

WASHBURN COUNTY, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



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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

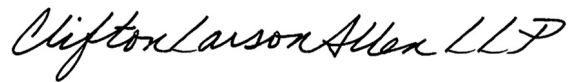
Our audit for the year ended December 31, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements and schedules for the year ended December 31, 2023 are presented 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**

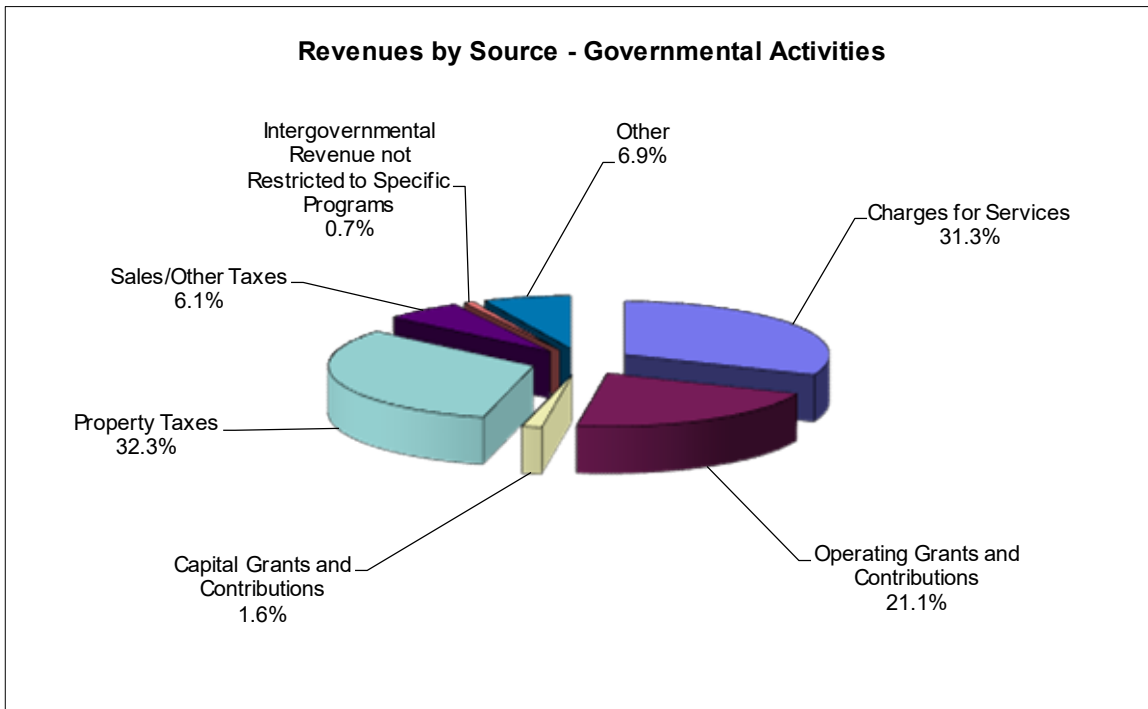
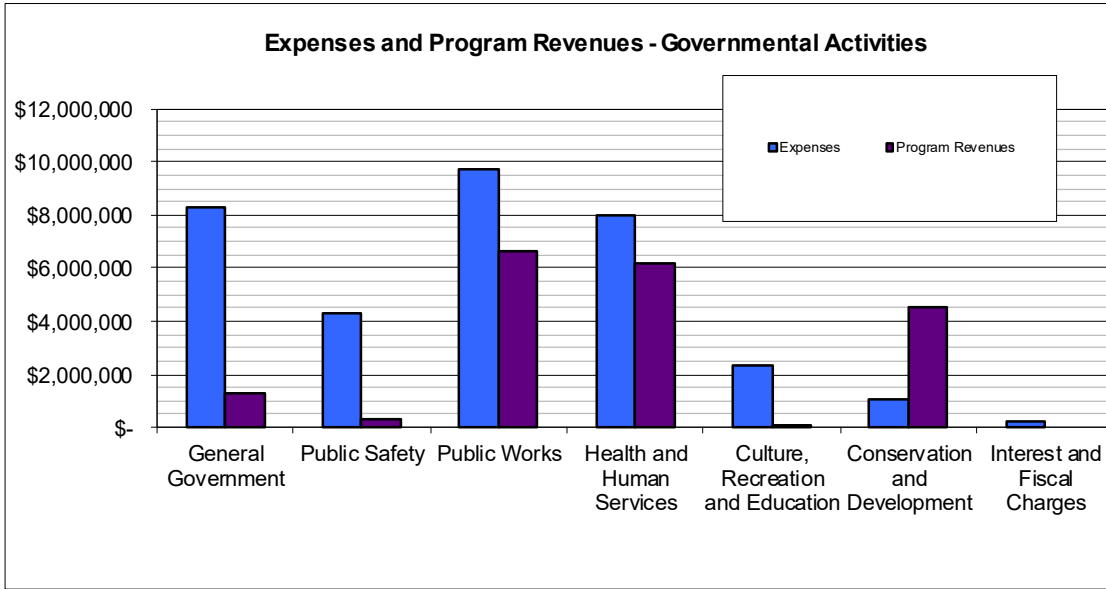
The following is a summary of the changes in the County's net position for the years ended December 31, 2023 and 2022:

