

WASHBURN COUNTY, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

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INDEPENDENT AUDITORS' REPORT

County Board
Washburn County, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County, Wisconsin (County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Washburn County Industrial Development Agency, LTD., which statements represent 100% of assets, liabilities and net position as of June 30, 2023 and 100% of revenues and expenses for the year then ended, of the discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Washburn County Industrial Development Agency, LTD., is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter – Prior Period Adjustment

During the year ended December 31, 2023, as disclosed in Note 3.G to the financial statements, the County restated the beginning net position of the custodial funds to correct the reporting of the custodial fund activities. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information


Our audit for the year ended December 31, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements and schedules for the year ended December 31, 2023 are presented for purposes of additional analysis and are 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 for the year ended December 31, 2023, 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 GAAS. In our opinion, the individual and combining fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2023.

We also previously audited, in accordance with GAAS, the basic financial statements of the County as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated August 30, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The individual and combining fund statements and schedules for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The individual and combining fund statements and schedules have been subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the 2022 individual and combining fund statements and schedules are fairly stated in all

material respects in relation to the basic financial statements as a whole for the year ended December 31, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Rice Lake, Wisconsin
August 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

As management of Washburn County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Washburn County for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 14 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2023 include the following:

- The assets and deferred outflows of resources of Washburn County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$91,425,550 (net position). Of this amount, \$57,667,664 represented the County's net investment in capital assets, \$4,390,873 was held for restricted purposes, and \$29,367,013 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$1,296,801.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$28,208,204, a decrease of \$2,185,109 from the previous year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$7,145,701 or 46.7% of total general fund expenditures.
- The County had general obligation debt outstanding at December 31, 2023 totaling \$10,221,966 which is a decrease of \$1,122,416 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Washburn County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The two government-wide financial statements are designed to provide readers with a broad overview of Washburn County's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of Washburn County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements are designed to distinguish functions of Washburn County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. The County had no programs that were accounted for as business-type activities.

The government-wide financial statements can be found beginning on page 15 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Washburn County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Washburn County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the human services special revenue fund, the debt service fund, the capital improvements program capital projects fund, the government center capital projects fund and the forestry special revenue fund, all of which are considered to be major funds. Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Proprietary Funds. There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County had no activities accounted for in enterprise funds during the year. Washburn County uses internal service funds to account for its highway department operations and to allocate its copy machine costs. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 22 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statements can be found beginning on page 25 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 27 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund and major special revenue fund budgets as well as schedules related to pension and other postemployment benefits. Required supplementary information can be found beginning on page 66 of this report. The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 75 of this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Washburn County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$91,425,550 at the close of the most recent fiscal year. The largest portion of Washburn County's net position (63.1%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the County's statement of net position as of December 31, 2023 and 2022:

**Condensed Statement of Net Position
December 31, 2023 and 2022**

| | Governmental Activities | |
|----------------------------------|-------------------------|---------------|
| | 2023 | 2022 |
| Current Assets | \$ 48,556,608 | \$ 49,552,788 |
| Capital Assets | 68,992,263 | 66,700,395 |
| Other Noncurrent Assets | 851,832 | 5,756,698 |
| Total Assets | 118,400,703 | 122,009,881 |
| Deferred Outflows of Resources | 12,738,967 | 10,153,924 |
| Long-Term Debt Outstanding | 9,910,000 | 10,985,000 |
| Other Long-Term Obligations | 7,719,051 | 5,114,839 |
| Other Liabilities | 2,878,473 | 2,645,988 |
| Total Liabilities | 20,507,524 | 18,745,827 |
| Deferred Inflows of Resources | 19,206,596 | 23,289,229 |
| Net Position: | | |
| Net Investment in Capital Assets | 57,667,664 | 54,001,718 |
| Restricted | 4,645,840 | 9,606,766 |
| Unrestricted | 29,112,046 | 26,520,265 |
| Total Net Position | \$ 91,425,550 | \$ 90,128,749 |

An additional portion of Washburn County's net position (4.8%) represents resources that are subject to other restrictions on how they may be used. The remaining \$29,367,013 of total net position (3.1%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position increased \$1,296,801 during the current fiscal year.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

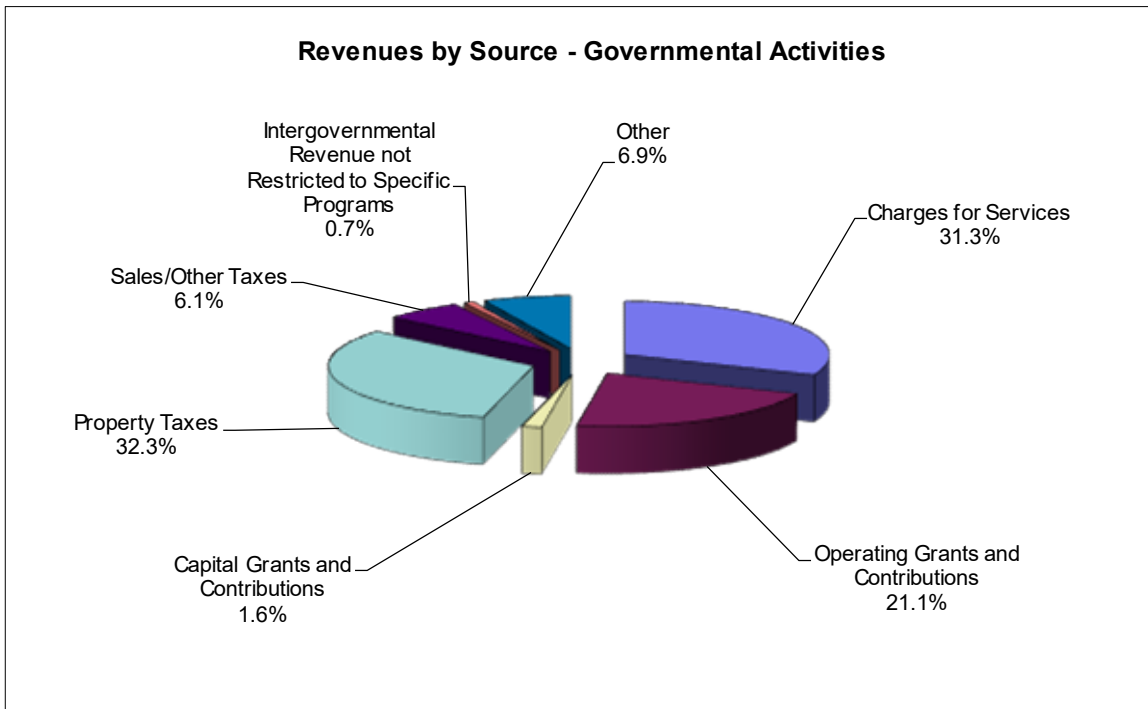
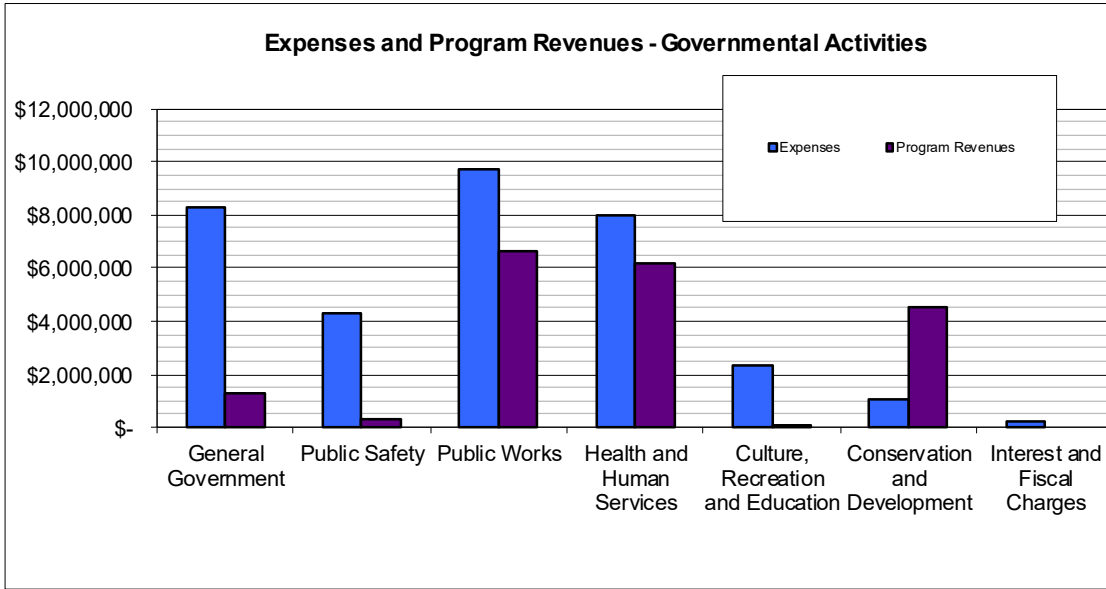
The following is a summary of the changes in the County's net position for the years ended December 31, 2023 and 2022:

**Condensed Statement of Changes in Net Position
December 31, 2023 and 2022**

| | Governmental Activities | |
|---|-------------------------|---------------------|
| | 2023 | 2022 |
| REVENUES | | |
| <u>Program Revenues</u> | | |
| Charges for Services | \$ 10,979,624 | \$ 11,762,851 |
| Operating Grants and Contributions | 7,417,883 | 7,766,144 |
| Capital Grants and Contributions | 547,398 | 140,030 |
| <u>General Revenues</u> | | |
| Property Taxes | 11,337,462 | 11,160,172 |
| Other Taxes | 2,156,778 | 2,242,689 |
| Grants and Contributions not Restricted for a Particular Purpose | 262,023 | 307,411 |
| Other | 2,474,863 | 1,091,424 |
| Total Revenues | 35,176,031 | 34,470,721 |
| EXPENSES | | |
| General Government | 8,277,124 | 6,359,638 |
| Public Safety | 4,266,328 | 4,273,335 |
| Public Works | 9,698,587 | 10,333,019 |
| Health and Human Services | 7,956,322 | 7,446,734 |
| Culture and Recreation | 2,366,940 | 1,898,654 |
| Conservation and Development | 1,056,271 | 1,225,178 |
| Interest and Fiscal Charges | 257,658 | 277,689 |
| Total Expenses | 33,879,230 | 31,814,247 |
| CHANGE IN NET POSITION | \$ 1,296,801 | \$ 2,656,474 |

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

A review of the statement of activities can provide a concise picture of how the various functions/programs of Washburn County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are property taxes (32.3%), operating grants/contributions (21.1%), and charges for services (31.3%).



**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

As noted earlier, Washburn County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information regarding near-term inflows, outflows, and balances of spendable resources. Such information can be useful in assessing Washburn County's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of December 31, 2023, the County's governmental funds reported combined ending fund balances of \$28,208,204, a decrease of \$2,185,109 from the previous year. The governmental funds comprising this balance are shown below:

| | Fund Balance at December 31, 2023 | | | | | Total | Change During Year |
|---|-----------------------------------|---------------------|----------------------|---------------------|---------------------|----------------------|-----------------------|
| | Nonspendable | Restricted | Committed | Assigned | Unassigned | | |
| Major Funds | | | | | | | |
| General Fund | \$ 1,298,469 | \$ 53 | \$ - | \$ 2,610,469 | \$ 7,145,701 | \$ 11,054,692 | \$ 852,008 |
| Human Services Fund | - | - | 2,436,328 | - | - | 2,436,328 | (192,850) |
| Debt Service Fund | - | 444,748 | - | - | - | 444,748 | (237,319) |
| Capital Improvement Program Fund | 819,338 | - | 5,581,647 | - | - | 6,400,985 | (1,066,775) |
| Government Center Capital Projects Fund | - | - | - | 281,948 | - | 281,948 | (18,077) |
| Forestry Fund | 62,864 | 556,624 | 311,588 | - | - | 931,076 | (1,311,777) |
| Nonmajor Funds | 2,040 | 2,973,338 | 3,692,868 | 50,592 | (60,411) | 6,658,427 | (210,319) |
| Total Fund Balances | <u>\$ 2,182,711</u> | <u>\$ 3,974,763</u> | <u>\$ 12,022,431</u> | <u>\$ 2,943,009</u> | <u>\$ 7,085,290</u> | <u>\$ 28,208,204</u> | <u>\$ (2,185,109)</u> |

Restrictions of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Commitments and assignments of fund balance generally represent tentative management plans that are subject to change. The balance of the unassigned fund balance is not for specific purposes.

The general fund is the primary operating fund used to account for the governmental operations of Washburn County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 72.3% of total general fund expenditures reported on the statement of revenues, expenditures, and changes in fund balances while the unassigned balance represented 46.7% of the same amount. The general fund's total fund balance increased \$852,008 during the year with the unassigned portion increasing by \$1,450,331.

The County's human services fund decreased \$192,850 in 2023. The primary factor in this decrease was an increase in expenditures.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The County's debt service fund reported a fund balance of \$444,748 at December 31, 2023 which represents a decrease of \$237,319 from the prior year.

The capital improvements program fund had a year-end fund balance of \$6,400,985. Project expenditures for the year were funded primarily through transfers from other funds and use of reserves.

The forestry fund ended the year with a fund balance \$931,076, a decrease of \$1,311,777.

The government center capital projects fund incurred \$18,077 of expenditures during the year as the County continues to spend down the resources accumulated for the new government center project.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds decreased \$210,319 during 2023 and had an accumulated fund balance of \$6,658,427 at year-end. These funds are individually detailed in the supplementary information section of this report.

Proprietary Funds

Washburn County's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The County had no activities accounted for in enterprise funds during the year.

The County had two internal service funds during 2023. The County accounts for operations of its highway department and copy machine costs in its internal service funds. Net position of the internal service funds totaled \$13,172,913 at December 31, 2023, a decrease of \$244,289 from the previous year. Of that amount, \$7,270,573 was invested in capital assets. The remaining net position totaling \$5,902,340 was unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2023 general fund budget was different than the original budget adopted by the County Board. The final budget reflects a projected decrease in the general fund balance during 2023 of \$1,825,066 while the actual amounts resulted in an increase in the fund balance totaling \$852,008. During 2023 the County sales tax came in at \$576,163 more than budgeted. Also contributing to the increase in fund balance was investment income exceeding budget by \$1,433,804. Partially offsetting these positive budgetary results were overages in public safety (\$461,550) and conservation and development (\$250,202) expenditures.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Washburn County's investment in capital assets for its governmental activities as of December 31, 2023 amounted to \$68,992,263 (net of accumulated depreciation) which was a net increase of \$2,291,868 from the prior year. This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and infrastructure.

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2023 and 2022**

| | Governmental Activities | |
|-------------------------------|-------------------------|----------------------|
| | 2023 | 2022 |
| Land and Land Rights | \$ 12,896,400 | \$ 12,896,400 |
| Gravel Pits and Quarries | 350,903 | 358,459 |
| Land Improvements | 1,690,433 | 1,228,654 |
| Buildings and Improvements | 18,957,154 | 17,667,967 |
| Machinery and Equipment | 10,073,890 | 8,183,288 |
| Right-to-Use Leased Assets | 63,835 | 87,493 |
| Highway Infrastructure | 23,821,290 | 23,817,631 |
| Construction Work in Progress | 1,138,358 | 2,460,503 |
| Total | <u>\$ 68,992,263</u> | <u>\$ 66,700,395</u> |

Additional information related to the County's capital assets is reported in Note 2.C following the financial statements.

Long-Term Obligations

At December 31, 2023, Washburn County had outstanding \$12,607,381 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations
December 31, 2023 and 2022**

| | Governmental Activities | | Percent Change |
|-------------------------------|-------------------------|----------------------|-------------------|
| | 2023 | 2022 | |
| Long-Term Debt: | | | |
| General Obligation Bonds | \$ 9,910,000 | \$ 10,985,000 | -9.8% |
| General Obligation Notes | 311,966 | 359,382 | -13.2 |
| Subtotal | <u>10,221,966</u> | <u>11,344,382</u> | -9.9 |
| Other Long-Term Obligations: | | | |
| Lease Liability | 66,498 | 89,143 | -25.4 |
| Financed Purchase Obligations | 865,338 | 1,062,364 | -18.5 |
| Premium on Debt Issuance Cost | 170,797 | 202,788 | -15.8 |
| Compensated Absences | 1,282,782 | 1,291,389 | -0.7 |
| Total | <u>\$ 12,607,381</u> | <u>\$ 13,990,066</u> | -9.9 |

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a county may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Washburn County outstanding at December 31, 2023 totaled \$10,221,966 approximately 5.0% of the maximum legal limit of \$202,516,465. Additional information on Washburn County's long-term debt is reported in Note 2.E following the financial statements.

CURRENTLY KNOWN FACTS

The State of Wisconsin has imposed further limits on the County's property taxes beginning with the 2006 budget year levy. Current legislation restricts the growth in the County's property taxes (except for debt service) to the amount of net new construction.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Washburn County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Washburn County Finance Department, P.O. Box 337, Shell Lake, Wisconsin 54871.

