Protective without Social Security	6.75	16.25

Rock County

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Pension Liability (Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the County reported an asset of \$(28,799,745) for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the County's proportion was 0.46130234%, which was an increase of 0.00270892% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the County recognized pension expense of (\$3,401,809).

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected actual experience	\$ 41,682,073	\$ 8,978,243
Changes of assumptions	653,234	-
Net differences between projected and actual earnings on pension plan investments	-	54,069,174
Changes in proportion and differences between employer contributions and proportionate share of contributions	59,156	26,450
Employer contributions subsequent to the measurement date	5,600,923	-
Total	<u>\$ 47,995,386</u>	<u>\$ 63,073,867</u>

Rock County

Notes to Financial Statements

December 31, 2021

\$5,600,923 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources</u>
2022	\$ (5,321,829)
2023	(1,425,456)
2024	(9,789,811)
2025	<u>(4,142,308)</u>
Total	<u>\$ (20,679,404)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2019
Measurement date of net pension liability (asset)	December 31, 2020
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% 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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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Notes to Financial Statements

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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>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	51.0 %	7.2 %	4.7 %
Fixed income	25.0	3.2	0.8
Inflation sensitive assets	16.0	2.0	(0.4)
Real estate	8.0	5.6	3.1
Private equity/debt	11.0	10.2	7.6
Multi-asset	4.0	5.8	3.3
Total core fund	<u>115 %</u>	<u>6.6 %</u>	<u>4.1 %</u>
Variable fund asset class:			
U.S. equities	70 %	6.6 %	4.1 %
International equities	30	7.4	4.9
Total variable fund	<u>100 %</u>	<u>7.1 %</u>	<u>4.6 %</u>

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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

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Notes to Financial Statements

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Single Discount Date

A single discount rate of 7.00% 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% and a municipal bond rate of 2.00%. (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, 2020. 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% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.

The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<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)	\$ 27,413,365	\$ (28,799,745)	\$ (70,087,855)

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, 2021, the County reported a payable to the pension plan of \$1,360,280, 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 the last two years. There were no significant reductions in coverage compared to the prior year.

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Notes to Financial Statements
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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, 2021 was \$4,255,939 and is reflected in an internal service fund in these statements. Total contributions to the program during the year were \$2,326,621.

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

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a non-assessable municipal mutual insurance company. WMMIC provides general liability (including law enforcement professionals), auto and other public officials' errors and omissions liability coverages, workers compensation claims administrative services (as a third-party administrator), a worker's compensation excess program and a cyber-liability program for participating members in the State of Wisconsin on terms calling for recognition of premium upon the effective date of the policy. Responsibility for the operations and management of WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials. At December 31, 2021, WMMIC was owned by twenty members.

WMMIC limits the maximum net loss that can arise from larger risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels of risks with other insurers or reinsurers. Ceded reinsurance is treated as the risk and liability of the assuming companies. Such reinsurance includes all lines of insurance.

WMMIC had a general, automobile and other liability reinsurance contract in force for the year ended December 31, 2021. This is a quota share reinsurance agreement with General Reinsurance Corporation (60.0%) and Governmental Entities Mutual (GEM) Insurance Company (40.0%) for excess of loss reinsurance. The contract covered losses (in excess of the self-insured retention of each member), which exceeded \$1,500,000 per occurrence up to the maximum loss of \$12,000,000 per occurrence. WMMIC retains the first \$1,500,000 of the loss excess of each member's self-insured retention. The members retain all losses greater than \$12,000,000 per occurrence.

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WMMIC has contracted with Safety National to provide 100% reinsurance coverage for workers compensation insurance in excess of the members' self-insured retention limits, which are \$550,000 for all but one member that has a retention of \$650,000.

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.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims, beginning	\$ 3,193,466	\$ 449,318
Current year claims and administration	245,710	161,806
Claims and administration payments	<u>(2,989,858)</u>	<u>(21,176)</u>
Unpaid claims, ending	<u>\$ 449,318</u>	<u>\$ 589,948</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, 2021. 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 \$13,105,067 outstanding at year-end related to the General Capital Projects fund and \$810,213 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.

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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% 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% of that premium for coverage. The County contributes 100% 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% 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, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	95
Active plan members	<u>1,190</u>
	<u><u>1,285</u></u>

Total OPEB Liability

The County's total OPEB liability of \$44,823,428 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

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	2.50%
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	0.00% for 2022, 9% for 2023, 8.5% for 2024, 8% for 2025 reduced by 0.25% increments each year going forward to an ultimate rate of 4.25% in 2040.
Retirees' share of benefit-related costs	Deputy sheriffs and deputy sheriff supervisor, 0% and Other, 100%

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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.