**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**

	Primary Government	Component Unit Industrial Development Agency
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

	Primary Government	Component Unit
	Governmental Activities	Industrial Development Agency
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	-
	19,206,596	-
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	\$ 91,425,550	\$ 1,517,547

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)	-	
	<u>\$ 33,879,230</u>	<u>\$ 10,979,624</u>	<u>\$ 7,417,883</u>	<u>\$ 547,398</u>	(14,934,325)	-	
Component Unit:							
Industrial Development Agency	<u>\$ 53,138</u>	<u>\$ 31,444</u>	<u>\$ -</u>	<u>\$ -</u>	-	(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					<u>16,231,126</u>	<u>42,260</u>	
CHANGE IN NET POSITION					1,296,801	20,566	
Net Position - Beginning of Year					<u>90,128,749</u>	<u>1,496,981</u>	
NET POSITION - END OF YEAR					<u>\$ 91,425,550</u>	<u>\$ 1,517,547</u>	

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
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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	\$ 11,054,692	\$ 2,436,328	\$ 444,748	\$ 6,400,985	\$ 931,076	\$ 281,948	\$ 6,658,427	\$ 28,208,204

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
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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
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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	<u>\$ 13,990,066</u>	<u>\$ 8,636</u>	<u>\$ 1,391,321</u>	<u>\$ 12,607,381</u>	<u>\$ 2,305,265</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)

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	2024	\$ 865,338	\$ 24,662	\$ 890,000
\$1,843,336, issued 8/26/2019	Total	<u>\$ 865,338</u>	<u>\$ 24,662</u>	<u>\$ 890,000</u>
due 10/1/2024, interest at 2.911%				

**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 Increases:	
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	<u>13,200,470</u>	<u>13,313,788</u>	<u>15,936,014</u>	<u>2,622,226</u>
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	<u>15,169,036</u>	<u>15,177,647</u>	<u>15,287,927</u>	<u>(110,280)</u>
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)	<u>143,500</u>	<u>43,799</u>	<u>203,921</u>	<u>160,122</u>
NET CHANGE IN FUND BALANCE	(1,825,066)	(1,820,060)	852,008	2,672,068
Fund Balance - January 1	<u>10,202,684</u>	<u>10,202,684</u>	<u>10,202,684</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ 8,377,618</u></u>	<u><u>\$ 8,382,624</u></u>	<u><u>\$ 11,054,692</u></u>	<u><u>\$ 2,672,068</u></u>

