

**PUBLIC HEALTH - MADISON AND
DANE COUNTY**

Madison, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

PUBLIC HEALTH - MADISON AND DANE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Health
Public Health - Madison and Dane County
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Public Health - Madison and Dane County, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Public Health - Madison and Dane County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Public Health - Madison and Dane County as of December 31, 2019 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Public Health - Madison and Dane County's basic financial statements. The supplementary information which includes the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *Wisconsin State Single Audit Guidelines* 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 which includes the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *Wisconsin State Single Audit Guidelines* 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 June XX, 2020 on our consideration of Public Health - Madison and Dane 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of solely that testing, and not to provide an opinion on the effectiveness of Public Health - Madison and Dane 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 Public Health - Madison and Dane County's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 22, 2020

PUBLIC HEALTH - MADISON AND DANE COUNTY

STATEMENT OF NET POSITION As of December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,553,967
Receivables	
Accounts	74,559
Due from other governments	600,289
Prepaid items	320,592
Capital Assets	
Construction in progress	2,116,045
Leasehold improvements	293,250
Machinery and equipment	543,810
Intangibles	450,000
Less: Accumulated depreciation	<u>(1,131,887)</u>
Total Assets	<u>4,820,625</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	6,326,423
OPEB related amounts - health	202,424
OPEB related amounts - life	<u>65,010</u>
Total Deferred Outflows of Resources	<u>6,593,857</u>
LIABILITIES	
Accounts payable	267,797
Accrued liabilities	18,133
Due to other governments	2,126,968
Noncurrent Liabilities	
Due within one year	1,304,982
Due in more than one year	5,198,267
OPEB liability - health	1,577,296
OPEB liability - life	378,648
Net pension liability	<u>2,150,141</u>
Total Liabilities	<u>13,022,232</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	3,198,168
OPEB related amounts - health	1,916
OPEB related amounts - life	<u>102,215</u>
Total Deferred Inflows of Resources	<u>3,302,299</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	297,456
Restricted for	
Special programs per regulation	436,013
Unrestricted (deficit)	<u>(5,643,518)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (4,910,049)</u>

See accompanying notes to financial statements.

PUBLIC HEALTH - MADISON AND DANE COUNTY

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Health and human services	\$ 19,138,723	\$ 3,236,638	\$ 14,451,295	\$ (1,450,790)
Interest and fiscal charges	<u>77,454</u>	<u>-</u>	<u>-</u>	<u>(77,454)</u>
Total Governmental Activities	<u>\$ 19,216,177</u>	<u>\$ 3,236,638</u>	<u>\$ 14,451,295</u>	
		Change in net position		(1,528,244)
		NET POSITION (Deficit) - Beginning of Year		<u>(3,381,805)</u>
		NET POSITION (DEFICIT) - END OF YEAR		<u>\$ (4,910,049)</u>

See accompanying notes to financial statements.

PUBLIC HEALTH - MADISON AND DANE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 1,553,967
Receivables	
Accounts	74,559
Due from other governments	600,289
Prepaid items	<u>320,592</u>
TOTAL ASSETS	<u>\$ 2,549,407</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 267,797
Due to other governments	<u>2,126,968</u>
Total Liabilities	<u>2,394,765</u>
Deferred Inflows of Resources	
Unavailable revenues	<u>292,722</u>
Total Deferred Inflows of Resources	<u>292,722</u>
Fund Balances (Deficit)	
Nonspendable - prepaid items	320,592
Committed for special programs	436,013
Unassigned (deficit)	<u>(894,685)</u>
Total Fund Balances (Deficit)	<u>(138,080)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,549,407</u>

See accompanying notes to financial statements.

PUBLIC HEALTH - MADISON AND DANE COUNTY

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

Total Fund Balances (Deficit) - Governmental Fund	\$ (138,080)
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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.

Leasehold improvements	293,250
Machinery and equipment	543,810
Intangibles	450,000
Construction in progress	2,116,045
Less: Accumulated depreciation	(1,131,887)

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.

292,722

The net pension liability does not relate to current financial resources and is not reported in the governmental funds.

(2,150,141)

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

6,326,423

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

(3,198,168)

The OPEB liability does not relate to current financial resources and is not reported in the governmental funds.

(1,955,944)

Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.

267,434

Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.

(104,131)

Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds and notes payable	(2,054,828)
Compensated absences	(4,448,421)
Accrued interest	(18,133)

NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES

\$ (4,910,049)

See accompanying notes to financial statements.

PUBLIC HEALTH - MADISON AND DANE COUNTY

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

For the Year Ended December 31, 2019

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 14,325,365
Public charges for services	3,195,927
Intergovernmental charges for services	40,711
Miscellaneous revenues	<u>95,379</u>
Total Revenues	<u>17,657,382</u>
EXPENDITURES	
Current	
Health and human services	20,081,173
Debt Service	
Principal	288,397
Interest and fiscal charges	<u>77,489</u>
Total Expenditures	<u>20,447,059</u>
Excess (deficiency) of revenues over expenditures	<u>(2,789,677)</u>
OTHER FINANCING SOURCES	
Debt issued	<u>29,399</u>
Total Other Financing Sources	<u>29,399</u>
Net Change in Fund Balance	(2,760,278)
FUND BALANCE - Beginning of Year	<u>2,622,198</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u><u>\$ (138,080)</u></u>

See accompanying notes to financial statements.