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%).

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, December 31, 2020	\$ 52,673,095
Changes for the year:	
Service cost	2,871,598
Interest	850,922
Changes of benefit terms	-
Differences between expected and actual experience	(1,703,831)
Changes in assumptions or other inputs	(8,285,590)
Benefit payments	(1,582,766)
Net changes	(7,849,667)
Balance, December 31, 2021	\$ 44,823,428

Changes of assumptions and other inputs reflect a change in the discount rate from 2.00% in 2020 to 1.84% in 2021.

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 (0.84%) or 1-percentage-point higher (2.84%) than the current discount rate:

	1% Decrease (0.84%)	Discount Rate (1.84%)	1% Increase (2.84%)
Total OPEB liability	\$ 50,143,703	\$ 44,823,428	\$ 40,260,869

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 (-1.0% decreasing to 3.25%) or 1-percentage-point higher (1.0% increasing to 5.25%) than the current healthcare cost trend rates:

	1% Decrease (-1.0% Decreasing to 3.25%)	Healthcare Cost Trend Rates	1% Increase (1.0% Increasing to 5.25%)
Total OPEB liability	\$ 39,242,365	\$ 44,823,428	\$ 52,031,536

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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, 2021, the County recognized OPEB expense of \$3,411,282. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected actual experience	\$ 566,632	\$ 2,429,443
Changes of assumptions or other inputs	6,853,806	8,682,058
Total	<u>\$ 7,420,438</u>	<u>\$ 11,111,501</u>

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

Years Ending December 31	Deferred Outflows of Resources and Deferred Inflows of Resources, Net
2022	\$ (311,238)
2023	(311,238)
2024	(311,238)
2025	(311,238)
2026	(311,238)
Thereafter	<u>(2,134,873)</u>
Total	<u>\$ (3,691,063)</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>.

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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, 2021 are:

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

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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	
	Basic	Supplemental
Life insurance member contribution rates for the plan year:		
Attained Age:		
Under 30	\$ 0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$24,953 in contributions from the employer.

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

At December 31, 2021, the County reported a liability of \$6,883,637 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. 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, 2020, the County's proportion was 1.25140600%, which was an increase of .03047900% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the County recognized OPEB expense of \$819,427.

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At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 328,462
Net differences between projected and actual earnings on OPEB plan investments	100,220	-
Changes in assumptions	2,677,831	472,311
Changes in proportion and differences between employer contributions and proportionate share of contributions	99,912	80,305
Employer contributions subsequent to the measurement date	34,429	-
Total	<u>\$ 2,912,392</u>	<u>\$ 881,078</u>

\$34,429 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31	Deferred Outflows of Resources and Deferred Inflows of Resources, Net
2022	\$ 373,368
2023	362,530
2024	351,366
2025	315,728
2026	397,489
Thereafter	196,404
Total	<u>\$ 1,996,885</u>

Actuarial Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2020
Measurement date of net OPEB liability	December 31, 2020
Actuarial cost method	Entry age normal
20-year tax-exempt municipal bond yield	2.12%
Long-term expected rate or return	4.25%
Discount rate	2.25%
Salary increases:	
Inflation	3.00%
Seniority/merit	0.1%-5.6%
Mortality	Wisconsin 2018 Mortality Table

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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, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 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, 2020

Asset Class	Index	Target % Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	50	1.47
U.S. Mortgages	Barclays MBS	50	0.82
Inflation			2.20
Long-term expected rate of return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20%, respectively. 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.

Single Discount Rate

A single discount rate of 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. 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.

Rock County

Notes to Financial Statements

December 31, 2021

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 2.25%, 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 (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
County's proportionate share of the net OPEB liability	\$ 9,363,714	\$ 6,883,637	\$ 5,008,026

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

On July 14, 2022, the county board established a budget for a broadband expansion project in partnership with Bug Tussel Wireless in the amount of \$16.5 million to be funded from three primary sources: American Rescue Plan Act funds of \$3.6 million, PSC grant of \$2 million and \$10.9 million of Industrial Revenue Bonding borrowed by Bug Tussel Wireless, guaranteed by the County.

On July 14, 2022, the county board approved the sale of the Job Center for \$1 million.

