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WASHBURN COUNTY, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

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**WASHBURN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2025**

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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 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, 2025, 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 accompanying 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, 2025, 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 represents 100% of the assets, liabilities and net position as of June 30, 2025 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.

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

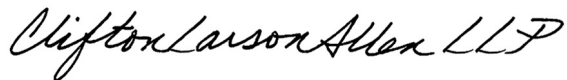
Our audit for the year ended December 31, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements and schedules for the year ended December 31, 2025 are presented 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, 2025, 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, 2025.

We also previously audited, in accordance with GAAS, the basic financial statements of the County as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated August 20, 2025, 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, 2024 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 2024 basic financial statements. The individual and combining fund statements and schedules have been subjected to the audit procedures applied in the audit of the 2024 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 2024 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, 2024.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2026, 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
September 14, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

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, 2025. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 15 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2025 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 \$90,576,416 (net position). Of this amount, \$59,681,020 represented the County's net investment in capital assets, \$4,958,447 was held for restricted purposes, and \$25,936,949 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 decreased by \$1,359,069.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$26,063,475, a decrease of \$2,573,250 from the previous year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$5,401,438 or 31.2% of total general fund expenditures.
- The County had general obligation debt outstanding at December 31, 2025 totaling \$8,393,404 which is a decrease of \$859,859 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, 2025**

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, 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, 2025**

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 64 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 73 of this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

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 \$90,576,416 at the close of the most recent fiscal year. The largest portion of Washburn County's net position (65.9%) 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, 2025 and 2024:

**Condensed Statement of Net Position
December 31, 2025 and 2024**

	Governmental Activities	
	2025	2024
Current Assets	\$ 47,763,378	\$ 49,210,344
Capital Assets	68,210,313	68,160,428
Other Noncurrent Assets	829,584	862,404
Total Assets	<u>116,803,275</u>	<u>118,233,176</u>
Deferred Outflows of Resources	6,404,250	8,747,328
Long-Term Debt Outstanding	8,180,000	8,990,000
Other Long-Term Obligations	5,160,831	5,343,603
Other Liabilities	3,650,512	3,371,147
Total Liabilities	<u>16,991,343</u>	<u>17,704,750</u>
Deferred Inflows of Resources	<u>15,639,766</u>	<u>17,340,269</u>
Net Position:		
Net Investment in Capital Assets	59,681,020	58,732,427
Restricted	4,958,447	4,667,329
Unrestricted	25,936,949	28,535,729
Total Net Position	<u>\$ 90,576,416</u>	<u>\$ 91,935,485</u>

An additional portion of Washburn County's net position (5.5%) represents resources that are subject to other restrictions on how they may be used. The remaining \$25,936,949 of total net position (28.6%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position decreased \$1,359,069 during the current fiscal year.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