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 (Negative)
	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><u>\$ 2,242,853</u></u>	<u><u>\$ 2,242,853</u></u>	<u><u>\$ 931,076</u></u>	<u><u>\$(1,311,777)</u></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	<u>10,178,371</u>	<u>10,953,120</u>	<u>774,749</u>	<u>10,812,610</u>
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	<u>7,302,221</u>	<u>30,144</u>	<u>7,332,365</u>	<u>6,773,470</u>
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	<u>8,134,181</u>	<u>1,730</u>	<u>8,135,911</u>	<u>8,728,377</u>
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	<u>2,823,604</u>	<u>-</u>	<u>2,823,604</u>	<u>1,949,802</u>

**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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**WASHBURN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2023**



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**WASHBURN COUNTY, WISCONSIN
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**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Agency/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Agriculture</u>					
Special Supplemental Nutrition Assistance Program for Women, Infants and Children:	10.557				
WIC Program		WI DHS	CARS Line # 154710	\$ -	\$ 79,681
State Matching Grant for Food Stamp Program (SNAP Cluster):	10.561				
Income Maintenance Contract		WI DHS / GRIM	SPARC Line #961, 965	-	58,989
Total Department of Agriculture				-	138,670
<u>Department of Transportation</u>					
Enhanced Mobility Grant (TSPC Cluster)	20.513	WI DOT	Not Available	-	82,840
Hazardous Materials Emergency Preparedness Training and Planning Grants	20.703	WI DOT	Not Available	-	5,861
Total Department of Transportation				-	88,701
<u>Department of Treasury</u>					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	WI DHS	CARS Line #155811	-	113,552
COVID- Local Assistance and Tribal Consistency Fund	21.032	Direct	Not Available	-	50,000
Total Department of Treasury				-	163,552
<u>Environmental Protection Agency</u>					
Nonpoint Source Implementation Grants:	66.460				
Targeted Runoff Management		WI DNR	Not available	-	2,435
<u>Department of Education</u>					
Special Education Grants for Infants and Families:	84.181				
Birth to Three Initiative		WI DHS	CARS Line #550	-	22,544
<u>Department of Health and Human Services</u>					
Preventive Health - Title III D	93.043	GWAAR	CARS Line #560510	-	4,502
Aging Cluster:					
Supportive Services - Title III B	93.044	GWAAR	CARS Line #560340	-	45,187
Title III-Part C-Nutrition Services:					
Congregate Nutrition - Title III C-1	93.045	GWAAR	CARS Line #560350	-	71,424
Nutrition Services Incentive Program:	93.053	GWAAR	CARS Line #560422	-	23,664
Total Aging Cluster				-	140,275
USaging COVID-19 and Influenza Vaccine Uptake Initiative for Older Adults and People with Disabilities Grant	93.048	DIRECT	90HDCR007-01-00	-	131,040
National Family Caregivers Support Program	93.052	GWAAR	CARS Line #560520	-	13,558

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Federal Grantor Agency/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>Department of Health and Human Services (Continued)</u>					
Public Health Emergency Preparedness Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	93.069	WI DHS	CARS Line #155015	\$ -	\$ 23,754
Guardianship Assistance	93.069	WI DHS	CARS Line #75, 155050	-	1,208
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by the Prevention and Public Health Fund (PPHF)	93.090	WI DHS	Core Line #3456		29,578
DPH PHEP Covid19	93.268	WI DHS	CARS Line # 155020	-	10,985
State Health Insurance Assistance Program	93.323	WI DHS	CARS Line # 155802		66,502
Public Health Crisis Response Awards	93.324	WI DHS	CARS Line #560432		5,757
Medicare Improvements for Patients and Providers	93.354	WI DHS	CARS Line #155129, 155131	-	9,741
Promoting Safe and Stable Families	93.518	GWAAR	CARS Line #75019	-	1,050
Temporary Assistance for Needy Families (TANF):	93.556	WI DCF	SPARC Line #3306	-	33,310
Children and Families Basic Allocation		WI DCF	CARS Line #831, 3377, 3380, 3561	-	6,578
Child Support Enforcement	93.563	WI DCF	SPARC # 7332, 7477, 7482, 7502, 7506, 7903	-	258,636
Child Care Development Program (CCDF Cluster)	93.575	WI DCF	SPARC Line #831, 852	-	14,154
Stephanie Tubbs Jones Child Welfare Services Program:	93.645		SPARC Line #3413, 3561, 3681	-	12,951
Basic Children and Families Allocation		WI DCF	SPARC Line #3342, 3344, 3413, 3561, 3681	-	207,923
Social Services Block Grant:	93.667	WI DCF	SPARC Line #3561, 3681	-	30,968
Children and Families Basic County Allocation		WI DCF	CARS Line #561	-	120,303
Aging and Disability Resource Center (ADRC)		WI DHS	CARS Line #560333	-	450
Elder Abuse Prevention Intervention	93.747	WI DHS	Not Available	-	9,690
Children's Insurance Program	93.767	WI DHS / GRIM			