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*

Rock County

Notes to Financial Statements
December 31, 2021

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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Taxes	\$ 37,379,570	\$ 37,379,570	\$ 42,044,669	\$ 4,665,099
Intergovernmental	12,360,736	12,414,636	12,239,690	(174,946)
Regulation and compliance	1,482,556	1,482,556	1,265,440	(217,116)
Public charges for services	3,261,720	3,261,720	3,473,572	211,852
Intergovernmental charges for services	1,027,997	1,027,997	1,715,723	687,726
Other	2,255,554	2,330,859	325,274	(2,005,585)
Total revenues	57,768,133	57,897,338	61,064,368	3,167,030
Expenditures				
Current:				
General government	7,275,036	7,293,349	7,210,275	83,074
Public safety	41,167,398	41,588,722	41,118,290	470,432
Health and social services	7,547,082	7,547,082	7,265,280	281,802
Culture, recreation and education	374,379	374,379	266,926	107,453
Conservation and development	1,559,238	1,559,238	1,242,374	316,864
Total expenditures	57,923,133	58,362,770	57,103,145	1,259,625
Excess (deficiency) of revenues over expenditures	(155,000)	(465,432)	3,961,223	4,426,655
Other Financing Sourced (Uses)				
Transfers in	155,000	225,432	2,594,895	2,369,463
Transfers out	-	(10,000)	(2,492,712)	(2,482,712)
Total other financing sources (uses)	155,000	215,432	102,183	(113,249)
Net change in fund balance	-	(250,000)	4,063,406	4,313,406
Fund Balance, Beginning	47,420,501	47,420,501	47,420,501	-
Fund Balance, Ending	\$ 47,420,501	\$ 47,170,501	\$ 51,483,907	\$ 4,313,406

See notes to required supplementary information

Rock County

Required Supplementary Information

Budgetary Comparison Schedule - Human Services Fund

Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 22,944,850	\$ 22,944,850	\$ 22,944,850	\$ -
Intergovernmental	28,411,239	28,918,818	32,995,170	4,076,352
Public charges for services	808,500	808,500	776,668	(31,832)
Intergovernmental charges for services	9,903,372	9,903,372	9,456,634	(446,738)
Other	17,204	28,592	160,957	132,365
Total revenues	<u>62,085,165</u>	<u>62,604,132</u>	<u>66,334,279</u>	<u>3,730,147</u>
Expenditures				
Current:				
Health and social services	<u>62,085,165</u>	<u>62,604,132</u>	<u>64,222,966</u>	<u>(1,618,834)</u>
Total expenditures	<u>62,085,165</u>	<u>62,604,132</u>	<u>64,222,966</u>	<u>(1,618,834)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,111,313</u>	<u>2,111,313</u>
Other Financing Uses				
Transfers out	<u>-</u>	<u>-</u>	<u>(2,111,313)</u>	<u>(2,111,313)</u>
Total other financial uses	<u>-</u>	<u>-</u>	<u>(2,111,313)</u>	<u>(2,111,313)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning	<u>765,757</u>	<u>765,757</u>	<u>765,757</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 765,757</u>	<u>\$ 765,757</u>	<u>\$ 765,757</u>	<u>\$ -</u>

See notes to required supplementary information

Rock County

Required Supplementary Information

Budgetary Comparison Schedule - American Rescue Plan Act Fund

Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 7,775,000	\$ 473,441	\$ (7,301,559)
Total revenues	-	7,775,000	473,441	(7,301,559)
Expenditures				
Current:				
General government	-	6,275,000	473,441	5,801,559
Total expenditures	-	6,275,000	473,441	5,801,559
Net change in fund balance	-	1,500,000	-	(1,500,000)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ 1,500,000	\$ -	\$ (1,500,000)

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, 2021

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/21	0.46130234 %	\$ (28,799,745)	\$ 69,036,386	-41.72 %	105.26 %
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, 2021

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/21	\$ 5,600,923	\$ 5,600,923	\$ -	\$ 72,390,882	7.74 %
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, 2021