BASIC FINANCIAL STATEMENTS

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

| | <u>Primary Government</u> | <u>Component Unit Industrial Development Agency</u> |
|---|------------------------------------|---|
| | <u>Governmental Activities</u> | |
| ASSETS | | |
| Cash and Investments | \$ 29,257,492 | \$ 1,317,068 |
| Taxes Receivable | 12,227,485 | - |
| Accounts Receivable | 1,099,769 | - |
| Due from Other Governments | 3,092,136 | - |
| Prepaid Items and Other Assets | 2,879,726 | 1,313 |
| Long-Term Receivables | 851,832 | 636,533 |
| Capital Assets: | | |
| Capital Assets Not Being Depreciated | 14,034,758 | - |
| Capital Assets Being Depreciated | 147,682,616 | - |
| Accumulated Depreciation | <u>(92,725,111)</u> | <u>-</u> |
| Total Assets | 118,400,703 | 1,954,914 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Wisconsin Retirement System Pension Related | 12,288,579 | - |
| Single-Employer Other Postemployment Benefits Related | 79,114 | - |
| Multiple-Employer Other Postemployment Benefits Related | <u>371,274</u> | <u>-</u> |
| Total Deferred Outflows of Resources | 12,738,967 | - |
| LIABILITIES | | |
| Vouchers and Accounts Payable | 834,336 | - |
| Accrued Liabilities | 754,384 | - |
| Payroll Deductions | 626,691 | - |
| Accrued Interest Payable | 122,428 | 4,330 |
| Due to Other Governments | 76,363 | - |
| Unearned Revenue | 387,738 | - |
| Special Deposits | 76,533 | - |
| Long-Term Liabilities: | | |
| Amounts Due Within One Year | 2,305,265 | 27,508 |
| Amounts Due in More than One Year | 10,302,116 | 405,529 |
| Wisconsin Retirement System Pension Liability | 3,284,591 | - |
| Single-Employer Other Postemployment Benefits Liability | 970,629 | - |
| Multiple-Employer Other Postemployment Benefits Liability | <u>766,450</u> | <u>-</u> |
| Total Liabilities | 20,507,524 | 437,367 |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023**

| | <u>Primary Government</u> | <u>Component Unit Industrial Development Agency</u> |
|---|------------------------------------|---|
| | <u>Governmental Activities</u> | |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes for Subsequent Year | \$ 11,500,306 | \$ - |
| Wisconsin Retirement System Pension Related | 6,888,459 | - |
| Single-Employer Other Postemployment Benefits Related | 283,298 | - |
| Multiple-Employer Other Postemployment Benefits Related | 534,533 | - |
| | <u>19,206,596</u> | <u>-</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 57,667,664 | - |
| Restricted for: | | |
| Debt Service | 332,242 | - |
| Housing Loan Program | 922,126 | - |
| Environmental and Socioeconomic Impact | 1,104,005 | - |
| Impact Fee Financed Development | 948,090 | - |
| Solid Waste | 211,530 | - |
| County Trunk D | 367,098 | - |
| Forestry Operations | 556,624 | - |
| Other Purposes | 204,125 | - |
| Unrestricted | 29,112,046 | 1,517,547 |
| Total Net Position | <u>\$ 91,425,550</u> | <u>\$ 1,517,547</u> |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

| <u>Functions/Programs</u> | | | | | Net Revenue (Expense) and Changes in Net Position | |
|---|---------------|----------------------------|--|--|--|---|
| | Expenses | Program Revenues | | | Primary Government- Governmental Activities | Component Unit- Industrial Development Agency |
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | \$ 8,277,124 | \$ 571,423 | \$ 183,070 | \$ 504,954 | \$ (7,017,677) | \$ - |
| Public Safety | 4,266,328 | 192,522 | 95,489 | 7,308 | (3,971,009) | - |
| Public Works | 9,698,587 | 5,255,833 | 1,316,173 | 35,136 | (3,091,445) | - |
| Health and Human Services | 7,956,322 | 1,827,750 | 4,390,084 | - | (1,738,488) | - |
| Culture, Recreation, and Education | 2,366,940 | 160 | 50,000 | - | (2,316,780) | - |
| Conservation and Development | 1,056,271 | 3,131,936 | 1,383,067 | - | 3,458,732 | - |
| Interest and Fiscal Charges | 257,658 | - | - | - | (257,658) | - |
| Total Primary Government | \$ 33,879,230 | \$ 10,979,624 | \$ 7,417,883 | \$ 547,398 | (14,934,325) | - |
| Component Unit: | | | | | | |
| Industrial Development Agency | \$ 53,138 | \$ 31,444 | \$ - | \$ - | - | (21,694) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes, Levied for General Purposes | | | | | 11,337,462 | - |
| County Sales Taxes | | | | | 2,001,163 | - |
| Other Taxes | | | | | 155,615 | - |
| State and Federal Aids Not Restricted to Specific Functions | | | | | 262,023 | - |
| Interest and Investment Earnings | | | | | 1,862,156 | 42,260 |
| Gain on Sale of County Property | | | | | 298,435 | - |
| Miscellaneous | | | | | 314,272 | - |
| Total General Revenues | | | | | 16,231,126 | 42,260 |
| CHANGE IN NET POSITION | | | | | 1,296,801 | 20,566 |
| Net Position - Beginning of Year | | | | | 90,128,749 | 1,496,981 |
| NET POSITION - END OF YEAR | | | | | \$ 91,425,550 | \$ 1,517,547 |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

| | General Fund | Human Services Fund | Debt Service Fund | Capital Improvements Program Fund | Forestry Fund | Government Center Capital Projects Fund | Other Governmental Funds | Totals |
|--|----------------------|---------------------|---------------------|-----------------------------------|---------------------|---|--------------------------|----------------------|
| ASSETS | | | | | | | | |
| Treasurer's Cash and Investments | \$ 9,897,507 | \$ 2,062,001 | \$ 444,748 | \$ 5,941,587 | \$ 1,021,795 | \$ 281,948 | \$ 6,524,148 | \$ 26,173,734 |
| Taxes Receivable | 9,390,060 | 909,948 | 1,075,000 | - | - | - | 852,477 | 12,227,485 |
| Accounts Receivable | 204,289 | 1,634 | - | 21,583 | 347,895 | - | 170,263 | 745,664 |
| Due from Other Governmental Units | 334,629 | 630,438 | - | 418,805 | 497,157 | - | 284,798 | 2,165,827 |
| Due from Other Funds | 198,854 | - | - | - | - | - | - | 198,854 |
| Prepaid Items and Other Assets | 503,006 | - | - | - | 62,864 | - | 1,734 | 567,604 |
| Long-Term Receivables | 68,302 | - | - | - | - | - | 783,530 | 851,832 |
| Advances to Other Funds | - | - | - | 819,338 | - | - | - | 819,338 |
| Total Assets | \$ 20,596,647 | \$ 3,604,021 | \$ 1,519,748 | \$ 7,201,313 | \$ 1,929,711 | \$ 281,948 | \$ 8,616,950 | \$ 43,750,338 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | | | | |
| Liabilities: | | | | | | | | |
| Vouchers and Accounts Payable | \$ 289,763 | \$ 155,113 | \$ - | \$ 1,056 | \$ 55,673 | \$ - | \$ 162,839 | \$ 664,444 |
| Payroll Deductions | 205,360 | - | - | - | 421,331 | - | - | 626,691 |
| Accrued Liabilities | 291,308 | 102,632 | - | 9,913 | 74,855 | - | 92,896 | 571,604 |
| Due to Other Governmental Units | 75,148 | - | - | - | - | - | 1,215 | 76,363 |
| Due to Other Funds | - | - | - | 789,359 | - | - | 65,566 | 854,925 |
| Unearned Revenues | 17,495 | - | - | - | 370,243 | - | - | 387,738 |
| Special Deposits | - | - | - | - | 76,533 | - | - | 76,533 |
| Total Liabilities | 879,074 | 257,745 | - | 800,328 | 998,635 | - | 322,516 | 3,258,298 |
| Deferred Inflows of Resources: | | | | | | | | |
| Succeeding Year's Property Taxes | 8,662,881 | 909,948 | 1,075,000 | - | - | - | 852,477 | 11,500,306 |
| Unavailable Revenue - Loans Receivable | - | - | - | - | - | - | 783,530 | 783,530 |
| Total Deferred Inflows of Resources | 8,662,881 | 909,948 | 1,075,000 | - | - | - | 1,636,007 | 12,283,836 |
| Fund Balances: | | | | | | | | |
| Nonspendable | 1,298,469 | - | - | 819,338 | 62,864 | - | 2,040 | 2,182,711 |
| Restricted | 53 | - | 444,748 | - | 556,624 | - | 2,973,338 | 3,974,763 |
| Committed | - | 2,436,328 | - | 5,581,647 | 311,588 | - | 3,692,868 | 12,022,431 |
| Assigned | 2,610,469 | - | - | - | - | 281,948 | 50,592 | 2,943,009 |
| Unassigned | 7,145,701 | - | - | - | - | - | (60,411) | 7,085,290 |
| Total Fund Balances | 11,054,692 | 2,436,328 | 444,748 | 6,400,985 | 931,076 | 281,948 | 6,658,427 | 28,208,204 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 20,596,647 | \$ 3,604,021 | \$ 1,519,748 | \$ 7,201,313 | \$ 1,929,711 | \$ 281,948 | \$ 8,616,950 | \$ 43,750,338 |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Total Fund Balance - Governmental Fund \$ 28,208,204

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

| | | | |
|-------------------------------|----|---------------------|------------|
| Land | \$ | 12,406,618 | |
| Land Improvements | | 3,961,109 | |
| Buildings and Improvements | | 23,130,231 | |
| Machinery and Equipment | | 8,343,117 | |
| Vehicles | | 2,295,795 | |
| Right-to-Use Leased Asset | | 111,151 | |
| Infrastructure | | 88,313,483 | |
| Construction Work in Progress | | 1,138,358 | |
| Accumulated Depreciation | | <u>(78,843,510)</u> | 60,856,352 |

Pension and other postemployment benefit assets, liabilities and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

| | | | |
|--|--|--------------------|-----------|
| Wisconsin Retirement System Pension: | | | |
| Net Pension Liability | | (2,551,594) | |
| Deferred Outflows of Resources - Pension Related | | 9,546,233 | |
| Deferred Inflows of Resources - Pension Related | | <u>(5,351,215)</u> | 1,643,424 |
| Single-Employer Other Postemployment Benefits: | | | |
| Net OPEB Liability | | (797,490) | |
| Deferred Outflows of Resources - OPEB Related | | 65,002 | |
| Deferred Inflows of Resources - OPEB Related | | <u>(232,764)</u> | (965,252) |
| Multiple-Employer Other Postemployment Benefits: | | | |
| Net OPEB Liability | | (627,835) | |
| Deferred Outflows of Resources - OPEB Related | | 304,128 | |
| Deferred Inflows of Resources - OPEB Related | | <u>(437,861)</u> | (761,568) |

Some receivables are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

| | |
|---------------|---------|
| Housing Loans | 783,530 |
|---------------|---------|

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

| | | | |
|----------------------------------|--|----------------|--------------|
| Promissory Notes Payable | | 311,966 | |
| General Obligation Bonds Payable | | 9,910,000 | |
| Lease Liability | | 66,498 | |
| Accrued Interest Payable | | 112,506 | |
| Unamortized Bond Premium | | 170,797 | |
| Compensated Absences | | <u>940,286</u> | (11,512,053) |

The highway department internal service fund is used by County management to account for highway-related services provided by the department to the County and other governmental units. The assets and liabilities of the highway department internal service fund are reported in governmental activities. 13,141,039

The copy machine internal service fund is used by County's management to charge the costs of the copy machines to departments/functions. The assets and liabilities of the copy machine fund are also reported in governmental activities. 31,874

Net Position of Governmental Activities \$ 91,425,550

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

| | General Fund | Human Services Fund | Debt Service Fund | Capital Improvements Program Fund | Forestry Fund | Government Center Capital Projects Fund | Other Governmental Funds | Totals |
|--|----------------------|---------------------------|-------------------------|--|-------------------|--|--------------------------------|----------------------|
| REVENUES: | | | | | | | | |
| Taxes | \$ 10,953,120 | \$ 946,083 | \$ 1,075,000 | \$ - | \$ - | \$ - | \$ 691,576 | \$ 13,665,779 |
| Intergovernmental | 2,330,856 | 2,122,359 | - | 504,954 | 907,428 | - | 1,933,879 | 7,799,476 |
| Licenses and Permits | 232,448 | - | - | - | - | - | 280,332 | 512,780 |
| Fines, Forfeits, and Penalties | 84,221 | 14,115 | - | - | - | - | 16,935 | 115,271 |
| Public Charges for Services | 444,340 | 1,743,099 | - | - | 2,585,238 | - | 343,779 | 5,116,456 |
| Intergovernmental Charges for Services | 25,017 | - | - | - | - | - | - | 25,017 |
| Miscellaneous | 1,866,012 | 413,073 | - | 16,600 | 26,863 | - | 546,182 | 2,868,730 |
| Total Revenues | 15,936,014 | 5,238,729 | 1,075,000 | 521,554 | 3,519,529 | - | 3,812,683 | 30,103,509 |
| EXPENDITURES: | | | | | | | | |
| General Government | 5,584,507 | - | - | 2,161,567 | - | - | 237,448 | 7,983,522 |
| Public Safety | 4,862,073 | - | - | - | - | - | 38,124 | 4,900,197 |
| Public Works | 2,962,820 | - | - | 2,775,153 | - | 18,077 | - | 5,756,050 |
| Health and Human Services | 276,611 | 5,520,127 | - | - | - | - | 2,937,517 | 8,734,255 |
| Culture, Recreation, and Education | 567,741 | - | - | - | 1,718,170 | - | 34,256 | 2,320,167 |
| Conservation and Development | 1,009,343 | - | - | - | - | - | 486,424 | 1,495,767 |
| Debt Service: | | | | | | | | |
| Principal | 22,645 | - | 1,075,000 | - | 47,416 | - | - | 1,145,061 |
| Interest and Fiscal Charges | 2,187 | - | 237,319 | - | 9,244 | - | - | 248,750 |
| Total Expenditures | 15,287,927 | 5,520,127 | 1,312,319 | 4,936,720 | 1,774,830 | 18,077 | 3,733,769 | 32,583,769 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 648,087 | (281,398) | (237,319) | (4,415,166) | 1,744,699 | (18,077) | 78,914 | (2,480,260) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Sale of Capital Assets | - | - | - | 298,435 | - | - | - | 298,435 |
| Transfers In | 273,318 | 88,548 | - | 3,074,494 | 18,018 | - | 740,689 | 4,195,067 |
| Transfers Out | (69,397) | - | - | (24,538) | (3,074,494) | - | (1,029,922) | (4,198,351) |
| Total Other Financing Sources (Uses) | 203,921 | 88,548 | - | 3,348,391 | (3,056,476) | - | (289,233) | 295,151 |
| NET CHANGE IN FUND BALANCES | 852,008 | (192,850) | (237,319) | (1,066,775) | (1,311,777) | (18,077) | (210,319) | (2,185,109) |
| Fund Balance - January 1 | 10,202,684 | 2,629,178 | 682,067 | 7,467,760 | 2,242,853 | 300,025 | 6,868,746 | 30,393,313 |
| FUND BALANCE - DECEMBER 31 | <u>\$ 11,054,692</u> | <u>\$ 2,436,328</u> | <u>\$ 444,748</u> | <u>\$ 6,400,985</u> | <u>\$ 931,076</u> | <u>\$ 281,948</u> | <u>\$ 6,658,427</u> | <u>\$ 28,208,204</u> |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balance - Total Governmental Fund \$ (2,185,109)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

| | | |
|--|--------------------|-----------|
| Capital outlays reported in governmental fund statements | \$ 6,187,482 | |
| Depreciation expense reported in the statement of activities | <u>(3,303,148)</u> | 2,884,334 |

Pension and other postemployment benefit expenditures in the governmental funds are measured by current year employee contributions. Related benefit expenses on the statement of activities are measured by the change in net assets, liabilities and the related deferred inflows and outflows of resources:

| | | |
|--|-----------------|-----------|
| Wisconsin Retirement System Pension | (743,418) | |
| Single-Employer Other Postemployment Benefits: | (70,201) | |
| Multiple-Employer Other Postemployment Benefits: | <u>(73,920)</u> | (887,539) |

| | | |
|---|--|--------|
| Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. | | 39,442 |
|---|--|--------|

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

| | | |
|--|---------------|-----------|
| General Obligation Bonds Principal Retirement | 1,075,000 | |
| General Obligation Notess Principal Retirement | 47,416 | |
| Lease Liability Principal Retirement | <u>22,645</u> | 1,145,061 |

Internal service funds are used by the County's management to account for highway operations and to charge out copy machine costs. The change in net position of these internal service funds are allocated to governmental activities.

| | | |
|------------------------------|--|---------|
| Total Change in Net Position | | 244,289 |
|------------------------------|--|---------|

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

| | | |
|--|---------------|---------------|
| Change in Accrued Interest Payable | 7,089 | |
| Change in Compensated Absences at Year-End | 17,243 | |
| Change in Unamortized Bond Premium | <u>31,991</u> | <u>56,323</u> |