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Agency/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>Department of Health and Human Services (Continued)</u>					
Medicaid Cluster:	93.778				
Case Management		WI DHS	Not available	\$ -	\$ 13,755
Human Services Contract		WI DHS	CARS Line #967, 81078	-	9,632
Wisconsin Medicaid Cost Reporting Program		WI DHS	CARS Line #684	-	23,210
Maternal and Child Health Services		WI DHS	CARS Line # 75, 159320	-	7,283
Income Maintenance		WI DHS / GRIM	CARS Line #75	-	120,825
<u>Claims Paid to Providers Via Third Party Administrator</u>					
Medical Assistance	93.778			-	1,132,151
Total Medicaid Cluster				-	1,306,856
Block Grants for Community Mental Health Services	93.958	WI DHS	CARS Line #515, 569	-	54,346
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	CARS Line #570, 516	-	108,926
	93.959	WI DCF	COrE Line #1401	-	140,399
Preventive Health and Health Service Block Grant	93.991	WI DHS	CARS Line #159220	-	5,721
Maternal and Child Health Services Block Grant Reproductive Health	93.994	WI DHS	CARS Line #159321	-	22,356
Total Department of Health and Human Services				-	2,771,517
<u>Department of Homeland Security</u>					
Emergency Management Performance Grant	97.042	WI DMA	FY 2023 EMPG	-	31,516
Total Expenditures of Federal Awards				\$ -	\$ 3,218,935

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Expenditures</u>
<u>Department of Agriculture, Trade and Consumer Protection</u>		
Soil and Water Resource Management:		
Soil and Water Resource Management Program	115.15	** \$ 131,070
Land and Water Resource Management Projects	115.40	** 65,656
Total Department of Agriculture, Trade and Consumer Protection		<u>196,726</u>
 <u>Department of Natural Resources</u>		
ATV Enforcement Aid	370.551	35,288
Snowmobile Enforcement Aid	370.552	11,015
Wildlife Damage Claims and Abatement	370.553	34,256
Recreation Aid	370.564	7,010
Forest Road Aid	370.567	33,671
County Forest Sustainable Grant	370.572	68,992
Recreation Aids - Snowmobile Trails and Areas:	370.575	178,010
Resource Aids - ATV Project Aids:	370.576	174,352
Motorized Stewardship	370.TA1	7,417
Lake Planning Grant	370.664	13,806
Recycling Grant Aids	370.670	83,304
Total Department of Natural Resources		<u>647,121</u>
 <u>Department of Transportation</u>		
Elderly and Handicapped County Aids:		
Elderly and Handicapped Transportation:	395.101	79,889