<u>Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
12/31/21	1.25140600 %	\$ 6,883,637	\$ 57,998,000	11.87 %	31.36 %
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, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 2,319,710	\$ 2,249,458	\$ 2,654,711	\$ 2,871,598
Interest	1,330,117	1,428,166	1,266,601	850,922
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	180,437	(1,266,584)	566,115	(1,703,831)
Changes of assumptions	(1,925,523)	4,311,319	4,764,232	(8,285,590)
Benefit payments	<u>(1,461,657)</u>	<u>(1,583,192)</u>	<u>(1,830,604)</u>	<u>(1,582,766)</u>
Net change in total OPEB liability	443,084	5,139,167	7,421,055	(7,849,667)
Total OPEB Liability, Beginning	<u>39,669,789</u>	<u>40,112,873</u>	<u>45,252,040</u>	<u>52,673,095</u>
Total OPEB Liability, Ending	<u>\$ 40,112,873</u>	<u>\$ 45,252,040</u>	<u>\$ 52,673,095</u>	<u>\$ 44,823,428</u>
Covered Payroll	\$ 61,987,476	\$ 67,204,706	\$ 69,220,847	\$ 66,879,599
Total OPEB liability as a percentage of covered payroll	64.71 %	67.33 %	76.09 %	67.02 %

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 2.00% to 1.84%.

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, 2021

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 \$177,920 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: The *Single Discount Rate* assumption used to develop the Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional details.

S U P P L E M E N T A R Y I N F O R M A T I O N

Rock County

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2021

	Special Revenue Funds					
	Revolving Loans	Parks	Other Grants	Land Records	Veterans' Relief	Arrowhead Library System
Assets						
Cash and investments	\$ 1,005,669	\$ -	\$ 337,553	\$ -	\$ -	\$ 150
Taxes receivable	-	663,344	1,623,921	-	754	1,321,753
Accounts receivable	-	-	33,526	-	-	-
Loans receivable (net)	3,053,078	-	-	-	-	-
Due from other funds	553,269	8,107	723,947	521,346	11,709	697,307
Due from other governments	-	-	530,164	-	-	-
Prepaid items	-	-	-	-	-	6,172
Total assets	\$ 4,612,016	\$ 671,451	\$ 3,249,111	\$ 521,346	\$ 12,463	\$ 2,025,382
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 115	\$ 8,107	\$ 626,988	\$ 426	\$ -	\$ 10,599
Deposits	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Total liabilities	115	8,107	626,988	426	-	10,599
Deferred Inflows of Resources						
Unearned revenues	-	663,344	1,653,612	-	754	1,727,396
Unavailable revenues	3,053,078	-	-	-	-	-
Total deferred inflows of resources	3,053,078	663,344	1,653,612	-	754	1,727,396
Fund Balances						
Nonspendable	-	-	-	-	-	6,172
Restricted	1,558,823	-	968,511	520,920	-	281,215
Committed	-	-	-	-	11,709	-
Assigned	-	-	-	-	-	-
Total fund balances	1,558,823	-	968,511	520,920	11,709	287,387
Total liabilities, deferred inflows of resources and fund balances	\$ 4,612,016	\$ 671,451	\$ 3,249,111	\$ 521,346	\$ 12,463	\$ 2,025,382

Special Revenue Funds					Debt Service Fund	Capital Project Fund	
County Bridge Aid	Other Activities	Other Special Revenue Funds	Income Maintenance Consortium	Airport	Debt Service	Airport Projects	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,343,372
-	-	99,597	-	572,531	8,468,261	-	12,750,161
-	-	-	-	24,728	-	-	58,254
-	-	-	-	-	-	-	3,053,078
1,173,978	319,795	2,300,760	545,506	745,902	4,730,371	142,204	12,474,201
-	-	-	-	-	-	-	530,164
-	-	-	-	-	-	-	6,172
<u>\$ 1,173,978</u>	<u>\$ 319,795</u>	<u>\$ 2,400,357</u>	<u>\$ 545,506</u>	<u>\$ 1,343,161</u>	<u>\$ 13,198,632</u>	<u>\$ 142,204</u>	<u>\$ 30,215,402</u>
\$ -	\$ -	\$ 25,644	\$ 545,506	\$ 52,087	\$ -	\$ 127	\$ 1,269,599
-	-	-	-	7,255	-	-	7,255
-	-	-	-	35	-	-	35
-	-	25,644	545,506	59,377	-	127	1,276,889
-	-	137,794	-	572,531	8,468,261	-	13,223,692
-	-	-	-	-	-	-	3,053,078
-	-	137,794	-	572,531	8,468,261	-	16,276,770
-	-	-	-	-	-	-	6,172
1,173,978	319,795	1,007,698	-	711,253	4,730,371	-	11,272,564
-	-	1,229,221	-	-	-	-	1,240,930
-	-	-	-	-	-	142,077	142,077
<u>1,173,978</u>	<u>319,795</u>	<u>2,236,919</u>	<u>-</u>	<u>711,253</u>	<u>4,730,371</u>	<u>142,077</u>	<u>12,661,743</u>
<u>\$ 1,173,978</u>	<u>\$ 319,795</u>	<u>\$ 2,400,357</u>	<u>\$ 545,506</u>	<u>\$ 1,343,161</u>	<u>\$ 13,198,632</u>	<u>\$ 142,204</u>	<u>\$ 30,215,402</u>