Change in Net Position of Governmental Activities \$ 1,296,801

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUND
DECEMBER 31, 2023**

| | <u>Governmental Activities-Internal Service Funds</u> |
|---|---|
| ASSETS | |
| Current Assets: | |
| Treasurer's Cash and Investments | \$ 3,083,758 |
| Accounts Receivable | 354,105 |
| Due from Other Governmental Units | 926,309 |
| Due from Other Funds | 656,071 |
| Prepaid Items and Other Assets | <u>2,312,122</u> |
| Total Current Assets | 7,332,365 |
| Noncurrent Assets: | |
| Capital Assets: | |
| Not Being Depreciated/Depleted | 489,782 |
| Being Depreciated/Depleted | 21,527,730 |
| Accumulated Depreciation | <u>(13,881,601)</u> |
| Total Capital Assets | <u>8,135,911</u> |
| Total Assets | 15,468,276 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Wisconsin Retirement System Pension Related | 2,742,346 |
| Single Employer Other Postemployment Benefits Related | 14,112 |
| Multi-Employer Other Postemployment Benefits Related | <u>67,146</u> |
| Total Deferred Outflows of Resources | 2,823,604 |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | 169,892 |
| Accrued Liabilities | 182,780 |
| Accrued Interest Payable | 9,922 |
| Accrued Vacation and Sick Leave - Current | 103,357 |
| Financed Purchase Obligation - Current | <u>865,338</u> |
| Total Current Liabilities | 1,331,289 |
| Long-Term Liabilities (Net of Current Portion): | |
| Advance from Capital Projects Fund | 819,338 |
| Wisconsin Retirement System Net Pension Liability | 732,997 |
| Single Employer Other Postemployment Benefits Payable | 173,139 |
| Multi-Employer Other Postemployment Benefits Payable | 138,615 |
| Accrued Vacation and Sick Leave | <u>239,139</u> |
| Total Long-Term Liabilities | <u>2,103,228</u> |
| Total Liabilities | <u>3,434,517</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Wisconsin Retirement System Pension Related | 1,537,244 |
| Single Employer Other Postemployment Benefits Related | 50,534 |
| Multi-Employer Other Postemployment Benefits Related | <u>96,672</u> |
| Total Deferred Inflows of Resources | <u>1,684,450</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 7,270,573 |
| Unrestricted | <u>5,902,340</u> |
| Total Net Position | <u><u>\$ 13,172,913</u></u> |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023**

| | <u>Governmental Activities-Internal Service Funds</u> |
|-----------------------------------|---|
| OPERATING REVENUES | \$ 11,013,339 |
| OPERATING EXPENSES | <u>10,731,435</u> |
| OPERATING INCOME | 281,904 |
| NONOPERATING EXPENSES | <u>(40,899)</u> |
| INCOME BEFORE TRANSFERS | 241,005 |
| TRANSFERS | |
| Transfers from Other Funds | 6,954 |
| Transfers to Other Funds | <u>(3,670)</u> |
| Total Transfers | <u>3,284</u> |
| CHANGE IN NET POSITION | 244,289 |
| Net Position - January 1 | <u>12,928,624</u> |
| NET POSITION - DECEMBER 31 | <u><u>\$ 13,172,913</u></u> |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023**

| | <u>Governmental Activities-Internal Service Funds</u> |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received for Services Provided | \$ 11,243,243 |
| Cash Paid to Suppliers for Goods and Services | (5,478,339) |
| Cash Paid for Employee Services | <u>(4,427,288)</u> |
| Net Cash Used by Operating Activities | 1,337,616 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfer from Forestry Fund | 6,954 |
| Transfers to Capital Improvements Program Fund | <u>(3,670)</u> |
| Total Cash Flows Provided by Noncapital Financing Activities | 3,284 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Cash Paid for Acquisition of Capital Assets | (473,432) |
| Cash Received for Sale of Capital Assets | 2,710 |
| Change in Cash Advance for Gravel Pits from County | (76,595) |
| Principal Paid on Financed Purchase Obligation | (197,026) |
| Interest Paid on Financed Purchase Obligation | <u>(40,899)</u> |
| Net Cash Used by Capital and Related Financing Activities | <u>(785,242)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 555,658 |
| Cash and Cash Equivalents - Beginning of Year | <u>2,528,100</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 3,083,758</u></u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES: | |
| Operating Income (Loss) | \$ 281,904 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Depreciation | 1,055,633 |
| Depletion of Gravel Pits | 7,555 |
| Change in Pension Related Items | 97,186 |
| Change in Single-Employer OPEB Related Items | 15,241 |
| Change in Multi-Employer OPEB Related Items | 14,701 |
| (Increase) Decrease in Assets: | |
| Accounts Receivable | (143,753) |
| Due from Governmental Units | 138,485 |
| Prepaid Expenses | (233,141) |
| Due from Other Funds | 235,172 |
| Increase (Decrease) in Liabilities: | |
| Accounts Payable | (117,051) |
| Accrued Liabilities | <u>(14,316)</u> |
| Net Cash Used by Operating Activities | <u><u>\$ 1,337,616</u></u> |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2023**

| | <u>Custodial Funds</u> |
|----------------------------------|----------------------------|
| ASSETS | |
| Treasurer's Cash and Investments | \$ 329,975 |
| LIABILITIES | |
| Due to Other Governments | <u>310,794</u> |
| NET POSITION | |
| Restricted | <u><u>\$ 19,181</u></u> |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

| | Custodial Funds |
|---|--------------------|
| ADDITIONS: | |
| Payments from Individuals | \$ 151 |
| Licenses and Fees Collected | 1,253,487 |
| Total Additions | 1,253,638 |
| DEDUCTIONS: | |
| Distributions to Individuals | 194,007 |
| Payments to Licenses and Fees to Other Taxing Agencies | 1,055,737 |
| Total Deductions | 1,249,744 |
| CHANGE IN NET POSITION | 3,894 |
| Net Position - Beginning of Year, as Previously Stated | 247,562 |
| Prior Period Adjustment | (232,275) |
| Net Position - Beginning of Year, as Restated | 15,287 |
| NET POSITION - END OF YEAR | \$ 19,181 |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Washburn County (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

A. Reporting Entity

Washburn County is governed by a board of supervisors consisting of twenty-one elected members.

The financial reporting of the County is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the County consist solely of the primary government and a discretely presented component unit as described below. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see below for description) to emphasize that it is legally separate from the government.

Washburn County Industrial Development Agency, Ltd. Washburn County Industrial Development Agency, Ltd. (Agency) was organized in 1989 by the County when the County received intergovernmental funds to finance a loan to a private business. Proceeds received from the repayment of this loan are being used by the Agency to finance other loans to local businesses to promote industrial development. The Agency is governed by a seven-member board statutorily comprised of the county board chairman, finance committee chairman, county treasurer, corporation counsel and three public members appointed by the county board. The Agency receives no funding from, nor provides any funding to, the County. The Agency maintains its financial statements on a fiscal year ending June 30. Financial statements of the Agency for the year ending June 30, 2023 are presented in this report as a discretely presented component unit. The Agency's financial statements can be obtained from Washburn County.

B. Government-Wide and Fund Financial Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds) as described below:

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Financial statements of the reporting entity 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, liabilities, deferred inflows/outflows of resources, net position, fund equity, revenues, and expenditures/expenses.

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

The County did not report any enterprise funds for the year ended December 31, 2023.

The County reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the County. It is used to account for all financial resources of the County, except those required to be accounted for in another fund.

Human Services Fund – The Human Services Fund, a special revenue fund, is used to account for various County human services programs funded by restricted funding sources. Through the human services programs, the County provides mental health, developmental disabilities, and alcoholism and drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related charges.

Capital Improvements Program Fund – The Capital Improvements Program Fund, a capital projects fund, accounts for financial resources to be used for funding the County's capital improvement program projects.

Forestry Fund – The Forestry Fund, a special revenue fund, is used to account for the maintenance of the County's parks and forests. In addition to using restricted grant funding for these purposes, the County also commits public charges for services raised through the Forestry Fund's programming.

Government Center Capital Projects Fund – The Government Center Capital Projects Fund accounts for financial resources to be used for funding construction of the County's new government center facility.

All remaining governmental funds are aggregated and reported as nonmajor funds.

The County's proprietary funds consist solely of internal service funds to account for the operations of the County's highway department and its copy machine transactions.

The County's fiduciary funds consist of custodial funds to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets deferred inflows/outflows of resources and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues reported in the governmental funds to be available if they are collected within 60 days after the end of the current fiscal period. Client billings for the human services programs as well as state and federal aids under cost reimbursement programs are recognized as revenue if expected to be collected within six months after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and leases are reported as other financing sources.

Property taxes, miscellaneous taxes, cost reimbursement grant programs, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

1. Deposits and Investments (Continued)

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

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

- a. Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
- b. Bonds or securities issued or guaranteed by the federal government.
- c. Bonds or securities of any county, city, drainage district, technical college district, County, 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, or by the University of Wisconsin Hospitals and Clinics Authority.
- d. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- e. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- f. Bonds or securities issued under the authority of the municipality.
- g. The local government investment pool.
- h. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions, and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds, and debentures.

Investments of the County are stated at fair value or amortized cost.

2. Receivables and Payables

Property Taxes. Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. In addition to property taxes for the County, taxes are also collected for and remitted to the State. Taxes billed for the State, if any, are recorded as receivables and due other governmental units in the custodial fund statement of net position. Since County property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

2. Receivables and Payables (Continued)

Property Taxes (Continued). The County is also responsible for the collection of all delinquent and postponed property taxes levied by the local taxing districts within its boundaries, except delinquent personal property taxes which are retained by the local municipal district. Real property taxes are payable in full to the local districts on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year. All uncollected taxes returned to the County for collection are financed through the general fund. A portion of the general fund's equity balance is classified as nonspendable for the County's investment in delinquent taxes.

Accounts Receivable. Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Loans Receivable. The County has received federal grant funds for financing housing rehabilitation loans to various individuals. The County records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as loans receivable have not been reduced by an allowance for uncollectible accounts since the County does not expect such amounts to be material to the financial statements. It is the County's policy to record deferred inflows of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

Interfund Balances. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

3. Prepaid Items and Other Assets

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.

4. Capital Assets

Government-Wide Statements. Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets not being depreciated include land and construction in progress. Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

| | Capitalization Threshold | Depreciation Method | Estimated Useful Life |
|----------------------------|-----------------------------|------------------------|--------------------------|
| Land | \$ 5,000 | N/A | N/A |
| Highway Right-of-Ways | 5,000 | N/A | N/A |
| Land Improvements | 5,000 | Straight-Line | 15 to 40 Years |
| Buildings and Improvements | 5,000 | Straight-Line | 10 to 50 Years |
| Machinery and Equipment | 5,000 | Straight-Line | 4 to 20 Years |
| Vehicles | 5,000 | Straight-Line | 3 to 5 Years |
| Infrastructure | 5,000 | Straight-Line | 20 to 60 Years |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

4. Capital Assets (Continued)

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

5. Leases (Lessee)

The County determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the County has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The County accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

6. Deferred Outflows of Resources

The County reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. The County reports deferred outflows of resources in its government-wide and proprietary fund financial statements for pension and other postemployment benefit related items.

7. Deferred Inflows of Resources

The County's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available under the modified accrual basis of accounting. The County reports deferred inflows of resources for pension and other postemployment benefit related items.

8. Compensated Absences

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year-end are further discussed in Note 3.A.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

9. Wisconsin Retirement System Pension Plan Benefits

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 the WRS. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Postemployment Benefits Payable

Single-Employer Other Postemployment Benefits

Retiree Health Insurance: All employees who retire through the Wisconsin Retirement System are eligible to participate in the retiree medical plan if they pay 100% of the retiree premium. Coverage may continue after age 65 if the retiree pays 100% of the post-age 65 premium. The post-age 65 premium is assumed to be self-sustaining. The County funds this on a pay as you go basis.

Multiple-Employer Other Postemployment Benefits

Retiree Life Insurance: 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 and 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 LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

12. Defining Operating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the highway and copy machine funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

13. Use of Restricted Resources

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

14. Equity Classifications

Fund equity, representing the difference between assets, deferred inflows/outflows of resources and liabilities, is classified as follows in the County's financial statements:

Government-Wide, Proprietary Fund and Fiduciary Fund Statements. Fund equity is classified as net position in the government-wide, proprietary fund and fiduciary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement for those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the Board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

15. Equity Classifications (Continued)

Fund Financial Statements (Continued). It is the County's policy that at the end of each fiscal year, the County will maintain a minimum unassigned fund balance level between 20% and 33% of general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year-end. Based on resolution of the County Board, the County Finance Committee has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the County's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the County's practice to use committed, assigned, and finally unassigned fund balance.

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2023 are reflected in the financial statements as follows:

| | |
|--------------------|----------------------|
| Governmental Funds | \$ 26,173,734 |
| Proprietary Funds | 3,083,758 |
| Fiduciary Funds | 329,975 |
| Total | <u>\$ 29,587,467</u> |

The above cash and investments consisted of the following:

| | |
|--|----------------------|
| Deposits at Financial Institutions | \$ 17,087,529 |
| Investment Pools: | |
| Local Government Investment Pool (LGIP) | 1,395,395 |
| Wisconsin Investment Series Cooperative (WISC) | 11,101,598 |
| Petty Cash | 2,945 |
| Total | <u>\$ 29,587,467</u> |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

The County's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to \$250,000 for demand deposits at any institution. In addition, funds held for individuals are subject to coverage in the name of the beneficiary in whose name the trust fund is held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. At December 31, 2023, the County's deposits were not exposed to custodial credit risk.

Investments

The County's investments at December 31, 2023 consisted of deposits in the following external investment pool:

Investment in State Local Government Pooled-Investment Fund. The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in the State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2023 was 18 days. LGIP is not registered with the SEC. The County's investment in LGIP is valued at amortized cost.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the County.

B. Receivables

CDBG Housing Rehabilitation Loans. The County has also received federal grants through the State of Wisconsin for the purpose of financing housing rehabilitation loans. Repayments received by the County on these loans are recorded in a separate special revenue fund and are to be used to finance similar housing rehabilitation loans. The County had sixty-six (66) deferred mortgage loans outstanding at December 31, 2023 totaling \$783,530. These notes become due and payable in full only "in the event that the maker:

- A. No longer continues to occupy the premises securing this note as a full-time residence, or
- B. Transfers any legal or equitable interest in the mortgage premises to anyone for any reason."

Receivables have been recorded in the special revenue fund in the amount of the outstanding balances on these loans and were equally offset by deferred inflows of resources recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

Governmental Activities

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| General County Assets: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 3,843,005 | \$ - | \$ - | \$ 3,843,005 |
| Highway Right-of-Ways | 8,563,613 | - | - | 8,563,613 |
| Construction Work in Progress | 2,460,503 | 4,838,800 | 6,160,945 | 1,138,358 |
| Total Capital Assets Not Being Depreciated | 14,867,121 | 4,838,800 | 6,160,945 | 13,544,976 |
| Capital Assets Being Depreciated: | | | | |
| Land Improvements | 3,316,264 | 644,845 | - | 3,961,109 |
| Buildings and Improvements | 21,123,122 | 2,007,109 | - | 23,130,231 |
| Machinery and Equipment | 5,736,783 | 2,606,334 | - | 8,343,117 |
| Vehicles | 2,010,459 | 401,339 | 116,003 | 2,295,795 |
| Right of Use Leased Asset-Equipment | 111,151 | - | - | 111,151 |
| Highway Infrastructure: | | | | |
| Roadways | 81,219,144 | 1,850,000 | - | 83,069,144 |
| Bridges | 1,408,186 | - | - | 1,408,186 |
| Structures | 3,836,153 | - | - | 3,836,153 |
| Total Capital Assets Being Depreciated | 118,761,262 | 7,509,627 | 116,003 | 126,154,886 |
| Total Capital Assets | 133,628,383 | 12,348,427 | 6,276,948 | 139,699,862 |
| Accumulated Depreciation: | | | | |
| Land Improvements | 2,365,128 | 137,747 | - | 2,502,875 |
| Buildings and Improvements | 5,284,021 | 439,015 | - | 5,723,036 |
| Machinery and Equipment | 3,905,330 | 570,984 | - | 4,476,314 |
| Vehicles | 1,432,376 | 285,403 | 116,003 | 1,601,776 |
| Right of Use Leased Asset-Equipment | 23,658 | 23,658 | - | 47,316 |
| Highway Infrastructure | 62,645,852 | 1,846,341 | - | 64,492,193 |
| Total Accumulated Depreciation | 75,656,365 | 3,303,148 | 116,003 | 78,843,510 |
| Net Capital Assets - General County Assets | <u>\$ 57,972,018</u> | <u>\$ 9,045,279</u> | <u>\$ 6,160,945</u> | <u>\$ 60,856,352</u> |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Governmental Activities (Continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Highway Department: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 489,782 | \$ - | \$ - | \$ 489,782 |
| Capital Assets Being Depreciated: | | | | |
| Land Improvements | 1,132,983 | - | - | 1,132,983 |
| [1] Gravel Pits and Quarries | 358,459 | - | 7,556 | 350,903 |
| Buildings and Improvements | 6,997,109 | - | - | 6,997,109 |
| Machinery and Equipment | 12,732,139 | 503,113 | 215,436 | 13,019,816 |
| Total Capital Assets Being Depreciated | <u>21,220,690</u> | <u>503,113</u> | <u>222,992</u> | <u>21,500,811</u> |
| Total Capital Assets | 21,710,472 | 503,113 | 222,992 | 21,990,593 |
| Accumulated Depreciation: | | | | |
| Land Improvements | 855,465 | 45,319 | - | 900,784 |
| Buildings and Improvements | 5,168,243 | 278,907 | - | 5,447,150 |
| Machinery and Equipment | 6,960,117 | 731,407 | 183,046 | 7,508,478 |
| Total Accumulated Depreciation | <u>12,983,825</u> | <u>1,055,633</u> | <u>183,046</u> | <u>13,856,412</u> |
| Net Capital Assets - Highway Department | <u>\$ 8,726,647</u> | <u>\$ (552,520)</u> | <u>\$ 39,946</u> | <u>\$ 8,134,181</u> |
| Copy Machine Fund: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Machinery and Equipment | \$ 26,919 | \$ - | \$ - | \$ 26,919 |
| Accumulated Depreciation: | | | | |
| Machinery and Equipment | <u>25,189</u> | <u>-</u> | <u>-</u> | <u>25,189</u> |
| Net Capital Assets - Copy Machine Fund | <u>\$ 1,730</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,730</u> |
| Total County: | | | | |
| Capital Assets Not Being Depreciated | \$ 15,356,903 | \$ 4,838,800 | \$ 6,160,945 | \$ 14,034,758 |
| Capital Assets Being Depreciated | <u>140,008,871</u> | <u>8,012,740</u> | <u>338,995</u> | <u>147,682,616</u> |
| Total Capital Assets | 155,365,774 | 12,851,540 | 6,499,940 | 161,717,374 |
| Accumulated Depreciation | <u>88,665,379</u> | <u>4,358,781</u> | <u>299,049</u> | <u>92,725,111</u> |
| Net Capital Assets - Governmental Activities | <u>\$ 66,700,395</u> | <u>\$ 8,492,759</u> | <u>\$ 6,200,891</u> | <u>\$ 68,992,263</u> |