PUBLIC HEALTH - MADISON AND DANE COUNTY

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

Net change in fund balances - total governmental funds	\$	(2,760,278)
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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.

Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements		1,564,101
Depreciation is reported in the government-wide financial statements		(54,823)
Net book value of assets retired		(5,850)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		30,551
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt issued		(29,399)
Principal repaid		288,397

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		277,861
Other postemployment benefits		(42,442)
Accrued interest on debt		35
Net pension asset/liability		(3,907,175)
Deferred outflows of resources related to pensions		3,016,428
Deferred inflows of resources related to pensions		122,944
Deferred outflows of resources related to OPEB		65,960
Deferred inflows of resources related to OPEB		(94,554)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(1,528,244)</u>
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PUBLIC HEALTH - MADISON AND DANE COUNTY

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PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Public Health - Madison and Dane County, Wisconsin ("department") conform to accounting principles generally accepted in the United States of America 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).

A. REPORTING ENTITY

This report includes all of the funds of the department. The reporting entity for the department 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 department has not identified any organizations that meet this criteria.

B. 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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 department 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 department are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

The department reports the following major governmental fund:

General Fund - accounts for the department's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

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 department considers revenues to be available if they are collected within 60 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.

Intergovernmental aids and grants are recognized as revenues in the period the department is entitled the resources and the amounts are available. Amounts owed to the department 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 recorded as deferred inflows.

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

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. 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.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The City of Madison, the fiscal agent for the department, has adopted an investment policy which includes the department. That policy contains the following guidelines for allowable investments: obligations of the U.S. Government; obligations of U.S. Government agencies; time deposits (defined as savings accounts or certificates of deposits); and repurchase agreements with a public depository, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the U.S. Government.

Custodial Credit Risk

The city's investment policy states that funds in excess of insured or guaranteed limits be secured by some form of collateral. The fair market value of all collateral pledged will not be less than 110% of the amount of public funds to be secured at each institution.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note II. A. for further information.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Prepaid Items

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.

3. 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 \$5,000 for general capital 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 capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Leasehold improvements	20 Years
Machinery and Equipment	10 Years
Intangibles	5 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

4. 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.

5. 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. Vested vacation pay and comp time are also recorded as a liability.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Compensated Absences (cont.)

All vested vacation and sick leave pay is accrued when incurred in the government-wide 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, 2019, are determined on the basis of current salary rates and include salary related payments.

6. 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 obligations consist primarily of notes 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) are reported as other financing sources and payments of principal and interest are reported as expenditures.

7. Deferred Inflows of Resources

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

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. 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/amortization 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 positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund 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 department. 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 department that originally created the commitment.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The department has not adopted specific financial policies regarding assigned fund balances, however, financial managers have authority to assign fund balances for specific purposes. 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.

The department considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the department would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note II. E. for further information.

9. 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.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the department 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.

NOTE II - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The department's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Associated Risks</u>
Deposits	\$ 1,553,617	Custodial credit
Petty cash	<u>350</u>	N/A
Total Deposits and Investments	<u>\$ 1,553,967</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 accounts (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 deposit accounts.

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 not been considered in computing custodial credit risk.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

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

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

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied 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>
Unavailable intergovernmental payments that were received after the availability period	\$ 292,722
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 292,722</u>

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, 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				
Construction in progress	\$ 551,944	\$ 1,564,101	\$ -	\$ 2,116,045
Total Capital Assets Not Being Depreciated/Amortized	<u>551,944</u>	<u>1,564,101</u>	<u>-</u>	<u>2,116,045</u>

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities (cont.)				
Capital assets being depreciated/amortized				
Leasehold improvements	\$ 305,368	\$ -	\$ 12,118	\$ 293,250
Machinery and equipment	659,126	-	115,316	543,810
Intangibles	<u>478,857</u>	<u>-</u>	<u>28,857</u>	<u>450,000</u>
Total Capital Assets Being Depreciated/Amortized	<u>1,443,351</u>	<u>-</u>	<u>156,291</u>	<u>1,287,060</u>
Total Capital Assets	<u>1,995,295</u>	<u>1,564,101</u>	<u>156,291</u>	<u>3,403,105</u>
Less: Accumulated depreciation/amortization for				
Leasehold improvements	(225,523)	(20,279)	6,268	(239,534)
Machinery and equipment	(523,125)	(34,544)	115,316	(442,353)
Intangibles	<u>(478,857)</u>	<u>-</u>	<u>28,857</u>	<u>(450,000)</u>
Total Accumulated Depreciation/Amortization	<u>(1,227,505)</u>	<u>(54,823)</u>	<u>150,441</u>	<u>(1,131,887)</u>
Net Capital Assets Being Depreciated/Amortized	<u>215,846</u>	<u>(54,823)</u>	<u>5,850</u>	<u>155,173</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	<u>\$ 767,790</u>	<u>\$ 1,509,278</u>	<u>\$ 5,850</u>	<u>\$ 2,271,218</u>