Rock County

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds					
	Revolving Loans	Parks	Other Grants	Land Records	Veterans' Relief	Arrowhead Library System
Revenues						
Taxes	\$ -	\$ 653,777	\$ 1,569,597	\$ -	\$ 3,754	\$ 1,247,683
Intergovernmental	-	-	4,299,454	1,000	-	467,820
Public charges for services	290,108	69,251	274,877	472,616	-	2,841
Intergovernmental charges for services	-	7,170	194,769	15,129	-	260,892
Other	64,619	7,784	171,704	-	-	2,000
Total revenues	354,727	737,982	6,510,401	488,745	3,754	1,981,236
Expenditures						
Current:						
General government	-	-	43,149	208,878	-	-
Public safety	-	-	520,311	-	-	-
Health and social services	-	-	5,113,361	-	756	-
Public works	-	-	75,715	-	-	-
Culture, recreation and education	-	679,831	-	-	-	1,963,045
Conservation and development	629,713	-	440,652	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	629,713	679,831	6,193,188	208,878	756	1,963,045
Excess (deficiency) of revenues over expenditures	(274,986)	58,151	317,213	279,867	2,998	18,191
Other Financing Sources (Uses)						
General obligation debt issued	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-
Payment to refunding escrow	-	-	-	-	-	-
Transfers in	-	45,831	23,389	-	-	-
Transfers out	-	(103,982)	(149,600)	-	-	-
Total other financing sources (uses)	-	(58,151)	(126,211)	-	-	-
Net changes in fund balance	(274,986)	-	191,002	279,867	2,998	18,191
Fund Balances, Beginning	1,833,809	-	777,509	241,053	8,711	269,196
Fund Balances, Ending	\$ 1,558,823	\$ -	\$ 968,511	\$ 520,920	\$ 11,709	\$ 287,387

Special Revenue Funds					Debt Service Fund	Capital Project Fund	
County Bridge Aid	Other Activities	Other Special Revenue Funds	Income Maintenance Consortium	Airport	Debt Service	Airport Projects	Total
\$ 148,200	\$ -	\$ 281,744	\$ -	\$ 605,745	\$ 5,500,869	\$ 7,500	\$ 10,018,869
-	-	20,243	4,046,976	-	-	-	8,835,493
-	-	-	-	447,563	-	-	1,557,256
-	-	2,446	-	-	-	-	480,406
-	263,792	144,235	-	31,258	-	-	685,392
<u>148,200</u>	<u>263,792</u>	<u>448,668</u>	<u>4,046,976</u>	<u>1,084,566</u>	<u>5,500,869</u>	<u>7,500</u>	<u>21,577,416</u>
-	113,890	281,393	-	-	-	-	647,310
-	-	69,443	-	-	-	-	589,754
-	-	-	4,046,976	-	-	-	9,161,093
13,062	-	-	-	1,040,883	-	-	1,129,660
-	-	1,946	-	-	-	-	2,644,822
-	-	11,557	-	-	-	-	1,081,922
-	-	-	-	-	-	131,949	131,949
-	-	-	-	-	3,429,000	-	3,429,000
-	-	-	-	-	554,846	-	554,846
<u>13,062</u>	<u>113,890</u>	<u>364,339</u>	<u>4,046,976</u>	<u>1,040,883</u>	<u>3,983,846</u>	<u>131,949</u>	<u>19,370,356</u>
<u>135,138</u>	<u>149,902</u>	<u>84,329</u>	<u>-</u>	<u>43,683</u>	<u>1,517,023</u>	<u>(124,449)</u>	<u>2,207,060</u>
-	-	-	-	-	1,610,000	-	1,610,000
-	-	-	-	-	1,041,810	-	1,041,810
-	-	-	-	-	(1,623,512)	-	(1,623,512)
-	157,833	175,325	-	-	-	-	402,378
-	(175,325)	(407,990)	-	-	-	-	(836,897)
-	(17,492)	(232,665)	-	-	1,028,298	-	593,779
<u>135,138</u>	<u>132,410</u>	<u>(148,336)</u>	<u>-</u>	<u>43,683</u>	<u>2,545,321</u>	<u>(124,449)</u>	<u>2,800,839</u>
<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>266,526</u>	<u>9,860,904</u>
<u>\$ 1,173,978</u>	<u>\$ 319,795</u>	<u>\$ 2,236,919</u>	<u>\$ -</u>	<u>\$ 711,253</u>	<u>\$ 4,730,371</u>	<u>\$ 142,077</u>	<u>\$ 12,661,743</u>