[1] Highway department gravel pits and quarries are subject to depletion.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Governmental Activities (Continued)

Depreciation/amortization was charged to governmental functions as follows:

| | General <u>County Assets</u> | Internal <u>Service Funds</u> | <u>Total</u> |
|-----------------------------------|---------------------------------|----------------------------------|---------------------|
| General Government | \$ 592,620 | \$ - | \$ 592,620 |
| Public Safety | 560,115 | - | 560,115 |
| Transportation | 1,844,761 | 1,055,633 | 2,900,394 |
| Health and Human Services | 59,520 | - | 59,520 |
| Culture, Recreation and Education | 18,293 | - | 18,293 |
| Conservation and Development | 227,839 | - | 227,839 |
| Total | <u>\$ 3,303,148</u> | <u>\$ 1,055,633</u> | <u>\$ 4,358,781</u> |

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2023 was as follows:

Due to/from Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> | <u>Purpose</u> |
|-------------------------------|----------------------------------|-------------------|------------------|
| General Fund | Wildlife Damage Fund | \$ 14,449 | Cash Flow |
| General Fund | Animal Control Fund | 51,117 | Cash Flow |
| General Fund | Capital Improvement Program Fund | 133,288 | Gravel Pits |
| Highway Internal Service Fund | Capital Improvement Program Fund | 656,071 | Project Expenses |
| Total | | <u>\$ 854,925</u> | |

Advances from/to Other Funds

As of December 31, 2023 the County's capital improvements capital projects fund had advanced the highway department internal service fund \$819,338 for the acquisition of gravel pit sites and additional capital items. The highway department will repay the advance at a rate of approximately \$0.50 per yard of gravel extracted until paid in full.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

| <u>Fund Transferred To</u> | <u>Fund Transferred From</u> | <u>Amount</u> | <u>Purpose</u> |
|----------------------------|------------------------------|---------------------|-------------------------|
| General Fund | Capital Improvement Fund | \$ 24,539 | Projects |
| General Fund | Highway Department | 3,670 | Projects |
| General Fund | Recycling Fund | 58,109 | Recycling |
| General Fund | Development Fund | 187,000 | Tourism and Development |
| Forestry Fund | General Fund | 18,018 | Benefits |
| Public Health Fund | General Fund | 42,477 | Benefits |
| Human Services Fund | General Fund | 1,948 | Benefits and Projects |
| Highway Department | General Fund | 6,954 | Benefits |
| UOA/ADRC | Council on Aging Fund | 665,663 | Close Out of Fund |
| Recycling Fund | Solid Waste Fund | 32,549 | Project Funding |
| Human Services Fund | Child Support Fund | 64,061 | Benefits |
| Human Services Fund | Public Health Fund | 22,539 | Benefits |
| Capital Improvement Fund | Forestry Fund | 3,074,494 | Capital Projects |
| | | <u>\$ 4,202,021</u> | |

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the County for the year ended December 31, 2023 were as follows:

| | <u>Balances 1/1/23</u> | <u>Additions or Net Change</u> | <u>Reductions or Net Change</u> | <u>Balances 12/31/23</u> | <u>Amounts Due Within One Year</u> |
|-----------------------------------|----------------------------|--|---|------------------------------|--|
| Long-Term Debt: | | | | | |
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 10,985,000 | \$ - | \$ 1,075,000 | \$ 9,910,000 | \$ 920,000 |
| General Obligation Notes | 359,382 | - | 47,416 | 311,966 | 48,752 |
| Total Long-Term Debt | 11,344,382 | - | 1,122,416 | 10,221,966 | 968,752 |
| Other Long-Term Obligations: | | | | | |
| Governmental Activities: | | | | | |
| Governmental Funds: | | | | | |
| Debt Premium | 202,788 | - | 31,991 | 170,797 | - |
| Lease Liability | 89,143 | - | 22,645 | 66,498 | 23,299 |
| Compensated Absences | 957,529 | - | 17,243 | 940,286 | 344,519 |
| Highway Internal Service Fund: | | | | | |
| Financed Purchase - 8 Trucks | 1,062,364 | - | 197,026 | 865,338 | 865,338 |
| Compensated Absences | 333,860 | 8,636 | - | 342,496 | 103,357 |
| Total Other Long-Term Liabilities | 2,645,684 | 8,636 | 268,905 | 2,385,415 | 1,336,513 |
| Total Long-Term Liabilities | \$ 13,990,066 | \$ 8,636 | \$ 1,391,321 | \$ 12,607,381 | \$ 2,305,265 |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Changes in Long-Term Obligations (Continued)

The County's estimated liability for employee leave is discussed in Note 3.A. The County's general obligation bonds are liquidated by the debt service fund. Compensated absences and other postemployment benefits payable are generally liquidated by the general fund and highway department internal service fund.

General Obligation Debt

Annual Requirements for Retirement. Long-term debt issues outstanding at December 31, 2023 and annual requirements for their retirement were as follows:

| | <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------|---------------------|---------------------|---------------------|
| General Obligation Bonds, \$7,655,000, issued 8/6/19, Due 3/1/39, interest between 2.0% and 3.0% | 2024 | \$ 300,000 | \$ 154,531 | \$ 454,531 |
| | 2025 | 310,000 | 148,431 | 458,431 |
| | 2026 | 320,000 | 142,131 | 462,131 |
| | 2027 | 335,000 | 135,581 | 470,581 |
| | 2028 | 345,000 | 128,781 | 473,781 |
| | 2029-2032 | 1,505,000 | 517,990 | 2,022,990 |
| | 2033-2037 | 2,200,000 | 201,450 | 2,401,450 |
| | 2038-2039 | 765,000 | 19,725 | 784,725 |
| | Total | <u>\$ 6,080,000</u> | <u>\$ 1,448,620</u> | <u>\$ 7,528,620</u> |

| | <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------|---------------------|-------------------|---------------------|
| General Obligation Bonds, \$6,215,000, issued 5/6/20, Due 3/1/30, interest between 1.2% and 2.0% | 2024 | \$ 620,000 | \$ 66,350 | \$ 686,350 |
| | 2025 | 500,000 | 57,950 | 557,950 |
| | 2026 | 515,000 | 49,050 | 564,050 |
| | 2027 | 525,000 | 38,650 | 563,650 |
| | 2028 | 540,000 | 28,000 | 568,000 |
| | 2029-2030 | 1,130,000 | 22,700 | 1,152,700 |
| | Total | <u>\$ 3,830,000</u> | <u>\$ 262,700</u> | <u>\$ 4,092,700</u> |

| | <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------|-------------------|------------------|-------------------|
| General Obligation Notes, \$500,000, issued 8/1/19 due 3/1/29, interest at 2.54% | 2024 | \$ 48,752 | \$ 7,907 | \$ 56,659 |
| | 2025 | 49,989 | 6,671 | 56,660 |
| | 2026 | 51,257 | 5,403 | 56,660 |
| | 2027 | 52,558 | 4,102 | 56,660 |
| | 2028 | 53,891 | 2,769 | 56,660 |
| | 2029 | 55,519 | 1,402 | 56,921 |
| | Total | <u>\$ 311,966</u> | <u>\$ 28,254</u> | <u>\$ 340,220</u> |

General Obligation Debt Limitation. Section 67.03 of the Wisconsin Statutes restricts county general obligation debt to 5% of the equalized value of all property in the County. At December 31, 2023, the County's debt limit amounted to \$202,516,465 and indebtedness subject to the limitation totaled \$10,221,966.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Lease Liability

The County leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026. Total future minimum lease payments under lease agreements are as follows:

| Year | Principal | Interest | Total |
|-------|------------------|-----------------|------------------|
| 2024 | \$ 23,299 | \$ 1,533 | \$ 24,832 |
| 2025 | 23,411 | 867 | 24,278 |
| 2026 | 19,788 | 212 | 20,000 |
| Total | <u>\$ 66,498</u> | <u>\$ 2,612</u> | <u>\$ 69,110</u> |

Financed Purchase Obligations

On August 26, 2019, the County entered into a financed purchase agreement for eight new trucks and related snow removal equipment. The trucks and related equipment are reported in the County's capital asset records at a cost of \$1,845,744 with accumulated depreciation at December 31, 2023 of \$579,180. The term of the agreement is through October 1, 2024 with an interest rate of 2.911%. The repayment schedule is as follows:

| | Year | Principal | Interest | Total |
|--|-------|-------------------|------------------|-------------------|
| Financed Purchase - 8 Trucks \$1,843,336, issued 8/26/2019 due 10/1/2024, interest at 2.911% | 2024 | \$ 865,338 | \$ 24,662 | \$ 890,000 |
| | Total | <u>\$ 865,338</u> | <u>\$ 24,662</u> | <u>\$ 890,000</u> |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

County Forest Loans

Under Section 28.11(8) of the Wisconsin Statutes, counties which have established and maintained a county forest are eligible to receive annual payments from the state as a noninterest-bearing loan to be used for the purchase, development, preservation, and maintenance of the county forest lands. On timber cut from lands entered as "county forest lands", the county shall pay a severance share of not less than 20% of the actual stumpage sales value of timber. A higher rate of payment may be applied if agreed upon by the state and county. The severance share payments shall be credited against the cumulative payments made by the state to the county. Severance share payments shall not exceed the balance due the state. The county shall also reimburse the state the amount previously paid to the county on any county forest land withdrawn from the program; except that the state may waive all or part of such reimbursement if it finds that the lands are withdrawn for a higher public use or that the amount of such reimbursement is unreasonable when compared to the value of the land.

The County did not have a liability under this program at December 31, 2023.

Security and Default

2019 General Obligation Bonds: Security = The bonds will be general obligations of the County, secured by an unlimited tax levy. The bonds will be payable from ad valorem taxes levied upon all taxable property in the County which may be levied without limitation of rate or amount.

2019 General Obligation Notes: Security = For the prompt payment of this note with interest and the levying and collection of taxes sufficient for that purpose, the full faith, credit and resources of the County are hereby irrevocably pledged. Default = Upon the occurrence of an event of default, the unpaid balance shall, at the option of the lender, without notice, mature and become immediately payable. The unpaid balance shall automatically mature and become immediately payable in the event the County becomes the subject of bankruptcy or other insolvency proceedings.

2020 General Obligation Bonds: Security = The bonds will be general obligations of the County, secured by an unlimited tax levy. The bonds will be payable from ad valorem taxes levied upon all taxable property in the County which may be levied without limitation of rate or amount.

2019 Financed Purchase Obligation: Security = The lender shall have and retain a security interest in the related equipment.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2023 consisted of the following:

| | Total | Nonspendable | Restricted | Committed | Assigned | Unassigned |
|---------------------------------------|------------|--------------|------------|-----------|-----------|------------|
| Major Funds: | | | | | | |
| General Fund: | | | | | | |
| Delinquent Taxes | \$ 727,161 | \$ 727,161 | \$ - | \$ - | \$ - | \$ - |
| Inventories/Prepayments | 503,006 | 503,006 | - | - | - | - |
| Long-Term Note Receivable | 68,302 | 68,302 | - | - | - | - |
| Register of Deeds - PEA/RET Funds | 53 | - | 53 | - | - | - |
| Sick Leave Liability | 1,315,000 | - | - | - | 1,315,000 | - |
| HSD Youth | 105,157 | - | - | - | 105,157 | - |
| County Numbering | 43,557 | - | - | - | 43,557 | - |
| Memorials-Donations | 1,360 | - | - | - | 1,360 | - |
| Unclaimed Funds | 299 | - | - | - | 299 | - |
| Health Insurance Excess | 794,706 | - | - | - | 794,706 | - |
| IT Capital Equipment Fund | 34,468 | - | - | - | 34,468 | - |
| Property & Insurance-Deductibles | 50,000 | - | - | - | 50,000 | - |
| Maps & Platbooks | 35,135 | - | - | - | 35,135 | - |
| County Cars | 207,075 | - | - | - | 207,075 | - |
| Veterans-WW | 18,963 | - | - | - | 18,963 | - |
| Wellness | 4,749 | - | - | - | 4,749 | - |
| Unassigned | 7,145,701 | - | - | - | - | 7,145,701 |
| Subtotal General Fund | 11,054,692 | 1,298,469 | 53 | - | 2,610,469 | 7,145,701 |
| Committed for Human Services Programs | 2,436,328 | - | - | 2,436,328 | - | - |
| Forestry Department Programs | 931,076 | 62,864 | 556,624 | 311,588 | - | - |
| Debt Service | 444,748 | - | 444,748 | - | - | - |
| Government Center Capital Project | 281,948 | - | - | - | 281,948 | - |
| Capital Improvements Program Fund: | | | | | | |
| Committed for Capital Projects | 5,581,647 | - | - | 5,581,647 | - | - |
| Advances to Other Funds | 819,338 | 819,338 | - | - | - | - |
| Subtotal Major Funds | 21,549,777 | 2,180,671 | 1,001,425 | 8,329,563 | 2,892,417 | 7,145,701 |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances (Continued)

| | <u>Total</u> | <u>Nonspendable</u> | <u>Restricted</u> | <u>Committed</u> | <u>Assigned</u> | <u>Unassigned</u> |
|--|----------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| Nonmajor Funds: | | | | | | |
| Special Revenue Funds: | | | | | | |
| Public Health Fund: | | | | | | |
| Committed for Health Services Programs | \$ 414,955 | \$ - | \$ - | \$ 414,955 | \$ - | \$ - |
| Child Support Fund | 127,602 | - | - | 127,602 | - | - |
| Opioid Mitigation and Treatment | 110,168 | - | - | 110,168 | - | - |
| UOA/ADRC Programs | 283,134 | 2,040 | 20,959 | 209,543 | 50,592 | - |
| Wildlife Damage Program | (14,449) | - | - | - | - | (14,449) |
| Restricted for CDBG Revolving Loan Program | 138,596 | - | 138,596 | - | - | - |
| Development Fund: | | | | | | |
| Impact Fees Restricted for Environmental and Capital Improvements | 948,090 | - | 948,090 | - | - | - |
| Committed for Building Project | 954,826 | - | - | 954,826 | - | - |
| Recycling Program | 1,155,433 | - | - | 1,155,433 | - | - |
| Animal Control Program | (45,962) | - | - | - | - | (45,962) |
| County Land Sales Fund: | | | | | | |
| Committed for Dam Maintenance | 703,739 | - | 86,917 | 616,822 | - | - |
| Restricted for Jail Assessments Fee Funded Projects | 80,621 | - | 80,621 | - | - | - |
| Sheriff Special Activity Fund: | | | | | | |
| Donor Restrictions for Sheriff Operations | 15,522 | - | 15,522 | - | - | - |
| Committed for Projects in the Sheriff's Department | 103,519 | - | - | 103,519 | - | - |
| Restricted for Environmental and Socioeconomic Impact Fund Projects | 1,104,005 | - | 1,104,005 | - | - | - |
| Restricted for County Trunk D Project | 367,098 | - | 367,098 | - | - | - |
| Solid Waste Projects: | | | | | | |
| Restricted by Contract Agreements for Solid Waste Improvements | 211,530 | - | 211,530 | - | - | - |
| Subtotal Nonmajor Funds | <u>6,658,427</u> | <u>2,040</u> | <u>2,973,338</u> | <u>3,692,868</u> | <u>50,592</u> | <u>(60,411)</u> |
| Total Governmental Fund Balance at December 31, 2023 | <u>\$ 28,208,204</u> | <u>\$ 2,182,711</u> | <u>\$ 3,974,763</u> | <u>\$ 12,022,431</u> | <u>\$ 2,943,009</u> | <u>\$ 7,085,290</u> |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION

A. Employee Vacation, Sick Leave, and Compensatory Time

Non-Highway Department Employees. Employees earn vacation in varying amounts depending upon length of service. Vacation earned one year is available to the employees the following year. Employees earn one day (7.5 hours) of sick leave per month with a maximum accumulation of 75 days (600 hours). Retiring employees with five to ten years of service are paid one-half of accumulated sick leave while employees with ten or more years of service receive actual accumulation up to the 75-day maximum. The estimated liability for accumulated vacation and sick leave at December 31, 2023 was \$940,286.

Highway Department Employees. Vacation and sick leave accrued to highway department employees totaled \$342,496 on December 31, 2023 and are reflected as liabilities in the internal service fund.

B. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

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

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

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

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

The WRS also provides death and disability benefits for employees.

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 fiscal reporting period January 1, 2023 through December 31, 2023, the WRS recognized \$828,337 in contributions from the County.