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Expenditures</u>
<u>Department of Health Services</u>		
Women's, Infants', and Children's Farmers Market Grant	435.154720	\$ 1,195
Consolidated Contracts - CHHD LD	435.157720	1,862
Community Disease Control & Prevention	435.155800	5,405
WH/FP RH 20.435 (1)(EV)	435.159322	3,154
IM Available Allocation - State Share	435.283	42,377
IM Available Allocation - Federal Share	435.284	950
Adult Protective System	435.312	18,024
Kinship Care Base Benefit	435.377	18,637
Coordinated Services	435.515	37,995
Certified Mental Health Program	435.516	100,213
Grants for Infants and Toddlers	435.550	24,818
State Funded Basic Allocation	435.561	** 450,934
Aging Disability Resource Center	435.560100	189,992
Human Services Contract	435.681	** 61,692
Program Integrity:		
CLTS - Waiver CWA admin GPR	435.877	9,632
Child Support GPR Funding	437.7502	25,920
CS Medical Support GPR Earned	437.7606	88
Passed through Greater Wisconsin Area Agency on Aging:		
State Senior Community Services	435.560330	5,837
Congregate Nutrition	435.560350	44,359
Home Delivered Meal Program	435.560360	1,324
Alzheimer's Family Support Program	435.560381	11,738
		<u>1,056,146</u>
<u>Department of Children and Families:</u>		
CW Kinship Care Program - Benefits	437.3377	110,826
CW Kinship Care Program - Assessment	437.3380	8,100
Youth Aids	437.3390	629
Community Intervention	437.3410	611
JJ Youth Justice Innovation	437.3407	1,668
Youth Aids	437.3413	148,248
DSP Subsidized Guardianship	437.3456	54,931
Basic County Allocation	437.3561	** 179,437
State/County Match	437.3681	** 14,376
State GPR Funding	437.3720	28
CW WSACWIS Annual OP Maint Fee	437.3935	(1,978)
PDS Partnership Fees	437.3940	(706)
Food Stamp Agency Incentive	437.965	1,797
MA Agency Incentive	437.980	3,900
Total Department of Health and Family Services		<u>521,867</u>

** Major State Financial Assistance Program

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Expenditures</u>
<u>Department of Justice</u>		
Victim and Witness Assistance Program-A Program Cluster:	455.532	\$ 44,876
<u>Department of Military Affairs</u>		
Emergency Planning Grant Program:		
Next Gen 911	465.368	21,514
LEPC Emergency Planning Grant	465.337	1,447
Total Department of Military Affairs		<u>22,961</u>
<u>Department of Administration</u>		
Land Information Board Grant	505.118	127,872
Total Department of Administration		<u>127,872</u>
Subtotal State Financial Assistance		2,697,458
Paid Claims by Third Party Administrator		
Medical Assistance - Community Long Term Support	^^	** <u>570,254</u>
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES		<u>\$ 3,267,712</u>

** Major State Financial Assistance Program

^^ See Note 5

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**WASHBURN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2023**

NOTE 1 REPORTING ENTITY

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

The financial reporting entity for the County is based upon criteria set forth in 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 financial reporting entity is defined by 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 exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the County consist of the primary government and a discretely presented component unit as described below.

Component Unit

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 the County's 2023 audited basic financial statements as a discretely presented component unit. The Agency's financial statements are separately audited and can be obtained from Washburn County.

NOTE 2 BASIS OF PRESENTATION

The schedules of expenditures of federal awards and state financial assistance have been presented on a basis to reflect the flow of available funds in the individual programs as follows:

Expenditures – Expenditures are presented on the modified accrual basis of accounting. Grant expenditures represent the amount of program funds expended during the year.

**WASHBURN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2023**

NOTE 3 INDIRECT COTS

Washburn County has elected not to use the 10-percent de minimis indirect cost rate.

NOTE 4 CDBG PROGRAMS REVOLVING LOAN FUND

Housing Rehabilitation

The County was awarded Community Development Block Grants for 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 following is a description of the loans outstanding under the program at December 31, 2023:

Owner-Occupied Loans. The County had sixty-six (66) owner-occupied 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 inflow of resources recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

Transactions of the revolving loan fund for the year ending December 31, 2023 are summarized as follows:

Fund Balance - January 1, 2023	\$	121,902
Loan Repayments		25,273
Interest Income		7,651
Administration Paid from Fund		(45,994)
Fund Balance - December 31, 2023	<u>\$</u>	<u>108,832</u>

The above transactions are not included in the schedule of expenditures of federal awards.