Rock CountyCombining Statement of Net Position - Internal Service Funds
December 31, 2021

	Motor Pool	Information Technology	Self Insurance	Job Center	Health Insurance	Total
Assets						
Current Assets						
Cash and investments	\$ -	\$ -	\$ 23,974	\$ -	\$ -	\$ 23,974
Taxes receivable	-	2,892,676	-	-	-	2,892,676
Accounts receivable	-	109,530	-	36,435	42,166	188,131
Due from other funds	-	716,546	2,884,162	325,347	7,461,132	11,387,187
Prepaid items	-	39,533	196,751	-	-	236,284
Total current assets	-	3,758,285	3,104,887	361,782	7,503,298	14,728,252
Noncurrent Assets						
Restricted assets:						
Net pension asset	-	812,160	-	27,603	-	839,763
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	1,567,558	1,297,707	-	3,982,399	-	6,847,664
Less accumulated depreciation/ amortization	(858,316)	(2,281,378)	-	(1,745,881)	-	(4,885,575)
Net capital assets	709,242	746,919	-	2,812,228	-	4,268,389
Total assets	709,242	5,317,364	4,845,887	3,201,613	7,503,298	21,577,404
Deferred Outflows of Resources						
Pension related amounts	-	1,278,093	-	45,339	-	1,323,432
OPEB related amounts	-	187,840	-	3,948	-	191,788
Total deferred outflows of resources	-	1,465,933	-	49,287	-	1,515,220
Liabilities						
Current Liabilities						
Accounts payable	523	310,340	589,948	-	13,165	913,976
Accrued vacation and comp time	-	230,481	-	-	-	230,481
Due to other funds	689,323	-	-	-	-	689,323
Current portion of debt	-	-	-	186,000	-	186,000
Total current liabilities	689,846	540,821	589,948	186,000	13,165	2,019,780
Noncurrent Liabilities						
General obligation debt	-	-	-	610,783	-	610,783
Unamortized premium	-	-	-	13,580	-	13,580
Accrued sick leave	-	161,391	-	-	-	161,391
Other post employment benefits liability	-	733,931	-	20,583	-	754,514
Total noncurrent liabilities	-	895,322	-	644,946	-	1,540,268
Total liabilities	689,846	1,436,143	589,948	830,946	13,165	3,560,048
Deferred Inflows of Resources						
Unearned revenues	-	2,892,676	-	-	30	2,892,706
Pension related amounts	-	1,610,799	-	56,459	-	1,667,258
OPEB related amounts	-	177,934	-	5,010	-	182,944
Total deferred inflows of resources	-	4,681,409	-	61,469	30	4,742,908
Net Position						
Net investment in capital assets	709,242	746,919	-	2,001,865	-	3,458,026
Restricted for pensions	-	812,160	-	27,603	-	839,763
Unrestricted (deficit)	(689,846)	(893,334)	4,255,939	329,017	7,490,103	10,491,879
Total net pension	\$ 19,396	\$ 665,745	\$ 4,255,939	\$ 2,358,485	\$ 7,490,103	\$ 14,789,668

Rock County

Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds
 Year Ended December 31, 2021