Contribution rates as of December 31, 2023 are:

| | <u>Employee</u> | <u>Employer</u> |
|------------------------------------|-----------------|-----------------|
| General | 6.80% | 6.80% |
| Executives and Elected Officials | 6.80% | 6.80% |
| Protective with Social Security | 6.80% | 13.22% |
| Protective without Social Security | 6.80% | 18.12% |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Postretirement 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 Ending December 31,</u> | <u>Core Fund Adjustment %</u> | <u>Variable Fund Adjustment %</u> |
|---------------------------------|-----------------------------------|---------------------------------------|
| 2013 | (9.6) | 9.0 |
| 2014 | 4.7 | 25.0 |
| 2015 | 2.9 | 2.0 |
| 2016 | 0.5 | (5.0) |
| 2017 | 2.0 | 4.0 |
| 2018 | 2.4 | 17.0 |
| 2019 | 0.0 | (10.0) |
| 2020 | 1.7 | 21.0 |
| 2021 | 5.1 | 13.0 |
| 2022 | 7.4 | 15.0 |

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

At December 31, 2023, the County reported a liability of \$3,284,591 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the County's proportion was 0.06200029 percent, which was an increase of 0.00079439 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the County recognized pension expense of \$1,670,210. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources, as applicable, related to pensions from the following sources:

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

| <u>Description</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 5,231,336 | \$ 6,872,802 |
| Changes of Assumptions | 645,886 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 5,579,764 | - |
| Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions | 3,256 | 15,657 |
| County Contributions Subsequent to the Measurement Date | 828,337 | - |
| Total | <u>\$ 12,288,579</u> | <u>\$ 6,888,459</u> |

\$828,337 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an addition to the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended December 31:</u> | <u>Pension Expense Amount</u> |
|--------------------------------|-----------------------------------|
| 2024 | \$ 187,775 |
| 2025 | 945,121 |
| 2026 | 969,061 |
| 2027 | 2,469,826 |

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

| | |
|--|--|
| Actuarial Valuation Date: | December 31, 2021 |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2022 |
| Experience Study: | January 1, 2018 - December 31, 2020 Published November 19, 2021 |
| Actuarial Cost Method: | Entry Age Normal |
| Asset Valuation Method: | Fair Value |
| Long-Term Expected Rate of Return: | 6.8% |
| Discount Rate: | 6.8% |
| Salary Increases: | |
| Inflation | 3.0% |
| Seniority/Merit | 0.1% to 5.6% |
| Post-Retirement Adjustments | 1.7% |
| Mortality: | 2020 WRS Experience Mortality Table |

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% 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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

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.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in following Table:

| Core Fund Asset Class | Current Asset Allocation % | Long-Term Expected Nominal Rate of Return | Long-Term Expected Real Rate of Return |
|---------------------------|-------------------------------|---|--|
| Public Equity | 48.0 % | 7.6 % | 5.0 % |
| Public Fixed Income | 25.0 | 5.3 | 2.7 |
| Inflation Sensitive | 19.0 | 3.6 | 1.1 |
| Real Estate | 8.0 | 5.2 | 2.6 |
| Private Equity/Debt | 15.0 | 9.6 | 6.9 |
| Cash | -15.0 | N/A | N/A |
| Total Core Fund | 100.0 % | 7.4 % | 4.8 % |
| Variable Fund Asset Class | | | |
| U.S. Equities | 70.0 % | 7.2 % | 4.6 % |
| International Equities | 30.0 | 8.1 | 5.5 |
| Total Variable Fund | 100.0 % | 7.7 % | 5.1 % |

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.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the County’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

| | 1% Decrease (5.8%) | Current Discount Rate (6.8%) | 1% Increase (7.8%) |
|--|-----------------------|---------------------------------|-----------------------|
| County's Proportionate Share of the Net Pension Liability (Asset) | \$ 10,901,452 | \$ 3,284,591 | \$ (1,955,155) |

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan - Single Employer Plan

Description of the Plan

As approved by the County Board, all employees who retire through the Wisconsin Retirement System are eligible to participate in the single-employer postemployment defined benefit health plan if they pay 100% of the retiree premium. Coverage may continue after age 65 if the retiree pays 100% of the post-age 65 premium. The post-age 65 premium is assumed to be self-sustaining.

Participants

Employees participating in the OPEB benefit consisted of the following at December 31, 2022, the date of the latest actuarial valuation.

| | |
|------------------------------------|-----|
| Retirees (Pre-65) | 2 |
| Total eligible active plan members | 183 |
| | 185 |

Total OPEB Liability

The County does not accumulated assets in a trust for payment of OPEB benefits. Accordingly, the County must report its total OPEB liability. The County's total OPEB liability was determined by an actuarial valuation as of January 1, 2022. At December 31, 2023, the County reported a total OPEB liability of 970,629. Changes in the County's total OPEB liability were as follows:

| | Total OPEB Liability (a) |
|---------------------------------------|--------------------------------|
| Balance at December 31, 2022 | \$ 967,467 |
| Changes for the year: | |
| Service Cost | 125,243 |
| Interest | 22,299 |
| Changes of Assumptions or Other Input | (123,792) |
| Benefit Payments | (20,588) |
| Net Changes | 3,162 |
| Balance at December 31, 2023 | \$ 970,629 |

Actuarial Assumptions

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan - Single Employer Plan (Continued)

Actuarial Assumptions (Continued)

otherwise specified:

| | |
|--|---|
| Valuation Date: | January 1, 2022 |
| Measurement Date: | December 31, 2022 |
| Experience Study: | January 1, 2018 - December 31, 2020 Published November 19, 2021 |
| Actuarial Cost Method: | Entry Age Normal |
| 20-Year Tax-Exempt Municipal Bond Yield: | 3.72% |
| Discount Rate: | 3.72% |
| Health Care Trends: | 17.0% year one to an ultimate rate of 3.7% |
| Salary Increasees: | |
| Economic Increase (Inflation) | 3.0% |
| Merit & Longevity | 0.4% - 4.8% |
| Mortality: | 2020 WRS Experience Table and with mortality improvements using 100% of the fully generational MP-2021 proj from a base year of 2010 |

Discount rate

The discount rate used to measure the total OPEB liability was 3.72 percent at December 31, 2022.

Sensitivity of the net OPEB liability to changes in the discount rate

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

| | 1% Decrease to Discount Rate (1.06%) | Current Discount Rate (2.06%) | 1% Increase to Discount Rate (3.06%) |
|--------------------|--|----------------------------------|--|
| Net OPEB Liability | <u>\$ 1,043,837</u> | <u>\$ 970,629</u> | <u>\$ 901,915</u> |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease (16.0% in the first year, decreasing to 2.7%) | Healthcare Cost Trend Rates (17.0% in the first year, decreasing to 3.7%) | 1% Increase (18.0% in the first year, decreasing to 4.7%) |
|--------------------|--|---|--|
| Net OPEB Liability | <u>\$ 855,446</u> | <u>\$ 970,629</u> | <u>\$ 1,107,669</u> |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan – Single Employer Plan (Continued)

For the year ended December 31, 2023, the County recognized OPEB expense of \$106,030. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to single employer other postemployment benefits from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ - | \$ 35,555 |
| Changes of Assumptions or Other Input | 79,114 | 247,743 |
| Total | <u>\$ 79,114</u> | <u>\$ 283,298</u> |

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: | OPEB Expense Amount |
|----------------------------|---------------------------|
| 2024 | \$ (41,512) |
| 2025 | (41,512) |
| 2026 | (42,983) |
| 2027 | (40,940) |
| 2028 | (12,101) |
| Thereafter | (25,136) |

D. Other Postemployment Benefit Plan – Multiple Employer Plan

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 postemployment life insurance benefits for all eligible employees.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan – Multiple Employer Plan (Continued)

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 postretirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 64. 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023 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 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2022 are:

| <u>Attained Age</u> | <u>Basic %</u> |
|---------------------|----------------|
| Under 30 | 0.05 |
| 30-34 | 0.06 |
| 35-39 | 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 County’s fiscal year the LRLIF recognized \$1,600 in contributions from the County.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan – Multiple Employer Plan (Continued)

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

At December 31, 2023, the County reported a liability of \$766,450 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the County's proportion was 0.20117700 percent, which was an increase of 0.00790700 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the County recognized OPEB expense of \$90,209. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ - | \$ 75,009 |
| Net Difference Between Projected and Actual Earnings on OPEB Investments | 14,383 | - |
| Changes of Assumptions or Other Input | 275,369 | 452,416 |
| Change in proportion and differences between employer contributions and proportionate share of contributions | 79,922 | 7,108 |
| County Contributions Subsequent to the Measurement Date | 1,600 | - |
| Total | <u>\$ 371,274</u> | <u>\$ 534,533</u> |

\$1,600 is reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

| Year Ended December 31: | OPEB Expense Amount |
|----------------------------|------------------------|
| 2024 | \$ (2,120) |
| 2025 | (7,866) |
| 2026 | 5,018 |
| 2027 | (30,148) |
| 2028 | (65,445) |
| Thereafter | (64,298) |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|--|
| Actuarial Valuation Date: | January 1, 2022 |
| Measurement Date of Net OPEB Liability (Asset) | December 31, 2022 |
| Experience Study: | January 1, 2018 - December 31, 2020 Published November 19, 2021 |
| Actuarial Cost Method | Entry Age Normal |
| 20 Year Tax-Exempt Municipal Bond Yield | 3.72% |
| Long-Term Expected Rate of Return | 4.25% |
| Discount Rate | 3.76% |
| Salary Increases: | |
| Inflation | 3.00% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality | 2020 WRS Experience Mortality Table |

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

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

| Asset Class | Index | Target Allocation | Long-Term Expected Geometric Real Rate of Return |
|-----------------------------------|-----------------------------|-------------------|--|
| U.S. Intermediate Credit Bonds | Bloomberg US Interim Credit | 50% | 2.45% |
| U.S. Mortgages | Bloomberg US MBS | 50% | 2.83% |
| Inflation | | | 2.30% |
| Long-Term Expected Rate of Return | | | 4.25% |

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate. A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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 sufficient to make projected benefit payments, and the uncial bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the County’s proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the County’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76 percent, as well as what the County’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

| | 1% Decrease (2.76%) | Current Discount Rate (3.76%) | 1% Increase (4.76%) |
|---|------------------------|----------------------------------|------------------------|
| Proportionate share of the Net OPEB Liability (asset) 12/31/23 | \$ 1,044,973 | \$ 766,450 | \$ 552,994 |

E. Other Organizations

County officials appoint some or all of the governing board members of the following organizations which are not considered to be component units.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Other Organizations (Continued)

Joint Venture

Waste Management Group. Washburn County and Burnett County have jointly established the Waste Management Group to construct, operate, and maintain solid waste management facilities under Wisconsin Statutes 66.30. Each member county appoints five members of the board of directors. The operating and capital budgets are funded by user charges with shortfalls funded by the participating members. The County's transactions relating to the Waste Management Group are reported in the recycling special revenue fund. Financial statements of the Waste Management Group can be obtained from its offices at 1400 South River Street, Spooner, Wisconsin.

Jointly Governed Organization

Northwest Regional Planning Commission. The County, in conjunction with Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer and Taylor counties, and major cities within these counties, has created the Northwest Regional Planning Commission (NWRPC). NWRPC's governing body is comprised of two members from each of the ten counties and a representative from each major city. The County's representatives are appointed by the county board chairperson and approved by the county board.

Other

Washburn County Housing Authority. The County is responsible for the appointment of the board members of Washburn County Housing Authority (Housing Authority). The County, however, cannot, without cause, remove appointed members prior to completion of their five-year term. The County receives no funding from, nor provides any funding to, the Housing Authority. The County is not considered to be financially accountable for the Housing Authority and, accordingly, the Housing Authority is not considered to be a component unit of the County.

F. Risk Management

The County is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage to cover each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the last three years.

G. Prior Period Adjustment

During the fiscal year ended December 31, 2023, the County restated the beginning net position of two custodial funds. Amounts due to other governments were erroneously reported as net position in the prior year. As a result of this restatement, the net position was overstated and liabilities were understated by \$232,275.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

H. Contingencies

State and Federal Grant Programs: The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowances, if any, would be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 10,178,371 | \$ 10,178,371 | \$ 10,953,120 | \$ 774,749 |
| Intergovernmental | 2,094,474 | 2,204,992 | 2,330,856 | 125,864 |
| Licenses and Permits | 203,175 | 203,175 | 232,448 | 29,273 |
| Fines, Forfeits, and Penalties | 79,000 | 79,000 | 84,221 | 5,221 |
| Public Charges for Services | 368,400 | 368,400 | 444,340 | 75,940 |
| Intergovernmental Charges for Services | 20,000 | 20,000 | 25,017 | 5,017 |
| Miscellaneous | 257,050 | 259,850 | 1,866,012 | 1,606,162 |
| Total Revenues | 13,200,470 | 13,313,788 | 15,936,014 | 2,622,226 |
| EXPENDITURES | | | | |
| General Government | 6,168,335 | 6,217,065 | 5,584,507 | 632,558 |
| Public Safety | 4,353,679 | 4,400,523 | 4,862,073 | (461,550) |
| Public Works | 2,997,006 | 2,997,006 | 2,962,820 | 34,186 |
| Health and Human Services | 268,000 | 270,800 | 276,611 | (5,811) |
| Culture, Recreation, and Education | 533,112 | 533,112 | 567,741 | (34,629) |
| Conservation and Development | 848,904 | 759,141 | 1,009,343 | (250,202) |
| Debt Service | | | | |
| Principal Expenditures | - | - | 22,645 | (22,645) |
| Interest Expenditures | - | - | 2,187 | (2,187) |
| Total Expenditures | 15,169,036 | 15,177,647 | 15,287,927 | (110,280) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,968,566) | (1,863,859) | 648,087 | 2,511,946 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 143,500 | 43,799 | 273,318 | 229,519 |
| Transfers Out | - | - | (69,397) | (69,397) |
| Total Other Financing Sources (Uses) | 143,500 | 43,799 | 203,921 | 160,122 |
| NET CHANGE IN FUND BALANCE | (1,825,066) | (1,820,060) | 852,008 | 2,672,068 |
| Fund Balance - January 1 | 10,202,684 | 10,202,684 | 10,202,684 | - |
| FUND BALANCE - DECEMBER 31 | \$ 8,377,618 | \$ 8,382,624 | \$ 11,054,692 | \$ 2,672,068 |

See accompanying Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2023**

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive |
|--|----------------------------|----------------------------|----------------------------|---|
| | Original | Final | | (Negative) |
| REVENUES | | | | |
| Taxes | \$ 1,191,902 | \$ 1,191,902 | \$ 946,083 | \$ (245,819) |
| Intergovernmental | 2,056,181 | 2,056,181 | 2,122,359 | 66,178 |
| Fines, Forfeits, and Penalties | 14,700 | 14,700 | 14,115 | (585) |
| Public Charges for Services | 1,179,093 | 1,179,093 | 1,743,099 | 564,006 |
| Miscellaneous | 593,986 | 593,986 | 413,073 | (180,913) |
| Total Revenues | <u>5,035,862</u> | <u>5,035,862</u> | <u>5,238,729</u> | <u>202,867</u> |
| EXPENDITURES | | | | |
| Health and Human Services | <u>5,083,738</u> | <u>5,110,402</u> | <u>5,520,127</u> | <u>(409,725)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (47,876) | (74,540) | (281,398) | (206,858) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 187,500 | 87,799 | 88,548 | 749 |
| Transfers Out | 47,876 | 47,876 | - | (47,876) |
| Total Other Financing Sources (Uses) | <u>235,376</u> | <u>135,675</u> | <u>88,548</u> | <u>(47,127)</u> |
| NET CHANGE IN FUND BALANCE | 187,500 | 61,135 | (192,850) | (253,985) |
| Fund Balance - January 1 | <u>2,629,178</u> | <u>2,629,178</u> | <u>2,629,178</u> | <u>-</u> |
| FUND BALANCE - DECEMBER 31 | <u><u>\$ 2,816,678</u></u> | <u><u>\$ 2,690,313</u></u> | <u><u>\$ 2,436,328</u></u> | <u><u>\$ (253,985)</u></u> |

See accompanying Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – FORESTRY FUND
YEAR ENDED DECEMBER 31, 2023**

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|--------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 664,067 | \$ 728,267 | \$ 907,428 | \$ 179,161 |
| Public Charges for Services | 1,703,777 | 1,703,777 | 2,585,238 | 881,461 |
| Other Revenues | (70,760) | (70,760) | 26,863 | 97,623 |
| Total Revenues | <u>2,297,084</u> | <u>2,361,284</u> | <u>3,519,529</u> | <u>1,158,245</u> |
| EXPENDITURES | | | | |
| Culture, Recreation, and Education | 1,609,099 | 1,748,669 | 1,718,170 | 30,499 |
| Debt Service | | | | |
| Principal | 111,736 | 111,736 | 47,416 | 64,320 |
| Interest | 12,924 | 12,924 | 9,244 | 3,680 |
| Total Expenditures | <u>1,733,759</u> | <u>1,873,329</u> | <u>1,774,830</u> | <u>98,499</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 563,325 | 487,955 | 1,744,699 | 1,256,744 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds of Long-Term Debt | 20,000 | 20,000 | - | (20,000) |
| Transfers In | 71,660 | 147,030 | 18,018 | (129,012) |
| Transfers Out | (654,985) | (654,985) | (3,074,494) | (2,419,509) |
| Total Other Financing Sources (Uses) | <u>(563,325)</u> | <u>(487,955)</u> | <u>(3,056,476)</u> | <u>(2,568,521)</u> |
| NET CHANGE IN FUND BALANCE | - | - | (1,311,777) | (1,311,777) |
| Fund Balance - January 1 | <u>2,242,853</u> | <u>2,242,853</u> | <u>2,242,853</u> | <u>-</u> |
| FUND BALANCE - DECEMBER 31 | <u>\$ 2,242,853</u> | <u>\$ 2,242,853</u> | <u>\$ 931,076</u> | <u>\$(1,311,777)</u> |

See accompanying Notes to Required Supplementary Information.