**WASHBURN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2023**

NOTE 5 PASSED THROUGH TO SUBRECIPIENTS

During 2023, the County did not pass any federal awards through to subrecipients.

NOTE 6 CLAIMS PAID VIA THIRD PARTY ADMINISTRATOR

Amounts shown as paid via Third Party Administrator (TPA) are payments made by a TPA for County authorized services. The TPA makes payments directly to service providers, and receives reimbursement for these services directly from the Wisconsin Department of Health Services (DHS). The activity between the TPA and service providers is not recorded in the County's financial accounting system; however, DHS guidance dictates that these transactions are to be included in the Schedules of Expenditures of Federal Awards and State Financial Assistance.



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

Board of Supervisors
Washburn County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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 and have issued our report thereon dated August 27, 2024. Our report includes a reference to other auditors who audited the financial statements of the Washburn County Industrial Development Agency, Ltd., as described in our report on Washburn County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Washburn County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



CliftonLarsonAllen LLP

Rice Lake, Wisconsin
August 27, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES

Board of Supervisors
Washburn County, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Washburn County, Wisconsin's (County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. We have also audited the County's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The County's major federal programs and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Washburn County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Washburn County's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

Washburn County's basic financial statements include the operations of the Washburn County Industrial Development Agency, Ltd. (Agency), which expended \$433,037 in federal awards which is not included in the County's schedule of expenditures of federal awards during the year ended December 31, 2023. Our compliance audit, described in the Opinion on Each Major Federal Program, does not include the operations of the Agency because the Agency is separately audited and has a June 30 fiscal year end.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Washburn County's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Washburn County's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Washburn County's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and *State Single Audit Guidelines*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Washburn County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Washburn County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Washburn County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

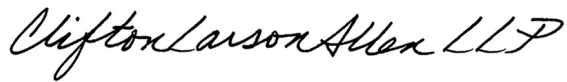
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and *State Single Audit Guidelines*. Accordingly, this report is not suitable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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of State Financial Assistance Required by State Single Audit Guidelines

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Washburn County's basic financial statements. We issued our report thereon dated August 27, 2024, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the Washburn County Industrial Development Agency, as described in our report on Washburn County, Wisconsin, Wisconsin's financials statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and *State Single Audit Guidelines*, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting

Board of Supervisors
Washburn County, Wisconsin

and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Rice Lake, Wisconsin
August 27, 2024

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
ALN Number(s)	Name of Federal Program or Cluster
93.778	Medical Assistance Program - Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes x no

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? _____ yes x no

Identification of Major State Projects

State ID Number(s)	Name of State Program
<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
115.15	Soil and Water Resource Management
115.40	Land and Water Resource Management
See Note 5	CLTS Paid via Third Party Administrator
435.561	State Funded Basic County Allocation
435.681	Human Services Contract
437.3681	Basic County Allocation
437.3561	Basic County Allocation

Dollar threshold used to distinguish between type A and type B programs: \$250,000

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings

FINDING: 2023-001 Material Audit Adjustments

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The audit firm proposed and the County posted to its general ledger accounts journal entries for correcting certain misstatements. In addition, beginning net position in the custodial funds was restated in order to more accurately report certain activity as due to other governments rather than as net position.

Criteria: The County should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

Effect: The potential exists that financial statements of the County may include inaccurate information not detected or prevented by County staff.

Cause: The County has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year. Prior year finding number was 2022-001.

Recommendation: The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions: The County will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings (Continued)

FINDING: 2023-002 Limited Segregation of Duties

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: In some of the smaller County offices the available staff precludes a proper separation of duties to assure adequate internal control.

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Effect: The potential exists, due to the lack of segregation of duties, that a financial statement misstatement or misappropriation of assets caused by error or fraud may not be detected or prevented by County staff.

Cause: The limited size of the County's staff responsible for accounting and financial reporting functions precludes a complete segregation of incompatible duties. Additionally, policies and procedures over financial transactions in place during 2023 are not adequate.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year. Prior year finding number was 2022-002.