	<u>Motor Pool</u>	<u>Information Technology</u>	<u>Self Insurance</u>	<u>Job Center</u>	<u>Health Insurance</u>	<u>Total</u>
Operating Revenues						
Charges for services	\$ 248,964	\$ 3,288,159	\$ 2,326,621	\$ 581,125	\$ 23,464,359	\$ 29,909,228
Total operating revenues	248,964	3,288,159	2,326,621	581,125	23,464,359	29,909,228
Operating Expenses						
Operation and maintenance	146,652	6,541,280	2,594,449	329,899	19,665,963	29,278,243
Depreciation/amortization	190,905	327,137	-	174,247	-	692,289
Total operating expenses	337,557	6,868,417	2,594,449	504,146	19,665,963	29,970,532
Operating income (loss)	(88,593)	(3,580,258)	(267,828)	76,979	3,798,396	(61,304)
Nonoperating Revenues						
General property taxes	-	2,578,648	150,000	-	300,000	3,028,648
Sales taxes	-	361,315	-	-	-	361,315
Investment income	-	-	39,691	-	-	39,691
Miscellaneous revenues	-	21	-	-	-	21
Interest expense	-	-	-	(15,708)	-	(15,708)
Total nonoperating revenues (expenses)	-	2,939,984	189,691	(15,708)	300,000	3,413,967
Increase (decrease) before transfers	(88,593)	(640,274)	(78,137)	61,271	4,098,396	3,352,663
Transfers						
Transfers out	-	-	-	-	(5,000)	(5,000)
Total transfers	-	-	-	-	(5,000)	(5,000)
Increase (decrease) in net position	(88,593)	(640,274)	(78,137)	61,271	4,093,396	3,347,663
Net Position, Beginning	<u>107,989</u>	<u>1,306,019</u>	<u>4,334,076</u>	<u>2,297,214</u>	<u>3,396,707</u>	<u>11,442,005</u>
Net Position, Ending	<u>\$ 19,396</u>	<u>\$ 665,745</u>	<u>\$ 4,255,939</u>	<u>\$ 2,358,485</u>	<u>\$ 7,490,103</u>	<u>\$ 14,789,668</u>

Rock County

 Combining Statement of Cash Flows - Internal Service Funds
 Year Ended December 31, 2021

	Motor Pool	Information Technology	Self Insurance	Job Center	Health Insurance	Total
Cash Flows From Operating Activities						
Cash received from customers	\$ 248,964	\$ 3,812,681	\$ 2,439,840	\$ 545,380	\$ 19,369,899	\$ 26,416,764
Cash paid to suppliers for goods and services	(103,775)	(3,747,101)	(2,650,570)	(226,180)	(19,664,899)	(26,392,525)
Cash paid to employees for payroll	(4,115)	(2,881,989)	-	(114,096)	-	(3,000,200)
Net cash flows from operating Activities	141,074	(2,816,409)	(210,730)	205,104	(295,000)	(2,975,961)
Cash Flows From Noncapital Financing Activities						
General property taxes	-	2,939,984	150,000	-	300,000	3,389,984
Transfers in (out)	-	-	-	-	(5,000)	(5,000)
Net cash flows from noncapital financing activities	-	2,939,984	150,000	-	295,000	3,384,984
Cash Flows From Capital and Related Financing Activities						
Debt principal paid	-	-	-	(186,000)	-	(186,000)
Interest paid	-	-	-	(19,104)	-	(19,104)
Acquisition and construction of capital assets	(141,074)	(123,575)	-	-	-	(264,649)
Net cash flows from capital and related financing activities	(141,074)	(123,575)	-	(205,104)	-	(469,753)
Cash Flows From Investing Activities						
Investment income	-	-	39,691	-	-	39,691
Net cash flows from investing activities	-	-	39,691	-	-	39,691
Net change in cash and cash equivalents	-	-	(21,039)	-	-	(21,039)
Cash and Cash Equivalents, Beginning	-	-	45,013	-	-	45,013
Cash and Cash Equivalents, Ending	\$ -	\$ -	\$ 23,974	\$ -	\$ -	\$ 23,974
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities						
Operating income (loss)	\$ (88,593)	\$ (3,580,258)	\$ (267,828)	\$ 76,979	\$ 3,798,396	\$ (61,304)
Adjustments to reconcile operating loss to net cash flows from operating activities						
Noncash items included in operating loss						
Depreciation/amortization	190,905	327,137	-	174,247	-	692,289
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Accounts receivable	-	(291,114)	208,210	(966)	311,300	227,430
Due to/from other funds	38,762	501,608	55,010	(34,779)	(4,105,760)	(3,545,159)
Prepaid items	-	203,809	(196,751)	-	-	7,058
Compensated absences	-	21,583	-	-	-	21,583
Accounts payable	-	10,024	140,630	-	1,064	151,718
Other current liabilities	-	(3,459)	-	-	-	(3,459)
Unearned revenues	-	314,028	(150,001)	-	(300,000)	(135,973)
Pension and OPEB related amounts	-	(319,767)	-	(10,377)	-	(330,144)
Net cash flows from operating activities	\$ 141,074	\$ (2,816,409)	\$ (210,730)	\$ 205,104	\$ (295,000)	\$ (2,975,961)
Noncash Investing, Capital and Related Financing Activities						
Premium on debt amortized	\$ -	\$ -	\$ -	\$ 3,396	\$ -	\$ 3,396