WASHBURN COUNTY, WISCONSIN
SINGLE-EMPLOYER OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN THE COUNTY'S OPEB LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 84,164 | \$ 92,075 | \$ 96,027 | \$ 80,745 | \$ 90,305 | \$ 125,243 |
| Interest on the Total OPEB Liability | 31,914 | 32,495 | 40,083 | 21,221 | 19,098 | 22,299 |
| Differences Between Expected and Actual Experience | - | - | (59,210) | - | (6,593) | - |
| Changes of Assumptions or Other Input | 21,758 | (46,671) | (231,818) | 35,015 | 65,973 | (123,792) |
| Benefit Payments | <u>(42,000)</u> | <u>(48,872)</u> | <u>(48,872)</u> | <u>(16,693)</u> | <u>(23,616)</u> | <u>(20,588)</u> |
| Net Change in Total OPEB Liability | 95,836 | 29,027 | (203,790) | 120,288 | 145,167 | 3,162 |
| Total OPEB Liability - Beginning | <u>780,939</u> | <u>876,775</u> | <u>905,802</u> | <u>702,012</u> | <u>822,300</u> | <u>967,467</u> |
| Total OPEB Liability - Ending (a) | <u><u>\$ 876,775</u></u> | <u><u>\$ 905,802</u></u> | <u><u>\$ 702,012</u></u> | <u><u>\$ 822,300</u></u> | <u><u>\$ 967,467</u></u> | <u><u>\$ 970,629</u></u> |
| Covered Employee-Payroll | \$ 7,442,221 | \$ 7,556,000 | \$ 7,872,000 | \$ 8,223,000 | \$ 10,295,129 | \$ 10,862,374 |
| County's Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll | 11.78% | 11.99% | 8.92% | 10.00% | 9.40% | 8.94% |

Changes in assumptions since prior valuation:

- The discount rate was changed from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021.
- The demographic and salary increase assumptions have been updated as a result of the WRS Three-Year Experience Study for 2018-2020.
- The medical costs and trend rates were updated based on recent and expected future experience.
- The percentage of retirees assumed to elect family coverage has been reduced from 50% to 40%.

See accompanying Notes to Required Supplementary Information.

SCHEDULE 5

**WASHBURN COUNTY, WISCONSIN
 MULTIPLE-EMPLOYER OTHER POSTEMPLOYMENT BENEFITS
 SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND
 LAST TEN MEASUREMENT PERIODS
 (SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

| <u>OPEB Fiscal Year-End Date (Measurement Date)</u> | <u>County's Proportion of the Net OPEB Liability (Asset)</u> | <u>County's Proportionate Share of the Net OPEB Liability (Asset)</u> | <u>County's Covered Payroll</u> | <u>County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u> |
|---|--|---|-------------------------------------|--|--|
| 12/31/2022 | 0.20117700 % | \$ 766,450 | \$ 8,730,000 | 8.78 % | 38.81 % |
| 12/31/2021 | 0.19327000 | 1,142,306 | 8,709,000 | 13.12 | 29.57 |
| 12/31/2020 | 0.18713100 | 1,029,356 | 7,872,000 | 13.08 | 31.36 |
| 12/31/2019 | 0.17096400 | 727,998 | 7,556,000 | 9.63 | 37.58 |
| 12/31/2018 | 0.17559300 | 453,089 | 7,442,221 | 6.09 | 48.69 |
| 12/31/2017 | 0.17673000 | 532,437 | 7,442,221 | 7.15 | 44.81 |

Data is shown prospectively from the date of implementation and will include the full 10 years of information when available.

**WASHBURN COUNTY, WISCONSIN
MULTIPLE-EMPLOYER OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF COUNTY'S CONTRIBUTIONS TO THE
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

| County's Fiscal Year-End Date | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | County's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|----------------------------------|---|---|--|-----------------------------|--|
| 12/31/2023 | \$ 1,600 | \$ (1,600) | \$ - | \$ 8,730,000 | 0.02 % |
| 12/31/2022 | 4,055 | (4,055) | - | 8,709,000 | 0.05 |
| 12/31/2021 | 3,738 | (3,738) | - | 8,223,000 | 0.05 |
| 12/31/2020 | 3,381 | (3,381) | - | 7,872,000 | 0.04 |
| 12/31/2019 | 3,381 | (3,381) | - | 7,556,000 | 0.04 |
| 12/31/2018 | 3,360 | (3,360) | - | 7,442,221 | 0.05 |

Changes of Benefit Terms

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

Changes of Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

Data is shown prospectively from the date of implementation and will include the full 10 years of information when available.

See accompanying Notes to Required Supplementary Information.

WASHBURN COUNTY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM
NET PENSION PLAN (ASSET) LIABILITY – LAST TEN MEASUREMENT PERIODS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

| Year Ended | 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 |
|------------|---|---|--------------------|--|--|
| 12/31/2022 | 0.06200029% | \$ 3,284,591 | \$ 10,295,115 | 31.90% | 95.72% |
| 12/31/2021 | 0.06120590% | (4,933,308) | 9,843,182 | 50.12% | 106.02% |
| 12/31/2020 | 0.06023807% | (3,760,746) | 8,982,519 | 41.87% | 105.26% |
| 12/31/2019 | 0.05953116% | (1,919,556) | 8,981,520 | 21.37% | 102.96% |
| 12/31/2018 | 0.05878244% | 2,091,294 | 8,490,958 | 24.63% | 96.45% |
| 12/31/2017 | 0.05868219% | (1,742,343) | 8,065,845 | 21.60% | 102.93% |
| 12/31/2016 | 0.05859888% | 482,995 | 7,671,986 | 6.30% | 99.12% |
| 12/31/2015 | 0.05951674% | 967,135 | 7,793,876 | 12.41% | 98.20% |
| 12/31/2014 | 0.05976855% | (1,468,079) | 7,500,743 | 19.57% | 102.74% |

Data is shown prospectively from the date of implementation and will include the full 10 years of information when available.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO WISCONSIN RETIREMENT
SYSTEM PENSION PLAN – LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

| County's 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 |
|-----------------------------------|--|---|--|--------------------|---|
| 12/31/2023 | \$ 956,088 | \$ (956,088) | \$ - | \$ 10,295,129 | 9.29% |
| 12/31/2022 | 738,522 | (738,522) | - | 10,295,115 | 7.17% |
| 12/31/2021 | 726,866 | (726,866) | - | 9,843,182 | 7.38% |
| 12/31/2020 | 687,621 | (687,621) | - | 8,982,519 | 7.66% |
| 12/31/2019 | 612,332 | (612,332) | - | 8,981,520 | 6.82% |
| 12/31/2018 | 594,156 | (594,156) | - | 8,490,958 | 7.00% |
| 12/31/2017 | 560,748 | (560,748) | - | 8,065,845 | 6.95% |
| 12/31/2016 | 549,046 | (549,046) | - | 7,671,986 | 7.16% |
| 12/31/2015 | 575,869 | (575,869) | - | 7,793,876 | 7.39% |

Changes of Benefit Terms

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

Changes of Assumptions

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

Data is shown prospectively from the date of implementation and will include the full 10 years of information when available.

**WASHBURN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund, human services fund, and the forestry fund is derived from the County's annual operating budget.

The County's annual operating budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The County's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The County exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both the original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues, and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

SINGLE-EMPLOYER OTHER POSTEMPLOYMENT BENEFITS

No assets are accumulated in a trust to pay for other postemployment benefits. There were no significant changes in benefit terms or actuarial assumptions between the measurement periods presented in the schedule of changes in the County's OPEB liability and related ratios.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2023**

| | Special Revenue Funds | | | | | | | | | |
|---|-----------------------|-------------------|-------------------|-------------------|--------------------------------------|------------------|-------------------|-----------------|---------------------|------------------|
| | Public Health | Child Support | Opioid Settlement | UOA/ADRC | Aging and Disability Resource Center | Council on Aging | CDBG Grant Fund | Wildlife Damage | Development Fund | Animal Control |
| ASSETS | | | | | | | | | | |
| Treasurer's Cash and Investments | \$ 404,244 | \$ 77,280 | \$ 110,168 | \$ 201,442 | \$ - | \$ - | \$ 138,596 | \$ - | \$ 1,902,916 | \$ - |
| Taxes Receivable | 251,954 | - | - | 518,408 | - | - | - | - | - | 82,115 |
| Accounts Receivable | - | 1,203 | - | 17,644 | - | - | - | - | - | 6,460 |
| Due from Other Governmental Units | 55,662 | 77,372 | - | 145,709 | - | - | - | 6,055 | - | - |
| Loans Receivable | - | - | - | - | - | - | 783,530 | - | - | - |
| Prepaid Items | - | - | - | 1,734 | - | - | - | - | - | - |
| Total Assets | \$ 711,860 | \$ 155,855 | \$ 110,168 | \$ 884,937 | \$ - | \$ - | \$ 922,126 | \$ 6,055 | \$ 1,902,916 | \$ 88,575 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Vouchers Payable | \$ 21,783 | \$ 1,653 | \$ - | \$ 39,581 | \$ - | \$ - | \$ - | \$ 6,055 | \$ - | \$ 776 |
| Accrued Liabilities | 22,482 | 26,600 | - | 43,814 | - | - | - | - | - | - |
| Due to Other Governmental Units | 686 | - | - | - | - | - | - | - | - | 529 |
| Due to Other Funds | - | - | - | - | - | - | - | 14,449 | - | 51,117 |
| Total Liabilities | 44,951 | 28,253 | - | 83,395 | - | - | - | 20,504 | - | 52,422 |
| Deferred Inflows of Resources: | | | | | | | | | | |
| Succeeding Year's Property Taxes | 251,954 | - | - | 518,408 | - | - | - | - | - | 82,115 |
| Loans Receivable | - | - | - | - | - | - | 783,530 | - | - | - |
| Total Deferred Inflows of Resources | 251,954 | - | - | 518,408 | - | - | 783,530 | - | - | 82,115 |
| Fund Balance: | | | | | | | | | | |
| Nonspendable | - | - | - | 2,040 | - | - | - | - | - | - |
| Restricted | - | - | - | 20,959 | - | - | 138,596 | - | 948,090 | - |
| Committed | 414,955 | 127,602 | 110,168 | 209,543 | - | - | - | - | 954,826 | - |
| Assigned | - | - | - | 50,592 | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | (14,449) | - | (45,962) |
| Total Fund Balance | 414,955 | 127,602 | 110,168 | 283,134 | - | - | 138,596 | (14,449) | 1,902,916 | (45,962) |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | \$ 711,860 | \$ 155,855 | \$ 110,168 | \$ 884,937 | \$ - | \$ - | \$ 922,126 | \$ 6,055 | \$ 1,902,916 | \$ 88,575 |

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023**

| | Special Revenue Funds (Continued) | | | | | | | | |
|--|-----------------------------------|----------------------------|--------------------------------|---|-------------------|---------------------|------------------------|--------------------|---------------------|
| | County Land Sales | Jail Assessment Fees | Sheriff Special Activity | Environmental and Socioeconomic Impact | County Trunk D | Recycling Fund | Solid Waste Fund | Clerk of Courts | Total |
| ASSETS | | | | | | | | | |
| Treasurer's Cash and Investments | \$ 710,589 | \$ 79,742 | \$ 130,212 | \$ 1,104,005 | \$ 367,098 | \$ 1,098,705 | \$ 190,280 | \$ 8,871 | \$ 6,524,148 |
| Taxes Receivable | - | - | - | - | - | - | - | - | 852,477 |
| Accounts Receivable | - | 1,053 | 2,405 | 60,749 | - | 59,499 | 21,250 | - | 170,263 |
| Due from Other Governmental Units | - | - | - | - | - | - | - | - | 284,798 |
| Loans Receivable | - | - | - | - | - | - | - | - | 783,530 |
| Prepaid Items | - | - | - | - | - | - | - | - | 1,734 |
| Total Assets | \$ 710,589 | \$ 80,795 | \$ 132,617 | \$ 1,164,754 | \$ 367,098 | \$ 1,158,204 | \$ 211,530 | \$ 8,871 | \$ 8,616,950 |
| LIABILITIES AND FUND BALANCE | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Vouchers Payable | \$ 6,850 | \$ 174 | \$ 13,576 | \$ 60,749 | \$ - | \$ 2,771 | \$ - | \$ 8,871 | \$ 162,839 |
| Accrued Liabilities | - | - | - | - | - | - | - | - | 92,896 |
| Due to Other Governmental Units | - | - | - | - | - | - | - | - | 1,215 |
| Due to Other Funds | - | - | - | - | - | - | - | - | 65,566 |
| Total Liabilities | 6,850 | 174 | 13,576 | 60,749 | - | 2,771 | - | 8,871 | 322,516 |
| Deferred Inflows of Resources: | | | | | | | | | |
| Succeeding Year's Property Taxes | - | - | - | - | - | - | - | - | 852,477 |
| Loans Receivable | - | - | - | - | - | - | - | - | 783,530 |
| Total Deferred Inflows of Resources | - | - | - | - | - | - | - | - | 1,636,007 |
| Fund Balance: | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | 2,040 |
| Restricted | 86,917 | 80,621 | 15,522 | 1,104,005 | 367,098 | - | 211,530 | - | 2,973,338 |
| Committed | 616,822 | - | 103,519 | - | - | 1,155,433 | - | - | 3,692,868 |
| Assigned | - | - | - | - | - | - | - | - | 50,592 |
| Unassigned | - | - | - | - | - | - | - | - | (60,411) |
| Total Fund Balance | 703,739 | 80,621 | 119,041 | 1,104,005 | 367,098 | 1,155,433 | 211,530 | - | 6,658,427 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 710,589 | \$ 80,795 | \$ 132,617 | \$ 1,164,754 | \$ 367,098 | \$ 1,158,204 | \$ 211,530 | \$ 8,871 | \$ 8,616,950 |

SCHEDULE A-2

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2023**

| | Special Revenue Funds | | | | | | | | | |
|--|-----------------------|-------------------|-------------------|-------------------|--------------------------------------|------------------|-------------------|--------------------|---------------------|--------------------|
| | Public Health | Child Support | Opioid Settlement | UOA/ADRC | Aging and Disability Resource Center | Council on Aging | CDBG Grant Fund | Wildlife Damage | Development Fund | Animal Control |
| REVENUES | | | | | | | | | | |
| Taxes | \$ 170,819 | \$ - | \$ - | \$ 461,992 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 58,765 |
| Intergovernmental | 387,209 | 273,832 | 22,755 | 1,132,523 | - | - | - | 34,256 | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - | 26,345 | 16,539 |
| Fines, Forfeits, and Penalties | - | - | - | - | - | - | - | - | - | - |
| Public Charges for Services | 1,583 | 11,391 | - | - | - | - | - | - | - | - |
| Miscellaneous: | | | | | | | | | | |
| Interest | - | - | - | 1,273 | - | - | 7,651 | - | - | - |
| Loan Repayments | - | - | - | - | - | - | 25,273 | - | - | - |
| Sale of County Property | - | - | - | - | - | - | - | - | - | - |
| Donations | - | 37,510 | - | 11,513 | - | - | - | - | - | - |
| Other | 50 | 42 | - | 56,591 | - | - | - | - | - | 5,000 |
| Total Revenues | 559,661 | 322,775 | 22,755 | 1,663,892 | - | - | 32,924 | 34,256 | 26,345 | 80,304 |
| EXPENDITURES | | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - | - | - |
| Health and Human Services | 529,415 | 277,455 | - | 2,046,421 | - | - | - | - | - | 84,226 |
| Culture, Recreation, and Education | - | - | - | - | - | - | - | 34,256 | - | - |
| Conservation and Development | - | - | - | - | - | - | 45,994 | - | - | - |
| Total Expenditures | 529,415 | 277,455 | - | 2,046,421 | - | - | 45,994 | 34,256 | - | 84,226 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 30,246 | 45,320 | 22,755 | (382,529) | - | - | (13,070) | - | 26,345 | (3,922) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers In | 42,477 | - | - | 665,663 | - | - | - | - | - | - |
| Transfers Out | (22,539) | (64,061) | - | - | (8,948) | (656,716) | - | - | (187,000) | - |
| Total Other Financing Sources (Uses) | 19,938 | (64,061) | - | 665,663 | (8,948) | (656,716) | - | - | (187,000) | - |
| NET CHANGE IN FUND BALANCE | 50,184 | (18,741) | 22,755 | 283,134 | (8,948) | (656,716) | (13,070) | - | (160,655) | (3,922) |
| Fund Balance - Beginning of Year | 364,771 | 146,343 | 87,413 | - | 8,948 | 656,716 | 151,666 | (14,449) | 2,063,571 | (42,040) |
| FUND BALANCE - DECEMBER 31 | \$ 414,955 | \$ 127,602 | \$ 110,168 | \$ 283,134 | \$ - | \$ - | \$ 138,596 | \$ (14,449) | \$ 1,902,916 | \$ (45,962) |