Recommendation: The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Views of Responsible Officials and Planned Corrective Actions: The County continues to achieve segregation of duties whenever cost effective. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings Related to Major State Financial Assistance Programs

Our audit did not disclose any matters required to be reported in accordance with State requirements.

Section V – Other Issues

1. Do the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade and Consumer Protection	No
Department of Justice	No
Department of Military Affairs	No
Department of Veterans Affairs	No
Department of Natural Resources	No
Department of Transportation	No
Department of Administration	No
Department of Corrections	No
Department of Health Services	No
Department of Children and Families	No

3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of Principal


Brock Geyen, CPA

5. Date of Report

August 27, 2024



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



WASHBURN COUNTY

Office of Finance

P.O. Box 639 • 10 4th Avenue • Shell Lake, WI 54871
(715) 468-4610 • Fax (715) 468-4628

August 27, 2024

To State and Federal Awarding Agencies

Washburn County respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2023.

Current audit period: January 1, 2023 – December 31, 2023

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2022-001 Material Audit Adjustments

Condition: The audit firm proposed and the County posted to its general ledger accounts adjusting journal entries for correcting certain misstatements.

Status: See current year finding 2023-001.

Reason for finding's recurrence: Changes to processes and controls associated with year-end reconciling were not made during the period under audit to sufficiently mitigate the finding.

Corrective Action: The Organization will review and modify the year end reconciling process in order to adjust all accounts in accordance with generally accepted accounting principles. All proposed audit adjustments will be reviewed in an effort to avoid duplication of a similar entry during next audit.

2022-002 Limited Segregation of Duties

Condition: The available staff and the design of controls in place during the year preclude a proper separation of duties to assure adequate internal control.

Status: See current year finding 2023-002.

Reason for finding's recurrence: Changes to processes and controls over significant audit areas and transaction cycles were not made during the period under audit to sufficiently mitigate the finding.

Corrective Action: The Organization continues to work to achieve an appropriate segregation of duties whenever cost effective. During the next fiscal year the Organization will review compensating controls and mitigating factors. Specific actions will involve review of processes and controls over disbursements, receipts and journal entries.

Any questions regarding this schedule can be directed to the Washburn County Finance Director at 10 Fourth Ave, Shell Lake, WI 54871 or call 715-468-4621.



WASHBURN COUNTY

Office of Finance

P.O. Box 639 • 10 4th Avenue • Shell Lake, WI 54871
(715) 468-4610 • Fax (715) 468-4628

August 27, 2024

To State and Federal Awarding Agencies

Washburn County respectfully submits the following corrective action plan for the year ended December 31, 2023.

Current audit period: January 1, 2023 - December 31, 2023

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2023-001 Material Audit Adjustments

Recommendation: The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with Generally Accepted Accounting Principles (GAAP).

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: The Organization will review and modify the year end reconciling process in order to adjust all accounts in accordance with GAAP. All current year audit adjustments will be reviewed in an effort to avoid duplication of a similar entry during the next audit.

Name(s) of the contact person(s) responsible for corrective action: Sharon Peterson, Finance Director.

Planned completion date for corrective action plan: The Organization will complete the review of both the audit entries and the year-end reconciling process by February 28, 2025.

MATERIAL WEAKNESS

2023-002 Limited Segregation of Duties

Recommendation: The Organization should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: The Organization continues to work to achieve an appropriate segregation of duties whenever cost effective. During fiscal year 2024 the Organization will review compensating controls and mitigating factors. Specific actions will involve review of processes and controls over disbursements, receipts and journal entries; documentation of current processes and controls to include flow charts; reviewing level of utilization of automated control capabilities of our finance system and review of these with the auditors.

Name(s) of the contact person(s) responsible for corrective action: Sharon Peterson, Finance Director.

Planned completion date for corrective action plan: The review of processes and controls will be completed by December 31, 2024.

Any questions regarding these corrective action plans can be directed to the Washburn County Finance Director at 10 Fourth Ave, Shell Lake WI 54871 or call 715-468-4621.