Rock County

Combining Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

	Custodial Funds		
	Property Tax	Human Services Trust	Sheriff Trust
Assets			
Cash and investments	\$ 38,087,826	\$ 340,484	\$ 633,885
Delinquent special assessments receivable	-	-	-
Total assets	<u>38,087,826</u>	<u>340,484</u>	<u>633,885</u>
Liabilities			
Accounts payable	-	340,484	187,020
Due to other governmental units	<u>38,087,826</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>38,087,826</u>	<u>340,484</u>	<u>187,020</u>
Net position			
Restricted for:			
Dog licenses	-	-	-
Drainage district	-	-	-
Jail inmates	-	-	446,865
Victims	-	-	-
Court cases	-	-	-
Net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,865</u>

Custodial Funds

Clerk of Circuit Courts	Delinquent Special Assessments	Drainage District	Dog Licenses	Total
\$ 2,050,271	\$ -	\$ 22,409	\$ 20,472	\$ 41,155,347
-	1,302,896	-	-	1,302,896
<u>2,050,271</u>	<u>1,302,896</u>	<u>22,409</u>	<u>20,472</u>	<u>42,458,243</u>
-	-	-	-	527,504
-	1,302,896	-	-	39,390,722
-	<u>1,302,896</u>	-	-	<u>39,918,226</u>
-	-	-	20,472	20,472
-	-	22,409	-	22,409
-	-	-	-	446,865
124,980	-	-	-	124,980
<u>1,925,291</u>	-	-	-	<u>1,925,291</u>
<u>\$ 2,050,271</u>	<u>\$ -</u>	<u>\$ 22,409</u>	<u>\$ 20,472</u>	<u>\$ 2,540,017</u>

Rock County

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2021

	Custodial Funds		
	Property Tax	Human Services Trust	Sheriff Trust
Additions			
Property tax collections	\$ 180,705,807	\$ -	\$ -
Delinquent special collections	-	-	-
Drainage District collections	-	-	-
Dog license collections	-	-	-
Deposits for human services clients	-	937,358	-
Inmate deposits	-	-	3,072,536
Clerk of courts deposits	-	-	-
Total additions	<u>180,705,807</u>	<u>937,358</u>	<u>3,072,536</u>
Deductions			
Property taxes paid to overlying districts	180,705,807	-	-
Delinquent special disbursements	-	-	-
Drainage District disbursements	-	-	-
Dog license distributions	-	-	-
Payments for human services clients	-	937,358	-
Distributions to inmates	-	-	3,040,810
Distributions for court cases	-	-	-
Distributions for victims	-	-	-
Total deductions	<u>180,705,807</u>	<u>937,358</u>	<u>3,040,810</u>
Change in fiduciary net position	-	-	31,726
Net Position, Beginning	<u>-</u>	<u>-</u>	<u>415,139</u>
Net Position, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,865</u>

Custodial Funds

Clerk of Courts	Delinquent Special Assessments	Drainage District	Dog Licenses	Total
\$ -	\$ -	\$ -	\$ -	\$ 180,705,807
-	1,259,220	-	-	1,259,220
-	-	12,162	-	12,162
-	-	-	28,576	28,576
-	-	-	-	937,358
-	-	-	-	3,072,536
<u>5,767,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,767,171</u>
<u>5,767,171</u>	<u>1,259,220</u>	<u>12,162</u>	<u>28,576</u>	<u>191,782,830</u>
-	-	-	-	180,705,807
-	1,259,220	-	-	1,259,220
-	-	6,968	-	6,968
-	-	-	33,540	33,540
-	-	-	-	937,358
-	-	-	-	3,040,810
5,496,339	-	-	-	5,496,339
87,862	-	-	-	87,862
<u>5,584,201</u>	<u>1,259,220</u>	<u>6,968</u>	<u>33,540</u>	<u>191,567,904</u>
182,970	-	5,194	(4,964)	214,926
<u>1,867,301</u>	<u>-</u>	<u>17,215</u>	<u>25,436</u>	<u>2,325,091</u>
<u>\$ 2,050,271</u>	<u>\$ -</u>	<u>\$ 22,409</u>	<u>\$ 20,472</u>	<u>\$ 2,540,017</u>