D. LONG-TERM OBLIGATIONS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
Other long-term liabilities	\$ 2,313,826	\$ 29,399	\$ 288,397	\$ 2,054,828	\$ 284,073
Other Liabilities					
Vested compensated absences	<u>4,726,282</u>	<u>618,917</u>	<u>896,778</u>	<u>4,448,421</u>	<u>1,020,909</u>
Total Other Liabilities	<u>4,726,282</u>	<u>618,917</u>	<u>896,778</u>	<u>4,448,421</u>	<u>1,020,909</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 7,040,108</u>	<u>\$ 648,316</u>	<u>\$ 1,185,175</u>	<u>\$ 6,503,249</u>	<u>\$ 1,304,982</u>

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

D. LONG-TERM OBLIGATIONS (cont.)

Other Long-Term Liabilities

The department's other long-term liabilities consist of general obligation debt issued by the City of Madison. The department's repayment schedule to the city equals the city's debt repayment schedule. Information on this debt is included below.

Other long-term liabilities at December 31, 2018 consist of the following:

Governmental Activities					Balance
Other Long-Term Liabilities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2019
2010 City of Madison Build America notes	10/01/2010	10/01/2020	2.00 - 3.75%	\$ 147,000	\$ 24,471
2011 City of Madison notes	10/01/2011	10/01/2021	3.00 - 5.00%	70,000	13,999
2012 City of Madison notes	10/01/2012	10/01/2022	2.00 - 4.00%	142,900	42,865
2013 City of Madison notes	10/01/2010	10/01/2023	2.00 - 3.40%	99,000	39,590
2014 City of Madison notes	10/01/2010	10/01/2024	2.00 - 5.00%	84,720	42,131
2016 City of Madison notes	10/01/2011	10/01/2026	2.00 - 4.00%	348,401	209,994
2017 City of Madison notes	10/01/2012	10/01/2027	2.15 - 4.00%	305,000	244,000
2018 City of Madison notes	10/01/2013	10/01/2028	3.00 - 4.00%	1,564,929	1,408,379
2019 City of Madison notes	10/17/2019	10/01/2029	2.25 - 3.00%	29,399	<u>29,399</u>
Total Governmental Activities Other Long-Term Liabilities					<u>\$ 2,054,828</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Other Long-Term Liabilities	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 284,073	\$ 72,884
2021	259,602	61,952
2022	252,603	52,256
2023	238,221	42,295
2024	228,324	32,894
2025-2029	<u>792,005</u>	<u>55,390</u>
Totals	<u>\$ 2,054,828</u>	<u>\$ 317,671</u>

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

D. LONG-TERM OBLIGATIONS (cont.)

Lessee - Operating Leases

The department leases space with varying terms at several locations for operational purposes. Rental payments were made to related parties, Dane County and Madison CDA, in the amounts of \$143,291 and \$401,343, respectively. Total lease payments made in 2019 were \$668,973. Future noncancellable lease payments are as follows:

<u>Years</u>	
2020	\$ 431,259
2021	<u>359,393</u>
 Totals	 <u>\$ 790,652</u>

E. NET POSITION/FUND BALANCES

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

Governmental Activities

Net Investment in Capital Assets	
Construction in progress	\$ 2,116,045
Other capital assets, net of accumulated depreciation/amortization	155,173
Less: Long-term capital debt outstanding	(2,054,828)
Plus: Unspent capital related debt proceeds	<u>81,066</u>
Total Net Investment in Capital Assets	<u>297,456</u>
 Restricted	
Special programs per regulation	<u>436,013</u>
Total Restricted	<u>436,013</u>
 Unrestricted (deficit)	 <u>(5,643,518)</u>
 Total Governmental Activities Net Position (Deficit)	 <u>\$ (4,910,049)</u>

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	40
2018	2.4	17.0

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 on 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 \$641,955 in contributions from the department.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the department reported a liability of \$2,150,141 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The department's proportion of the net pension liability was based on the department's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the department's proportion was 0.06043653%, which was an increase of 0.00135266% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the department recognized pension expense of \$1,409,758.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,697,653	\$ 3,169,410
Changes in assumptions	432,005	-
Net differences between projected and actual earnings on pension plan investments	3,516,518	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	28,758
Employer contributions subsequent to the measurement date	<u>680,247</u>	<u>-</u>
Totals	<u>\$ 6,326,423</u>	<u>\$ 3,198,168</u>

\$680,247 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. 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>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ 880,948
2021	218,628
2022	390,311
2023	958,121

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age 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. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	5.0
International Equities	30	7.8	5.9
Total Variable Fund	100	7.9	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

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

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Department's proportionate share of the net pension liability / (asset)	\$8,544,886	\$2,150,141	\$(2,604,848)

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

At December 31, 2019, the department reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The department is covered by the City of Madison's and the County of Dane's insurance policies. Refer to the City's and County's financial statements for more information.

C. COMMITMENTS AND CONTINGENCIES

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

From time to time, the department 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 department attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the department's financial position or results of operations.

The department 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.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

Health Insurance Benefits

Employees of the department are employed by the County of Dane. Refer to the financial statements of the county for details on other post employment benefits.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	19
Active plan members	<u>126</u>
	<u><u>145</u></u>

TOTAL OPEB LIABILITY

The department's total OPEB liability of \$1,577,296 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019.

CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Balances at December 31, 2018	\$ <u>1,416,354</u>
Changes for the year:	
Service cost	123,009
Interest	56,998
Differences between expected and actual experience	10,336
Changes in assumptions or other inputs	81,295
Benefit payments	<u>(110,696)</u>
Net changes	<u>160,942</u>
Balances at December 31, 2019	\$ <u><u>1,577,296</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the department, as well as what the department's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.11 percent) or 1-percentage-point higher (5.11 percent) than the current discount rate:

	<u>1% Decrease (3.11%)</u>	<u>Discount Rate (4.11%)</u>	<u>1% Increase (5.11%)</u>
Net OPEB liability	\$ 1,675,475	\$ 1,577,296	\$ 1,481,919

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the department, as well as what the department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% Decreasing to 5.0%)	1% Increase (8.5% Decreasing to 6.0%)
Net OPEB liability	\$ 1,390,866	\$ 1,577,296	\$ 1,798,019

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2019, the department recognized OPEB expense of \$215,374.

At December 31, 2019, the department 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 and actual experience	\$ 131,291	\$ -
Changes of assumptions or other inputs	71,133	1,916
Total	<u>\$ 202,424</u>	<u>\$ 1,916</u>

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

Year Ended December 31:

2019	\$ 31,508
2020	31,508
2021	31,508
2022	31,508
2023	31,508
Thereafter	42,968

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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.

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

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 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.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

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

**Life Insurance Employee Contribution Rates For
the Plan Year**

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

During the reporting period, the LRLIF recognized \$2,883 in contributions from the employer.

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

At December 31, 2019, the department reported a liability of \$378,648 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The department's proportion of the net OPEB liability was based on the department's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the department's proportion was 0.14963837%, which was an increase of 0.00353666% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the department recognized OPEB expense of \$(26,563).

At December 31, 2019, the department 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	\$ -	\$ 20,139
Net differences between projected and actual earnings on OPEB plan investments	9,810	-
Changes in assumptions	42,515	82,076
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,044	-
Employer contributions subsequent to the measurement date	2,641	-
Total	\$ 65,010	\$ 102,215

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

\$2,641 reported as deferred outflows 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2018	\$ (5,017)
2019	(5,017)
2020	(5,017)
2021	(6,110)
2022	(7,235)
Thereafter	(11,450)

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

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return:	5.0%
Discount Rate:	4.22%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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, 2018**

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

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

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
Department's proportionate share of the net OPEB liability	\$538,652	\$378,648	\$255,241

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

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 91, *Conduit Debt Obligations*

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

PUBLIC HEALTH - MADISON AND DANE COUNTY

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 13,916,349	\$ 14,856,563	\$ 14,325,365	\$ (531,198)
Public charges for services	3,292,433	3,313,433	3,195,927	(117,506)
Intergovernmental charges for services	104,863	83,863	40,711	(43,152)
Miscellaneous revenues	-	57,195	95,379	38,184
Total Revenues	<u>17,313,645</u>	<u>18,311,054</u>	<u>17,657,382</u>	<u>(653,672)</u>
EXPENDITURES				
Current				
Health and human services	17,852,732	21,433,812	20,081,173	1,352,639
Debt Service				
Principal	155,683	288,408	288,397	11
Interest and fiscal charges	27,464	77,489	77,489	-
Total Expenditures	<u>18,035,879</u>	<u>21,799,709</u>	<u>20,447,059</u>	<u>1,352,650</u>
Excess (deficiency) of revenues over expenditures	<u>(722,234)</u>	<u>(3,488,655)</u>	<u>(2,789,677)</u>	<u>698,978</u>
OTHER FINANCING SOURCES				
Debt issued	-	1,626,354	29,399	(1,596,955)
Total Other Financing Sources	<u>-</u>	<u>1,626,354</u>	<u>29,399</u>	<u>(1,596,955)</u>
Net Change in Fund Balance	(722,234)	(1,862,301)	(2,760,278)	(897,977)
FUND BALANCE - Beginning of Year	<u>2,622,198</u>	<u>2,622,198</u>	<u>2,622,198</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 1,899,964</u>	<u>\$ 759,897</u>	<u>\$ (138,080)</u>	<u>\$ (897,977)</u>

See accompanying notes to required supplementary information.

PUBLIC HEALTH - MADISON AND DANE COUNTY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	0.06043650%	\$ 2,150,141	\$ 9,581,418	26.05%	96.45%
12/31/18	0.05917695%	(1,757,034)	9,219,471	19.06%	102.93%
12/31/17	0.06065925%	499,977	8,052,937	6.21%	99.12%
12/31/16	0.06393689%	1,038,962	8,286,613	12.54%	98.20%
12/31/15	0.06337564%	(1,556,679)	9,269,634	16.79%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 680,247	\$ 680,247	\$ -	\$ 10,385,450	6.55%
12/31/18	641,955	641,955	-	9,581,418	6.70%
12/31/17	626,924	626,924	-	9,219,471	6.80%
12/31/16	587,706	587,706	-	8,604,770	6.83%
12/31/15	614,386	614,386	-	9,035,091	6.80%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET LIFE INSURANCE OPEB LIABILITY
LOCAL RETIREE LIFE INSURANCE FUND
For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/19	0.14963837%	\$ 378,648	\$ 6,321,622	5.37%	48.69%
12/31/18	0.16524233%	497,148	6,948,952	7.15%	44.81%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - LOCAL RETIREE LIFE INSURANCE FUND
For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 2,641	\$ 2,641	\$ -	\$ 7,346,185	0.04%
12/31/18	2,883	2,883	-	7,363,101	0.04%

See accompanying notes to the required supplementary information.