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

| | Special Revenue Funds (Continued) | | | | | | | | |
|--|-----------------------------------|----------------------------|--------------------------------|---|-------------------|---------------------|------------------------|--------------------|---------------------|
| | County Land Sales | Jail Assessment Fees | Sheriff Special Activity | Environmental and Socioeconomic Impact | County Trunk D | Recycling Fund | Solid Waste Fund | Clerk of Courts | Total |
| REVENUES | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 691,576 |
| Intergovernmental | - | - | - | - | - | 83,304 | - | - | 1,933,879 |
| Licenses and Permits | - | - | - | - | - | - | - | 237,448 | 280,332 |
| Fines, Forfeits, and Penalties | - | 16,935 | - | - | - | - | - | - | 16,935 |
| Public Charges for Services | 12,652 | - | - | - | - | 233,153 | 85,000 | - | 343,779 |
| Miscellaneous: | | | | | | | | | |
| Interest | - | - | - | 33,152 | 14,737 | - | - | - | 56,813 |
| Loan Repayments | - | - | - | - | - | - | - | - | 25,273 |
| Sale of County Property | 71,336 | - | - | - | - | - | - | - | 71,336 |
| Donations | - | - | 43,902 | - | - | - | - | - | 92,925 |
| Other | - | - | - | 238,152 | - | - | - | - | 299,835 |
| Total Revenues | 83,988 | 16,935 | 43,902 | 271,304 | 14,737 | 316,457 | 85,000 | 237,448 | 3,812,683 |
| EXPENDITURES | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | 237,448 | 237,448 |
| Public Safety | - | 3,790 | 34,334 | - | - | - | - | - | 38,124 |
| Health and Human Services | - | - | - | - | - | - | - | - | 2,937,517 |
| Culture, Recreation, and Education | - | - | - | - | - | - | - | - | 34,256 |
| Conservation and Development | 22,082 | - | - | 238,152 | - | 127,745 | 52,451 | - | 486,424 |
| Total Expenditures | 22,082 | 3,790 | 34,334 | 238,152 | - | 127,745 | 52,451 | 237,448 | 3,733,769 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 61,906 | 13,145 | 9,568 | 33,152 | 14,737 | 188,712 | 32,549 | - | 78,914 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | - | - | - | - | 32,549 | - | - | 740,689 |
| Transfers Out | - | - | - | - | - | (58,109) | (32,549) | - | (1,029,922) |
| Total Other Financing Sources (Uses) | - | - | - | - | - | (25,560) | (32,549) | - | (289,233) |
| NET CHANGE IN FUND BALANCE | 61,906 | 13,145 | 9,568 | 33,152 | 14,737 | 163,152 | - | - | (210,319) |
| Fund Balance - Beginning of Year | 641,833 | 67,476 | 109,473 | 1,070,853 | 352,361 | 992,281 | 211,530 | - | 6,868,746 |
| FUND BALANCE - DECEMBER 31 | \$ 703,739 | \$ 80,621 | \$ 119,041 | \$ 1,104,005 | \$ 367,098 | \$ 1,155,433 | \$ 211,530 | \$ - | \$ 6,658,427 |

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2022)**

| | 2023 | 2022 |
|---|---------------|---------------|
| ASSETS | | |
| Treasurer's Cash and Investments | \$ 9,897,507 | \$ 8,233,857 |
| Current Taxes Receivable | 8,662,899 | 8,654,803 |
| Tax Certificates | 727,161 | 765,773 |
| Accounts Receivable | 204,289 | 292,893 |
| Due from Other Governments | 334,629 | 322,616 |
| Due from Other Funds | 198,854 | 264,328 |
| Prepaid Items and Other Assets: | | |
| Prepaid Items and Other Assets | 22,071 | 22,706 |
| Prepaid Insurance | 480,935 | 716,017 |
| Long-Term Note Receivable | 68,302 | 79,302 |
| Total Assets | \$ 20,596,647 | \$ 19,352,295 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | |
| Liabilities: | | |
| Vouchers and Accounts Payable | \$ 289,763 | \$ 136,751 |
| Payroll Deductions | 205,360 | 59,525 |
| Accrued Liabilities | 291,308 | 201,031 |
| Due to Other Governments | 75,148 | 88,607 |
| Unearned Revenue | 17,495 | 8,912 |
| Total Liabilities | 879,074 | 494,826 |
| Deferred Inflows of Resources: | | |
| Succeeding Year's Property Taxes | 8,662,881 | 8,654,785 |
| Fund Balance: | | |
| Nonspendable | 1,298,469 | 1,583,798 |
| Restricted | 53 | 8,019 |
| Assigned | 2,610,469 | 2,915,497 |
| Unassigned | 7,145,701 | 5,695,370 |
| Total Fund Balance | 11,054,692 | 10,202,684 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | \$ 20,596,647 | \$ 19,352,295 |

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 Actual |
|---------------------------------------|-----------------|--------------|---|----------------|
| | Final Budget | Actual | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property: | | | | |
| General Property Taxes | \$ 8,418,251 | \$ 8,624,803 | \$ 206,552 | \$ 8,399,843 |
| Forest Cropland Taxes From Districts | 50,000 | 73,425 | 23,425 | 70,471 |
| Sales and Use: | | | | |
| County Sales Tax | 1,425,000 | 2,001,163 | 576,163 | 2,059,449 |
| Retained Sales Tax Applied | 120 | 143 | 23 | 140 |
| Real Estate Transfer Fees | 60,000 | 82,047 | 22,047 | 112,629 |
| Interest and Penalties on Taxes | 225,000 | 171,539 | (53,461) | 170,078 |
| Total Taxes | 10,178,371 | 10,953,120 | 774,749 | 10,812,610 |
| Intergovernmental: | | | | |
| Federal Grants: | | | | |
| Homeland Security Equipment Grant | - | 5,861 | 5,861 | 12,825 |
| Aid in Lieu of Taxes | 11,500 | 13,788 | 2,288 | 12,868 |
| Emergency Government | 30,465 | 36,895 | 6,430 | 39,449 |
| Federal Aids Secondary | 35,136 | 35,136 | - | 36,193 |
| Wireless 911 Grant | 6,831 | 1,447 | (5,384) | 6,158 |
| Jail Literacy Grant | 45,266 | 27,098 | (18,168) | 20,665 |
| Local Assistance & Tribal Consistency | 50,000 | 50,000 | - | 50,000 |
| American Rescue Plan Act Aid | - | - | - | 1,526,713 |
| State Shared Taxes: | | | | |
| Shared Revenue | 141,582 | 142,557 | 975 | 142,483 |
| Personal Property Aid | 23,265 | 22,758 | (507) | 23,265 |
| Tax Exempt Computer Aids | 16,207 | 16,207 | - | 16,207 |
| State Grants: | | | | |
| Aid for Courts | 52,275 | 52,275 | - | 52,275 |
| Victim/Witness Program | 37,940 | 44,876 | 6,936 | 43,406 |
| Veterans Service Officer | 14,500 | 23,578 | 9,078 | 28,043 |
| Probation and Parole | 15,000 | 58,559 | 43,559 | 54,587 |
| Guardian Ad Litem | 17,305 | 27,360 | 10,055 | 25,533 |
| County Trunk Highways | 1,294,659 | 1,294,659 | - | 1,380,920 |

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 Actual |
|---------------------------------------|-----------------|------------|---|----------------|
| | Final Budget | Actual | | |
| REVENUES (CONTINUED) | | | | |
| Intergovernmental: (Continued) | | | | |
| State Grants: (Continued) | | | | |
| Soil and Water Resource Management | \$ 220,025 | \$ 231,207 | \$ 11,182 | \$ 176,606 |
| Law Enforcement Training | 37,000 | 31,496 | (5,504) | 26,654 |
| Land Information Board Grants | 108,536 | 126,872 | 18,336 | 108,536 |
| Forest Crop/Managed Forest Aides | 25,000 | 31,626 | 6,626 | 32,074 |
| Severance and Withdrawal Taxes | 7,500 | 6,173 | (1,327) | 49,935 |
| Payment in Lieu of Taxes | 15,000 | 28,914 | 13,914 | 30,579 |
| Other State Aid | - | 21,514 | 21,514 | - |
| Total Intergovernmental | 2,204,992 | 2,330,856 | 125,864 | 3,895,974 |
| Licenses and Permits: | | | | |
| Licenses: | | | | |
| Marriage License Revenue | 5,100 | 5,175 | 75 | 4,740 |
| Permits: | | | | |
| Zoning Fees | 198,075 | 227,273 | 29,198 | 245,309 |
| Total Licenses and Permits | 203,175 | 232,448 | 29,273 | 250,049 |
| Fines, Forfeits, and Penalties: | | | | |
| Law and Ordinance Violations: | | | | |
| County Share of Fines and Forfeitures | 79,000 | 84,221 | 5,221 | 84,211 |
| Public Charge for Services: | | | | |
| General Government: | | | | |
| Treasurer's Fees | 200 | 488 | 288 | 433 |
| Register of Deeds Fees | 118,000 | 103,413 | (14,587) | 132,323 |
| Land Modernization Fees | 30,000 | 21,504 | (8,496) | 28,482 |
| Court Fees and Costs | 40,000 | 79,661 | 39,661 | 76,107 |
| Register in Probate Fees | 4,000 | 10,805 | 6,805 | 11,221 |
| Assessment of Property Fees | 1,000 | 1,487 | 487 | 928 |

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 Actual |
|--|-----------------|----------------|---|----------------|
| | Final Budget | Actual | | |
| REVENUES (CONTINUED) | | | | |
| Public Charges for Services: (Continued) | | | | |
| General Government: (Continued) | | | | |
| Family Counseling Fees | \$ 1,500 | \$ 1,194 | \$ (306) | \$ 1,245 |
| Guardian Ad Litem Reimbursement | 60,000 | 95,814 | 35,814 | 91,089 |
| District Attorney Fees | 4,200 | 634 | (3,566) | 418 |
| Coroner | 12,000 | 13,800 | 1,800 | 18,200 |
| Public Safety: | | | | |
| Sheriff Fees | 15,000 | 20,495 | 5,495 | 19,755 |
| Inmate Phone | 11,000 | 8,924 | (2,076) | 6,133 |
| Electric Monitor Revenue | 17,000 | 20,068 | 3,068 | 10,678 |
| Board of Prisoners - Huber Law | 3,000 | 3,330 | 330 | 2,950 |
| County Numbering System | 10,000 | 10,432 | 432 | 12,180 |
| Prisoner Medical Reimbursements | 15,000 | 28,117 | 13,117 | 22,570 |
| Health and Human Services: | | | | |
| Veteran Service Fees | 11,500 | 6,755 | (4,745) | 3,205 |
| Culture, Recreation, and Education: | | | | |
| UWEX Extension Fees | 3,000 | 160 | (2,840) | 200 |
| Conservation and Development: | | | | |
| Soil and Water Revenue | 12,000 | 17,259 | 5,259 | 14,327 |
| Total Public Charges for Services | <u>368,400</u> | <u>444,340</u> | <u>75,940</u> | <u>452,444</u> |
| Intergovernmental Charges for Services: | | | | |
| Smart Growth Planning | 20,000 | 25,017 | 5,017 | 45,186 |

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 Actual |
|---------------------------------|-----------------|------------------|---|----------------|
| | Final Budget | Actual | | |
| REVENUES (CONTINUED) | | | | |
| Miscellaneous: | | | | |
| Interest: | | | | |
| Temporary Investments | \$ 200,000 | \$ 1,633,804 | \$ 1,433,804 | \$ 440,224 |
| Property Sales: | | | | |
| Sale of General Capital Assets | - | - | - | 14,975 |
| Sale of Sheriff Department Cars | 15,000 | - | (15,000) | 29,435 |
| Sale of Maps and Plats | 3,450 | 1,723 | (1,727) | 4,013 |
| Sale of CSM's | 6,000 | 7,915 | 1,915 | 11,730 |
| Other: | | | | |
| County Cars Revenue | 30,000 | 37,503 | 7,503 | 40,894 |
| Insurance Recoveries | - | 168,180 | 168,180 | 236,252 |
| Donations | 2,800 | 4,110 | 1,310 | 3,183 |
| Miscellaneous | 2,600 | 12,777 | 10,177 | 19,921 |
| Total Miscellaneous Revenues | <u>259,850</u> | <u>1,866,012</u> | <u>1,606,162</u> | <u>800,627</u> |
| Total Revenues | 13,313,788 | 15,936,014 | 2,622,226 | 16,341,101 |
| EXPENDITURES | | | | |
| General Government: | | | | |
| Legislative: | | | | |
| Board | 102,905 | 113,251 | (10,346) | 105,742 |
| Judicial: | | | | |
| Judge | 179,008 | 204,908 | (25,900) | 248,482 |
| Juvenile Court | | | | |
| Clerk of Courts | 330,505 | 335,477 | (4,972) | 303,003 |
| Register in Probate | 2,200 | 251 | 1,949 | 635 |
| Family Court Commissioner | 33,321 | 31,943 | 1,378 | 30,769 |
| Coroner | 58,694 | 82,393 | (23,699) | 77,155 |
| Legal: | | | | |
| District Attorney | 255,249 | 274,424 | (19,175) | 255,781 |
| Family Counseling | 5,000 | 2,613 | 2,387 | 3,727 |
| Criminal Justice Coordinator | 128,303 | 130,354 | (2,051) | 111,853 |
| Corporation Counsel | 174,573 | 194,729 | (20,156) | 188,633 |
| Victim/Witness Coordinator | 88,843 | 95,440 | (6,597) | 87,942 |

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 Actual |
|---|------------------|------------------|---|------------------|
| | Final Budget | Actual | | |
| EXPENDITURES (CONTINUED) | | | | |
| General Government: (Continued) | | | | |
| General Administration: | | | | |
| Clerk | \$ 203,938 | \$ 240,332 | \$ (36,394) | \$ 203,208 |
| Administration | 291,729 | 404,675 | (112,946) | 277,933 |
| Elections | 53,500 | 40,723 | 12,777 | 58,642 |
| Information Technology | 693,496 | 686,454 | 7,042 | 686,452 |
| Information Technology Capital Equipment | 23,229 | 21,213 | 2,016 | 20,297 |
| Central Postage | 27,000 | 30,729 | (3,729) | 22,873 |
| Government Center Building | 234,665 | 281,232 | (46,567) | 254,327 |
| Forestry Building | 20,700 | 17,667 | 3,033 | 15,422 |
| Financial Administration: | | | | |
| Accounting and Auditing | 216,829 | 470,294 | (253,465) | 293,492 |
| Treasurer | 255,316 | 275,823 | (20,507) | 249,609 |
| Assessment of Property | 4,000 | 3,231 | 769 | 3,206 |
| Purchasing | 33,673 | 36,991 | (3,318) | 36,979 |
| General Building and Plant: | | | | |
| Annex - Spooner | 2,141 | 12,538 | (10,397) | 10,768 |
| Courthouse | 301,311 | 329,046 | (27,735) | 303,040 |
| Building Repair | 21,399 | 34,485 | (13,086) | 44,364 |
| Wayside | 44,425 | 50,327 | (5,902) | 48,959 |
| Property Records and Control: | | | | |
| Register of Deeds | 199,652 | 250,946 | (51,294) | 184,051 |
| Surveyor | 510,677 | 443,599 | 67,078 | 476,038 |
| Other General Government: | | | | |
| County Owned Cars Expense | 97,700 | 466 | 97,234 | 104,960 |
| Property and Liability Insurance | 101,000 | 3,916 | 97,084 | 117,577 |
| ARPA Administration and Capital Outlay | 1,522,084 | 484,037 | 1,038,047 | 2,225,267 |
| Total General Government | <u>6,217,065</u> | <u>5,584,507</u> | <u>632,558</u> | <u>7,051,186</u> |

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 Actual |
|--|------------------|------------------|---|------------------|
| | Final Budget | Actual | | |
| EXPENDITURES (CONTINUED) | | | | |
| Public Safety: | | | | |
| Sheriff | \$ 2,411,229 | \$ 2,607,408 | \$ (196,179) | \$ 2,322,670 |
| Fire Suppression | 100 | - | 100 | - |
| Jail Expenses | 1,854,311 | 2,075,303 | (220,992) | 2,118,739 |
| Special Response Team | 16,097 | 48,642 | (32,545) | 33,366 |
| Highway Safety | 1,000 | 2,633 | (1,633) | - |
| County Numbering System | - | - | - | 67 |
| Emergency Government | 112,890 | 123,772 | (10,882) | 114,557 |
| Emergency Communications | 4,896 | 4,315 | 581 | 4,496 |
| Total Public Safety | <u>4,400,523</u> | <u>4,862,073</u> | <u>(461,550)</u> | <u>4,593,895</u> |
| Public Works: | | | | |
| Appropriations to Highway Department [1] | 2,986,256 | 2,951,120 | 35,136 | 3,020,012 |
| Other Transportation: | | | | |
| Transit Commission | 50 | - | 50 | - |
| Airport | 10,700 | 11,700 | (1,000) | 10,700 |
| Total Public Works | <u>2,997,006</u> | <u>2,962,820</u> | <u>34,186</u> | <u>3,030,712</u> |
| Health and Human Services: | | | | |
| Health: | | | | |
| Wellness Program | 15,000 | 13,906 | 1,094 | 7,749 |
| Human Services: | | | | |
| AODA Program | 7,600 | 7,500 | 100 | 7,600 |
| Veterans: | | | | |
| Veterans Service | 193,826 | 216,245 | (22,419) | 177,574 |
| Veterans Commission | 43,124 | 27,916 | 15,208 | 18,322 |
| Deceased Veterans Affairs | 11,250 | 11,044 | 206 | 9,925 |
| Total Health and Human Services | <u>270,800</u> | <u>276,611</u> | <u>(5,811)</u> | <u>221,170</u> |

[1] See Schedule C-4

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 Actual |
|--|-----------------|------------|---|----------------|
| | Final Budget | Actual | | |
| EXPENDITURES (CONTINUED) | | | | |
| Culture, Recreation, and Education: | | | | |
| Culture: | | | | |
| Library | \$ 245,312 | \$ 312,790 | \$ (67,478) | \$ 245,313 |
| Historical Society | 20,800 | 29,200 | (8,400) | 21,000 |
| Recreation: | | | | |
| Fairs | 43,975 | 43,975 | - | 43,975 |
| Education: | | | | |
| University Extension | 223,025 | 181,776 | 41,249 | 157,432 |
| Total Culture, Recreation, and Education | 533,112 | 567,741 | (34,629) | 467,720 |
| Conservation and Development: | | | | |
| Resource Conservation: | | | | |
| Soil and Water Conservation | 265,117 | 293,191 | (28,074) | 223,610 |
| Aquatic Invasive Species | 15,233 | 13,806 | 1,427 | 12,862 |
| Farm Land Preservation Grant | 10,000 | 2,213 | 7,787 | 3,450 |
| Power Line Related Expenditures | 1,600 | 1,845 | (245) | 2,372 |
| Planning: | | | | |
| Regional Planning Commission | 25,657 | 26,591 | (934) | 25,657 |
| Zoning: | | | | |
| Zoning | 316,534 | 383,539 | (67,005) | 308,668 |
| Economic Development: | | | | |
| Economic Development Corporation and Tourism | 122,000 | 285,158 | (163,158) | 244,037 |
| ITBEC Contribution | 3,000 | 3,000 | - | 3,000 |
| Total Conservation and Development | 759,141 | 1,009,343 | (250,202) | 823,656 |
| Debt Service: | | | | |
| Principal Expenditures | - | 22,645 | (22,645) | 22,008 |
| Interest and Fiscal Charges | - | 2,187 | (2,187) | 2,824 |
| | - | 24,832 | (24,832) | 24,832 |
| Total Expenditures | 15,177,647 | 15,287,927 | (110,280) | 16,213,171 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,863,859) | 648,087 | 2,511,946 | 127,930 |

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 Actual |
|---------------------------------------|----------------------------|-----------------------------|---|-----------------------------|
| | Final Budget | Actual | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In: | | | | |
| Capital Projects Fund | \$ - | \$ 24,539 | \$ 24,539 | \$ - |
| Development Fund | - | 248,779 | 248,779 | 122,000 |
| Transfers from Other Funds | 43,799 | - | (43,799) | - |
| Total Transfers In | <u>43,799</u> | <u>273,318</u> | <u>229,519</u> | <u>122,000</u> |
| Transfers Out: | | | | |
| Human Services Fund | - | (1,948) | (1,948) | (26,665) |
| Child Support Fund | - | - | - | (2,466) |
| Forestry Fund | - | (18,018) | (18,018) | (11,170) |
| Development Fund | - | - | - | (448,826) |
| Highway Department Fund | - | (6,954) | (6,954) | (57,469) |
| Public Health Fund | - | (42,477) | (42,477) | (2,575) |
| Total Transfers Out | <u>-</u> | <u>(69,397)</u> | <u>(69,397)</u> | <u>(549,171)</u> |
| Total Other Financing Sources (Uses) | <u>43,799</u> | <u>203,921</u> | <u>160,122</u> | <u>(427,171)</u> |
| NET CHANGE IN FUND BALANCE | (1,820,060) | 852,008 | 2,672,068 | (299,241) |
| Fund Balance - January 1 | <u>10,202,684</u> | <u>10,202,684</u> | <u>-</u> | <u>10,501,925</u> |
| FUND BALANCE - DECEMBER 31 | <u><u>\$ 8,382,624</u></u> | <u><u>\$ 11,054,692</u></u> | <u><u>\$ 2,672,068</u></u> | <u><u>\$ 10,202,684</u></u> |

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2022)**

| | Highway Department | Copy Machine | Total | |
|---|-----------------------|-----------------|--------------|--------------|
| | | | 2023 | 2022 |
| ASSETS | | | | |
| Current Assets: | | | | |
| Treasurer's Cash and Investments | \$ 3,053,614 | \$ 30,144 | \$ 3,083,758 | \$ 2,528,100 |
| Accounts Receivable | 354,105 | - | 354,105 | 210,352 |
| Due from Other Governments | 926,309 | - | 926,309 | 1,064,794 |
| Due from Other Funds | 656,071 | - | 656,071 | 891,243 |
| Prepaid Items and Other Assets | 2,312,122 | - | 2,312,122 | 2,078,981 |
| Total Current Assets | 7,302,221 | 30,144 | 7,332,365 | 6,773,470 |
| Restricted Assets: | | | | |
| Wisconsin Retirement System Net Pension Asset | - | - | - | 950,054 |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Not Being Depreciated/Depleted | 489,782 | - | 489,782 | 489,782 |
| Being Depreciated/Depleted | 21,500,811 | 26,919 | 21,527,730 | 21,247,609 |
| Accumulated Depreciation | (13,856,412) | (25,189) | (13,881,601) | (13,009,014) |
| Total Capital Assets | 8,134,181 | 1,730 | 8,135,911 | 8,728,377 |
| Total Assets | 15,436,402 | 31,874 | 15,468,276 | 16,451,901 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Wisconsin Retirement System Pension Related | 2,742,346 | - | 2,742,346 | 1,855,699 |
| Single Employer Other Postemployment Benefits Related | 14,112 | - | 14,112 | 16,704 |
| Multi-Employer Other Postemployment Benefits Related | 67,146 | - | 67,146 | 77,399 |
| Total Deferred Outflows of Resources | 2,823,604 | - | 2,823,604 | 1,949,802 |

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2022)**

| | Highway Department | Copy Machine | Total | |
|---|-----------------------|------------------|----------------------|----------------------|
| | | | 2023 | 2022 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 169,892 | \$ - | \$ 169,892 | \$ 286,943 |
| Accrued Liabilities | 182,780 | - | 182,780 | 205,732 |
| Accrued Interest Payable | 9,922 | - | 9,922 | 9,922 |
| Accrued Vacation and Sick Leave - Current | 103,357 | - | 103,357 | 114,597 |
| Financed Purchase Obligation - Current | 865,338 | - | 865,338 | 197,026 |
| Total Current Liabilities | <u>1,331,289</u> | <u>-</u> | <u>1,331,289</u> | <u>814,220</u> |
| Long-Term Liabilities: | | | | |
| Advance from Capital Projects Fund | 819,338 | - | 819,338 | 895,933 |
| Wisconsin Retirement System Net Pension Liability | 732,997 | - | 732,997 | - |
| Single Employer Other Postemployment Benefits Payable | 173,139 | - | 173,139 | 172,575 |
| Multi-Employer Other Postemployment Benefits Payable | 138,615 | - | 138,615 | 208,392 |
| Accrued Vacation and Sick Leave | 239,139 | - | 239,139 | 219,263 |
| Financed Purchase Obligation | - | - | - | 865,338 |
| Total Long-Term Liabilities | <u>2,103,228</u> | <u>-</u> | <u>2,103,228</u> | <u>2,361,501</u> |
| Total Liabilities | 3,434,517 | - | 3,434,517 | 3,175,721 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Wisconsin Retirement System Pension Related | 1,537,244 | - | 1,537,244 | 2,236,462 |
| Single Employer Other Postemployment Benefits Related | 50,534 | - | 50,534 | 38,449 |
| Multi-Employer Other Postemployment Benefits Related | 96,672 | - | 96,672 | 22,447 |
| Total Deferred Inflows of Resources | <u>1,684,450</u> | <u>-</u> | <u>1,684,450</u> | <u>2,297,358</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 7,268,843 | 1,730 | 7,270,573 | 7,666,013 |
| Restricted for Wisconsin Retirement Net Pension Asset | - | - | - | 950,054 |
| Unrestricted | 5,872,196 | 30,144 | 5,902,340 | 4,312,557 |
| Total Net Position | <u>\$ 13,141,039</u> | <u>\$ 31,874</u> | <u>\$ 13,172,913</u> | <u>\$ 12,928,624</u> |

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | Highway Department | Copy Machine | Total | |
|---|-----------------------|------------------|----------------------|----------------------|
| | | | 2023 | 2022 |
| OPERATING REVENUES | \$ 11,011,379 | \$ 1,960 | \$ 11,013,339 | \$ 8,921,987 |
| OPERATING EXPENSES | 10,729,824 | 1,611 | 10,731,435 | 8,612,885 |
| OPERATING INCOME (LOSS) | 281,555 | 349 | 281,904 | 309,102 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest Expense | (40,899) | - | (40,899) | (39,785) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 240,656 | 349 | 241,005 | 269,317 |
| CAPITAL CONTRIBUTIONS AND TRANSFERS | | | | |
| Transfers from Forestry Fund | - | - | - | 102,895 |
| Transfers from General Fund | 6,954 | - | 6,954 | - |
| Transfers to General Fund | (3,670) | - | (3,670) | (13,000) |
| Contributions from State | - | - | - | 171,671 |
| Total Capital Contributions and Transfers | 3,284 | - | 3,284 | 261,566 |
| CHANGE IN NET POSITION | 243,940 | 349 | 244,289 | 530,883 |
| Net Position - January 1 | 12,897,099 | 31,525 | 12,928,624 | 12,397,741 |
| NET POSITION - DECEMBER 31 | <u>\$ 13,141,039</u> | <u>\$ 31,874</u> | <u>\$ 13,172,913</u> | <u>\$ 12,928,624</u> |

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

| | Highway | Copy | Total | |
|---|---------------------|------------------|---------------------|---------------------|
| | Department | Machine | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash Received for Services Provided | \$ 11,241,283 | \$ 1,960 | \$ 11,243,243 | \$ 7,684,874 |
| Cash Paid to Suppliers for Goods and Services | (5,476,728) | (1,611) | (5,478,339) | (4,155,379) |
| Cash Paid for Employee Services | (4,427,288) | - | (4,427,288) | (4,410,555) |
| Net Cash Provided (Used) by Operating Activities | 1,337,267 | 349 | 1,337,616 | (881,060) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfer from Forestry Fund | 6,954 | - | 6,954 | 102,895 |
| Transfer to Capital Improvements Program Fund | (3,670) | - | (3,670) | (13,000) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 3,284 | - | 3,284 | 89,895 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Cash Paid for Acquisition of Capital Assets | (473,432) | - | (473,432) | (539,620) |
| Cash Received for Sale of Capital Assets | 2,710 | - | 2,710 | 18,797 |
| Change in Cash Advance for Gravel Pits from County | (76,595) | - | (76,595) | (93,512) |
| Principal Paid on Financed Purchase Obligation | (197,026) | - | (197,026) | (238,531) |
| Interest Paid on Financed Purchase Obligation | (40,899) | - | (40,899) | (39,785) |
| Net Cash Used by Capital and Related Financing Activities | (785,242) | - | (785,242) | (892,651) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 555,309 | 349 | 555,658 | (1,683,816) |
| CASH AND CASH EQUIVALENTS - JANUARY 1 | 2,498,305 | 29,795 | 2,528,100 | 4,211,916 |
| CASH AND CASH EQUIVALENTS - DECEMBER 31 | <u>\$ 3,053,614</u> | <u>\$ 30,144</u> | <u>\$ 3,083,758</u> | <u>\$ 2,528,100</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | |
| Operating Income (Loss) | \$ 281,555 | \$ 349 | \$ 281,904 | \$ 309,102 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation | 1,055,633 | - | 1,055,633 | 1,019,914 |
| Depletion of Gravel Pits | 7,555 | - | 7,555 | 14,107 |
| Change in Pension Related Items | 97,186 | - | 97,186 | (213,301) |
| Change in Single-Employer OPEB Related Items | 15,241 | - | 15,241 | (3,419) |
| Change in Multi-Employer OPEB Related Items | 14,701 | - | 14,701 | 28,130 |
| (Increase) Decrease in Assets: | | | | |
| Accounts Receivable | (143,753) | - | (143,753) | (196,465) |
| Due from Governmental Units | 138,485 | - | 138,485 | (120,017) |
| Prepaid Expenses | (233,141) | - | (233,141) | (456,580) |
| Due from Other Funds | 235,172 | - | 235,172 | (802,331) |
| Increase (Decrease) in Liabilities: | | | | |
| Accounts Payable | (117,051) | - | (117,051) | 62,823 |
| Unearned Revenue | - | - | - | (118,300) |
| Due to Other Funds | - | - | - | (378,690) |
| Accrued Liabilities | (14,316) | - | (14,316) | (26,033) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,337,267</u> | <u>\$ 349</u> | <u>\$ 1,337,616</u> | <u>\$ (881,060)</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | | | | |
| Capital Contributions from the State | \$ - | \$ - | \$ - | \$ 171,671 |

**WASHBURN COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

| | 2023 | 2022 |
|--|---------------|---------------|
| OPERATING REVENUES | | |
| Charges for Services: | | |
| County Highway [1] | \$ 5,931,051 | \$ 4,313,649 |
| State Highway | 2,451,164 | 2,301,354 |
| Other Local Highways | 2,107,568 | 1,594,410 |
| County Departments | 214,230 | 369,157 |
| Other Services | 258,543 | 280,343 |
| Rental Income | 1,800 | 2,890 |
| Miscellaneous Revenue | 144,608 | 58,047 |
| Total Operating Revenues | 11,011,379 | 8,919,850 |
| OPERATING EXPENSES | | |
| Administration and General: | | |
| Administration | 335,564 | 405,862 |
| Patrol Superintendent | 149,371 | 137,259 |
| Radio Expense | 3,327 | 3,901 |
| Public Liability Insurance | - | 26,825 |
| Transportation Cost Pools: | | |
| Machinery Operations | (444,653) | 428,975 |
| Services Provided: | | |
| County: | | |
| General Maintenance | 1,742,099 | 951,885 |
| Reconstruction and Betterments | 2,977,936 | 1,293,620 |
| Winter Maintenance | 793,995 | 698,539 |
| Bridge Maintenance | 43,328 | 45,426 |
| State: | | |
| Highway Maintenance and Construction | 2,663,519 | 2,499,664 |
| Equipment and Salt Storage | 124,665 | 159,045 |
| County Aid Bridge Paid Districts | 14,897 | 18,334 |
| Local Districts | 2,076,848 | 1,542,808 |
| Local Departments | 214,230 | 369,157 |
| Non-Governmental Customers | 4,757 | 5,123 |
| Other Postemployment Benefits | 29,941 | 24,711 |
| Total Operating Expenses | 10,729,824 | 8,611,134 |
| OPERATING INCOME (LOSS) | 281,555 | 308,716 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest Expense | (40,899) | (39,785) |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 240,656 | 268,931 |
| CAPITAL CONTRIBUTIONS AND TRANSFERS | | |
| Transfers from Forestry Fund | - | 45,426 |
| Transfers from General Fund | 6,954 | 57,469 |
| Transfers to Capital Improvements Program Fund | (3,670) | (13,000) |
| Contributions from State | - | 171,671 |
| Total Capital Contributions and Transfers | 3,284 | 261,566 |
| CHANGE IN NET POSITION | 243,940 | 530,497 |
| Net Position - January 1 | 12,897,099 | 12,366,602 |
| NET POSITION - DECEMBER 31 | \$ 13,141,039 | \$ 12,897,099 |
| [1] Charges to County for Highway Maintenance and Construction Consisted of the Following Payments from the General Fund: | | |
| County Appropriations | \$ 1,621,325 | \$ 1,602,899 |
| State Transportation Aids | 1,294,659 | 1,380,920 |
| Federal and State Project Revenues | 35,136 | 36,193 |
| Total General Fund | 2,951,120 | 3,020,012 |
| Charges to Capital Projects Fund and Other Funds | 2,979,931 | 1,293,637 |
| Total County Highway Charges for Services | \$ 5,931,051 | \$ 4,313,649 |

**WASHBURN COUNTY, WISCONSIN
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2023**

| | <u>Juvenile Restitution</u> | <u>Represen- tative Payee</u> | <u>Clerk of Courts</u> | <u>Sheriff</u> | <u>District Attorney</u> | <u>Total</u> |
|----------------------------------|---------------------------------|---------------------------------------|----------------------------|------------------|------------------------------|------------------|
| ASSETS | | | | | | |
| Treasurer's Cash and Investments | \$ 179 | \$ - | \$ 309,785 | \$ 19,002 | \$ 1,009 | \$ 329,975 |
| LIABILITIES | | | | | | |
| Due to Other Governments | <u>-</u> | <u>-</u> | <u>309,785</u> | <u>-</u> | <u>1,009</u> | <u>310,794</u> |
| NET POSITION | | | | | | |
| Restricted | <u>\$ 179</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,002</u> | <u>\$ -</u> | <u>\$ 19,181</u> |

**WASHBURN COUNTY, WISCONSIN
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023**

| | Juvenile Restitution | Representative Payee | Clerk of Courts | Sheriff | District Attorney | Total |
|---|-------------------------|-------------------------|--------------------|------------------|----------------------|------------------|
| ADDITIONS: | | | | | | |
| Payments from Individuals | \$ 151 | \$ - | \$ - | \$ - | \$ - | \$ 151 |
| Licenses and Fees Collected | - | 11,979 | 1,043,758 | 175,941 | 21,809 | 1,253,487 |
| Total Additions | <u>151</u> | <u>11,979</u> | <u>1,043,758</u> | <u>175,941</u> | <u>21,809</u> | <u>1,253,638</u> |
| DEDUCTIONS: | | | | | | |
| Distributions to Individuals | - | - | - | 172,198 | 21,809 | 194,007 |
| Payments to Licenses and Fees to Other Taxing Agencies | - | 11,979 | 1,043,758 | - | - | 1,055,737 |
| Total Deductions | <u>-</u> | <u>11,979</u> | <u>1,043,758</u> | <u>172,198</u> | <u>21,809</u> | <u>1,249,744</u> |
| Change in Net Position | 151 | - | - | 3,743 | - | 3,894 |
| Net Position - Beginning of Year, as Previously Stated | 28 | - | 230,754 | 15,259 | 1,521 | 247,562 |
| Prior Period Adjustment | - | - | (230,754) | - | (1,521) | (232,275) |
| Net Position - Beginning of Year, as Restated | <u>28</u> | <u>-</u> | <u>-</u> | <u>15,259</u> | <u>-</u> | <u>15,287</u> |
| Net Position - End of Year | <u>\$ 179</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,002</u> | <u>\$ -</u> | <u>\$ 19,181</u> |



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