PUBLIC HEALTH - MADISON AND DANE COUNTY

SCHEDULE OF CHANGES IN EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE
December 31, 2019

	Fiscal Year Ending	
	2018	2019
Total OPEB Liability		
Service cost	\$ 116,450	\$ 123,009
Interest	43,045	56,998
Changes of benefit terms	-	
Differences between expected and actual experience	162,689	10,336
Changes of assumptions	(2,635)	81,295
Benefit payments	<u>(75,167)</u>	<u>(110,696)</u>
Net Change in Total OPEB Liability	244,382	160,942
Total OPEB Liability - Beginning	<u>1,171,972</u>	<u>1,416,354</u>
Total OPEB Liability - Ending	<u>\$ 1,416,354</u>	<u>\$ 1,577,296</u>
Covered-employee payroll	\$ 8,963,671	\$ 9,250,508
Total OPEB liability as a percentage of covered-employee payroll	15.80%	17.05%

Notes to Schedule:

Valuation date:

January 1, 2019 with results actuarially projected on a "no gain / no loss" basis to get to the December 31, 2019 measurement date. Liabilities as of January 1, 2019 are based on an actuarial valuation date of January 1, 2019 with no adjustments.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Average remaining member service life
Amortization period	8 years
Asset valuation method	N/A
Inflation	2.70 percent
Healthcare cost trend rates	7.5 percent initial, decreasing to an ultimate rate of 5.0 percent
Salary increases	3.20 percent average, including inflation
Investment rate of return	N/A
Retirement age	Based upon rates from the December 31, 2016 actuarial valuation for the Wisconsin Retirement System (WRS)
Mortality	Assumed life expectancies were based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2017 mortality improvements backed out.

Benefit changes. There were no changes to the benefits.

Changes in assumptions. The discount rate changed from 4.11% to 3.26%.

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

PUBLIC HEALTH - MADISON AND DANE COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

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 I. C.

The budgeted amounts presented include any amendments made. The director 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.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

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

The department is required to present the last ten 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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

LOCAL RETIREE LIFE INSURANCE FUND

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

The department is required to present the last ten 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 LRLIF.

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

SUPPLEMENTARY INFORMATION

PUBLIC HEALTH - MADISON AND DANE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Grantor's Number	Expenditures	Payments to Subrecipients
FEDERAL AWARDS					
U.S. Department of Agriculture					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557				
Special Supplemental Nutrition Program for Women, Infants, and Children		WI DHS	960-154710	\$ 954,107	\$ -
Women, Infants, and Children Outreach		WI DHS	960-154746	<u>25,197</u>	<u>-</u>
Total - Special Supplemental Nutrition Program for Women, Infants, and Children grants				<u>979,304</u>	<u>-</u>
WIC Grants To States (WGS)	10.578	WI DHS	960-154740	<u>6,832</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>986,136</u>	<u>-</u>
U.S. Environmental Protection Agency					
State Indoor Radon Grants	66.032	WI DHS	960-150321	<u>11,570</u>	<u>-</u>
Total U.S. Environmental Protection Agency				<u>11,570</u>	<u>-</u>
U.S. Department of Health and Human Services					
Public Health Emergency Preparedness	93.069				
Bioterrorism Focus A Planning (July 1, 2018 to June 30, 2019)		WI DHS	960-155015	161,024	-
Bioterrorism Focus A Planning (July 1, 2019 to June 30, 2020)		WI DHS	060-155015	81,169	-
Bioterrorism Preparedness (July 1, 2018 to June 30, 2019)		WI DHS	960-155050	<u>4,399</u>	<u>-</u>
Total - Public Health Emergency Preparedness				<u>246,592</u>	<u>-</u>
Injury Prevention and Control Research and State and Community Based Programs	93.136				
Opioid RX Pathway project (09/01/2018 - 08/31/2019)		WI DHS	960-150211	109,301	109,301
Overdose Facility Review		WI DOJ	2019PD-01-14888	<u>24,000</u>	<u>-</u>
Total - Injury Prevention and Control Research and State and Community Based Programs				<u>133,301</u>	<u>109,301</u>
Prevention and Public Health Fund (Affordable Care Act) - Immunization Program	93.268				
Consolidated Contracts Immunization Program		WI DHS	960-155020	<u>95,422</u>	<u>-</u>
Public Health Crisis Response Awards	93.354				
Public Health Crisis Response		WI DHS	960-155129	4,591	-
Public Health Opioid Response		WI DHS	960-155131	<u>25,409</u>	<u>-</u>
Total - Public Health Crisis Response Awards				<u>30,000</u>	<u>-</u>
TANF Cluster					
Temporary Assistance for Needy Families	93.558				
OTH - Family Foundations Comprehensive Home Visitation Program		WI DCF	1008	<u>101,490</u>	<u>-</u>
Total - TANF Cluster				<u>101,490</u>	<u>-</u>

PUBLIC HEALTH - MADISON AND DANE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Grantor's Number	Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services (cont.)					
Community Conversations Mini-Grant	93.758	N/A	N/A	\$ 4,117	\$ -
Medicaid Cluster					
Medical Assistance Program	93.778				
WH/FP RH 20.435(1)(EV)		WI DHS	960-159322	3,084	-
				<u>3,084</u>	<u>-</u>
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870				
OTH - Family Foundations Comprehensive Home Visitation Program		WI DCF	1008	153,607	-
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.898				
WWWP-NBCCEDP (7/1/2018 - 6/30/2019)		WI DHS	960-157120	3,901	-
WWWP-NBCCEDP (7/1/2019 - 6/30/2020)		WI DHS	060-157120	2,916	-
				<u>6,817</u>	<u>-</u>
HIV Prevention Activities - Health Department Based	93.940				
HIV Prevention PS & Linkages		WI DHS	960-155957	115,625	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.991				
Consolidated Contracts Preventive Health and Health Services		WI DHS	960-159220	36,449	-
Maternal and Child Health Services Block Grant to the States	93.994				
Consolidated Contracts Maternal and Child Health		WI DHS	960-159320	189,934	-
Total U.S. Department of Health and Human Services				<u>1,116,438</u>	<u>109,301</u>
 TOTAL FEDERAL AWARDS				 <u>\$ 2,114,144</u>	 <u>\$ 109,301</u>

PUBLIC HEALTH - MADISON AND DANE COUNTY

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended December 31, 2019

State Grantor/Program Title	State ID Number	Direct Grant Number	Expenditures	Payments to Subrecipients
STATE AWARDS				
Wisconsin Department of Health Services				
WIC Farmers Market	435.154720	960-154720	\$ 6,414	\$ -
Comm Disease Ctrl & Prev	435.155800	960-155800	25,600	-
Well Woman GPR (7/1/2018- 6/30/2019)	435.157010	960-157010	49,913	-
Well Woman GPR (7/1/2019- 6/30/2020)	435.157010	060-157010	84,679	-
Total - Well Woman GPR			<u>134,592</u>	<u>-</u>
Childhood Lead	435.157720	960-157720	29,114	-
HIV PREV PS & LINKAGES	435.155957	960-155957	57,156	-
WH/FP RH 20.435(1)(EV)	435.159322	960-159322	3,084	-
TPCP-WIS-WINS (1/1/2019-6/30/2019)	435.181004	960-181004	5,481	-
TPCP-WIS-WINS (7/1/2019-6/30/2020)	435.181004	060-181004	13,165	-
Total - TPCP-WIS-WINS			<u>18,646</u>	<u>-</u>
TPCP-COM INTRVNTNS-LHD (1/1/2019-6/30/2019)	435.181010	960-181010	65,764	-
TPCP-COM INTRVNTNS-LHD (7/1/2019-6/30/2020)	435.181010	060-181010	82,183	-
Total - TPCP-COM INTRVNTNS-LHD			<u>147,947</u>	<u>-</u>
Total Wisconsin Department of Health Services			<u>422,553</u>	<u>-</u>
Wisconsin Department of Children and Families				
OTH - Family Foundations Comprehensive Home Visitation Program	437.1008	1008	19,201	-
Total U.S. Wisconsin Department of Children and Families			<u>19,201</u>	<u>-</u>
TOTAL STATE AWARDS			<u>\$ 441,754</u>	<u>\$ -</u>

PUBLIC HEALTH – MADISON AND DANE COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes the federal and state award activity of Public Health – Madison and Dane County (“department”) under programs of the federal and state government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of the department, it is not intended to and does not present the financial position or changes in net position of the department.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

NOTE 3 – INDIRECT COST RATE

The department has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

NOTE 4 – CARS REPORT DATES

The Schedule of Expenditures of Federal and State Awards includes adjustments through the April 1, 2019 Community Aids Reporting System (CARS) report.

NOTE 5 – PASS-THROUGH AGENCIES

Federal funds were passed through the following agencies:

- WI DHS – Wisconsin Department of Health Services
- WI DCF – Wisconsin Department of Children and Families
- WI DOJ – Wisconsin Department of Justice

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

To the Board of Health
Public Health - Madison and Dane County
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of Public Health - Madison and Dane County ("department") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Public Health - Madison and Dane County's basic financial statements, and have issued our report thereon dated July 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Department's Response to Findings

The department's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The department's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 22, 2020

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE
STATE SINGLE AUDIT GUIDELINES

INDEPENDENT AUDITORS' REPORT

To the Board of Health
Public Health - Madison and Dane County
Madison, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

We have audited Public Health - Madison and Dane County's ("department") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the department's major federal and major state programs for the year ended December 31, 2019. The department's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the department's major federal and major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*. Those standards, the Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or a major state program occurred. An audit includes examining, on a test basis, evidence about the department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and major state program. However, our audit does not provide a legal determination of the department's compliance.

Opinion on Each Major Federal and Major State Program

In our opinion, the department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the department's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 22, 2020

PUBLIC HEALTH – MADISON AND DANE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2019

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *unmodified*

Internal control over financial reporting:

- > Material weakness (es) identified? X yes no
- > Significant deficiency (ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

FEDERAL OR STATE AWARDS

Internal control over major programs:

- | | Federal Programs | State Programs |
|--|--|--|
| > Material weakness (es) identified? | <u> </u> yes <u> X </u> no | <u> </u> yes <u> X </u> no |
| > Significant deficiency (ies) identified? | <u> </u> yes <u> X </u> none reported | <u> </u> yes <u> X </u> none reported |

Type of auditor's report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the *State Single Audit Guidelines*? yes X no

	Federal Programs	State Programs
Auditee qualified as low-risk auditee?	<u> </u> yes <u> X </u> no	<u> </u> yes <u> X </u> no

	Federal	State
Dollar threshold used to distinguish between type A and type B programs:	<u> \$750,000 </u>	<u> \$250,000 </u>

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children

PUBLIC HEALTH – MADISON AND DANE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2019

SECTION I – SUMMARY OF AUDITORS' RESULTS (cont.)

FEDERAL OR STATE AWARDS (cont.)

Identification of major state programs:

<u>CFDA Number</u>	<u>Name of State Program</u>
435.157010	Well Women GPR
435.181010	Tobacco Prevention and Control Program – Community Interventions

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The City of Madison has the fiduciary responsibilities over Public Health – Madison and Dane County (“department”). The financial statement finding below has been duplicated from the City of Madison’s single audit report.

FINDING 2019-001: INTERNAL CONTROL OVER FINANCIAL REPORTING

Repeat of Finding 2018-001

Criteria: Auditing standards contained in AU-C Sec. 265 state that the city should have internal control procedures that enable the preparation of financial statements by city personnel that are free from material errors.

Condition: Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of the city’s year-end financial reporting process and preparation of your financial statements, including the schedule of expenditures of federal and state awards. A properly designed system of internal control allows for the presentation of year-end financial data and financial statements without material errors. At this time, the city does not have internal controls in place that allow for the preparation of complete and accurate financial statements, including an independent review by someone other than the preparer, and material adjusting entries were found by the auditors.

Cause: Due to staffing constraints, the city relies on the auditors to prepare some financial statement disclosures. Errors in the general ledger and financial statements were not identified by city personnel.

Effect: The auditors assisted with the preparation of the annual financial statements and identified audit entries or changes to the city-prepared financial statements.

Recommendation: The city may consider and implement additional internal control procedures in order to prepare its year-end financial statements.

PUBLIC HEALTH – MADISON AND DANE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (cont.)

***FINDING 2019-001: INTERNAL CONTROL OVER FINANCIAL REPORTING* (cont.)**

Management's Response:

Finance Department staff prepared the entire 2019 Comprehensive Annual Report without any material misstatements, and has resolved the 2018 material weakness over financial reporting. However, staff did not prepare a complete set of financial statements for Public Health-Madison and Dane County, in their entirety, but did provide draft fund statements, conversion entries, and some footnote disclosures. Staff will continue into fiscal year 2020, to use third party software to map/build the PHMDC financial statements for next year's external audits. No material misstatements were identified during management's review process nor through external audit testing.

SECTION III – FEDERAL OR STATE AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

PUBLIC HEALTH – MADISON AND DANE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2019

SECTION IV – OTHER ISSUES

- 1. Does the auditor’s report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee’s ability to continue as a going concern? _____ yes X no

- 2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
 - Department of Health Services _____ yes X no
 - Department of Children and Families _____ yes X no
 - Department of Justice _____ yes X no

- 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? _____ yes X no

- 4. Name and signature of partner *Amanda Blomberg*
Amanda Blomberg, CPA, Firm Director

- 5. Date of report July 22, 2020

Public Health - Madison and Dane County

Opioid RX Pathway Project
Settlement of DHS Cost Reimbursement Award
For the Year Ended 12/31/2019

DHS identification number	CARS profile 150211
Award amount	\$ 109,301
Award period	09/01/2018 - 08/31/2019
Period of award within audit period	01/01/2019 - 08/31/2019
A. Expenditures reported to DHS for payment	\$ 109,301
B. Actual allowable cost of award	
Program expenses	
Wages	
Benefits	
Purchased Services	109,301
Supplies	
Capital Outlay	-
Total program expenses	\$ 109,301
Management and general expenses allocated to program	
Total management and general expenses allocated to program	\$ -
C. Less program revenue and other offsets to costs	\$ -
F. Total Allowable costs	<u>\$ 109,301</u>

Public Health - Madison and Dane County

WIC Total Grants
 Settlement of DHS Cost Reimbursement Award
 For the Year Ended 12/31/2019

DHS identification number	CARS profile 154710
Award amount	\$ 954,107
Award period	01/01/19 - 12/31/19
Period of award within audit period	01/01/19 - 12/31/19
A. Expenditures reported to DHS for payment	\$ 954,107
B. Actual allowable cost of award	
Program expenses	
Wages	541,831
Benefits	292,289
Purchased Services	115,785
Supplies	4,202
Capital Outlay	<u>-</u>
Total program expenses	\$ 954,107
Management and general expenses allocated to program	
Total management and general expenses allocated to program	\$ -
C. Less program revenue and other offsets to costs	\$ -
F. Total Allowable costs	\$ <u>954,107</u>

Public Health - Madison and Dane County

BIOT Focus A Planning
Settlement of DHS Cost Reimbursement Award
For the Year Ended 12/31/2019

DHS identification number	CARS profile 155015	CARS profile 155015
Award amount	\$ 236,845	\$ 242,590
Award period	07/01/2018 - 06/30/2019	07/01/2019 - 06/30/2020
Period of award within audit period	01/01/2019 - 06/30/2019	07/01/2019 - 12/31/2019
A. Expenditures reported to DHS for payment	\$ 161,024	\$ 81,169
B. Actual allowable cost of award		
Program expenses		
Wages	48,874	51,409
Benefits	23,603	18,465
Purchased Services	67,244	8,649
Supplies	21,303	2,646
Capital Outlay	-	-
Total program expenses	\$ 161,024	\$ 81,169
Management and general expenses allocated to program		
Total management and general expenses allocated to program	\$ -	\$ -
C. Less program revenue and other offsets to costs	\$ -	\$ -
F. Total Allowable costs	<u>\$ 161,024</u>	<u>\$ 81,169</u>

Public Health - Madison and Dane County

HIV Prevention PS & Linkages
Settlement of DHS Cost Reimbursement Award
For the Year Ended 12/31/2019

DHS identification number	CARS profile 155957
Award amount	\$ 175,000
Award period	01/01/2019 - 12/31/2019
Period of award within audit period	01/01/2019 - 12/31/2019
A. Expenditures reported to DHS for payment	\$ 172,781
B. Actual allowable cost of award	
Program expenses	
Wages	64,156
Benefits	20,531
Purchased Services	9,358
Supplies	78,736
Capital Outlay	-
Total program expenses	\$ 172,781
Management and general expenses allocated to program	
Total management and general expenses allocated to program	\$ -
C. Less program revenue and other offsets to costs	\$ -
F. Total Allowable costs	\$ 172,781

Public Health - Madison and Dane County

Well Woman GPR
Settlement of DHS Cost Reimbursement Award
For the Year Ended 12/31/2019

DHS identification number	CARS profile 157010	CARS profile 157010
Award amount	\$ 126,975	\$ 126,975
Award period	07/01/18 - 06/30/19	07/01/19 - 06/30/20
Period of award within audit period	01/01/19 - 06/30/19	07/01/19 - 12/31/19
A. Expenditures reported to DHS for payment	\$ 49,913	\$ 84,679
B. Actual allowable cost of award		
Program expenses		
Wages	33,393	65,299
Benefits	16,520	19,380
Purchased Services	-	-
Supplies	-	-
Capital Outlay	-	-
Total program expenses	<u>\$ 49,913</u>	<u>\$ 84,679</u>
Management and general expenses allocated to program		
Total management and general expenses allocated to program	\$ -	\$ -
C. Less program revenue and other offsets to costs	<u>\$ -</u>	<u>\$ -</u>
F. Total Allowable costs	<u><u>\$ 49,913</u></u>	<u><u>\$ 84,679</u></u>

Public Health - Madison and Dane County

Maternal and Child Health Services Block Grant to the States
Settlement of DHS Cost Reimbursement Award
For the Year Ended 12/31/2019

DHS identification number	CARS profile 159320
Award amount	\$ 324,192
Award period	01/01/2019 - 12/31/2019
Period of award within audit period	01/01/2019 - 12/31/2019
A. Expenditures reported to DHS for payment	\$ 189,934
B. Actual allowable cost of award	
Program expenses	
Wages	75,666
Benefits	27,621
Purchased Services	68,918
Supplies	17,729
Capital Outlay	-
Total program expenses	\$ 189,934
Management and general expenses allocated to program	
Total management and general expenses allocated to program	\$ -
C. Less program revenue and other offsets to costs	\$ -
F. Total Allowable costs	<u>\$ 189,934</u>

Public Health - Madison and Dane County

TPCP-COM INTRVNTNS-LHD
Settlement of DHS Cost Reimbursement Award
For the Year Ended 12/31/2019

DHS identification number	CARS profile 181010	CARS profile 181010
Award amount	\$ 65,921	\$ 131,842
Award period	01/01/2019 - 06/30/2019	07/01/2019 - 06/30/2020
Period of award within audit period	01/01/2019 - 06/30/2019	07/01/2019 - 12/31/2019
A. Expenditures reported to DHS for payment	\$ 65,764	\$ 82,183
B. Actual allowable cost of award		
Program expenses		
Wages	41,041	56,937
Benefits	21,652	21,311
Purchased Services	2,705	3,346
Supplies	366	589
Capital Outlay	-	-
Total program expenses	\$ 65,764	\$ 82,183
Management and general expenses allocated to program		
Total management and general expenses allocated to program	\$ -	\$ -
C. Less program revenue and other offsets to costs	\$ -	\$ -
F. Total Allowable costs	<u>\$ 65,764</u>	<u>\$ 82,183</u>