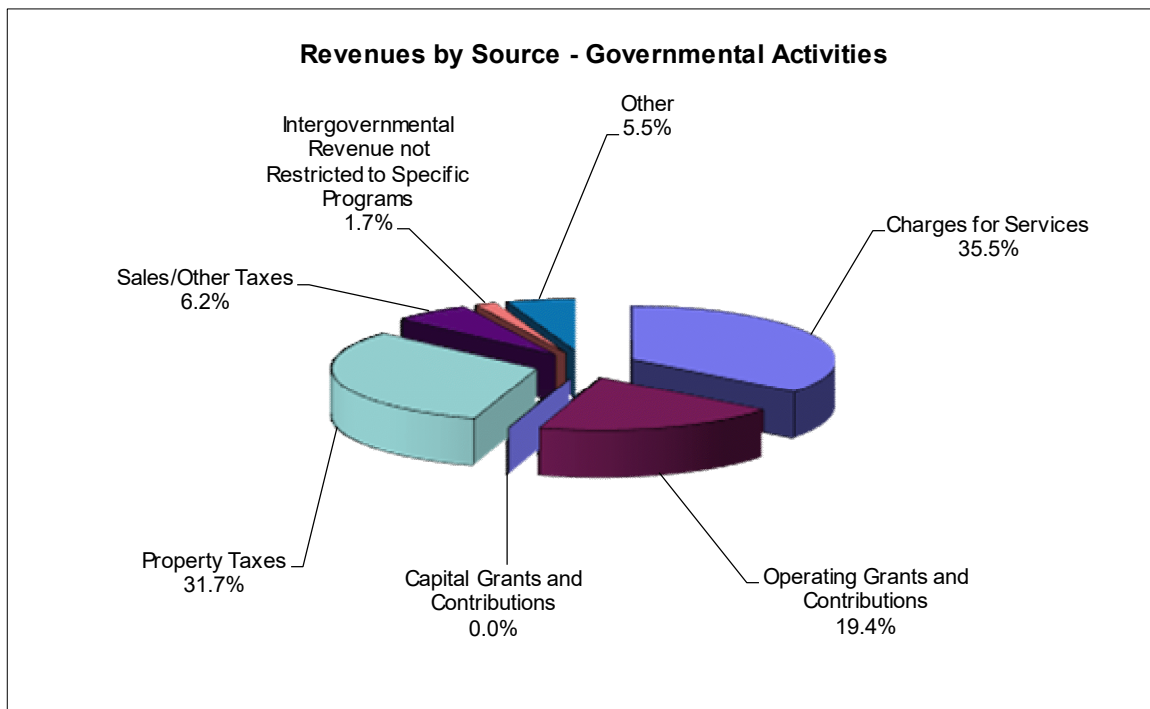
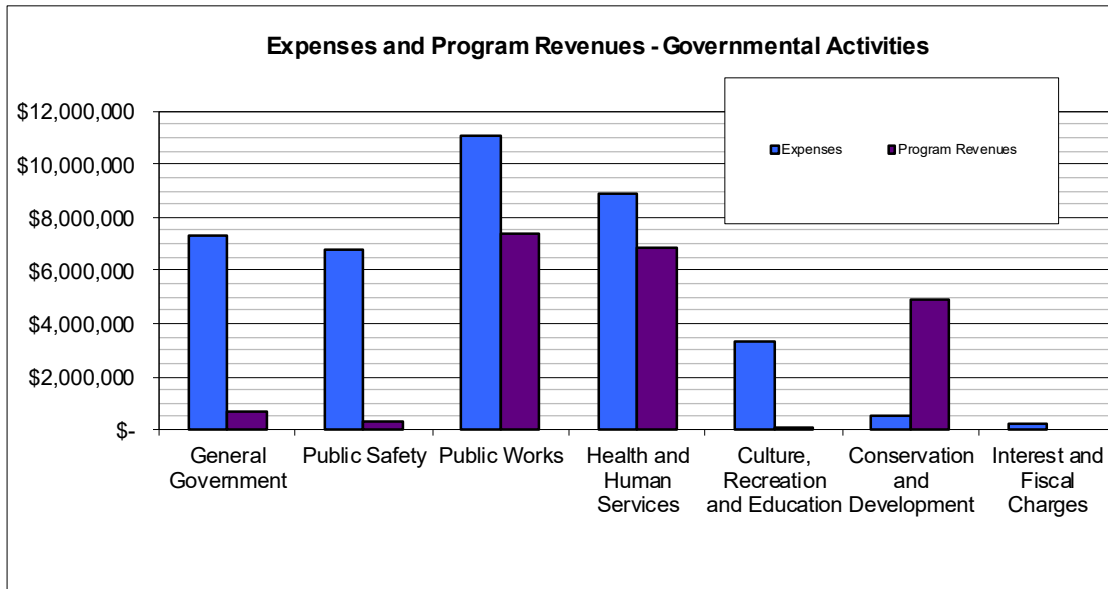
The following is a summary of the changes in the County's net position for the years ended December 31, 2025 and 2024:

**Condensed Statement of Changes in Net Position
December 31, 2025 and 2024**

	Governmental Activities	
	2025	2024
REVENUES		
<u>Program Revenues</u>		
Charges for Services	\$ 13,023,436	\$ 12,696,811
Operating Grants and Contributions	7,107,760	7,281,237
Capital Grants and Contributions	9,595	6,622
<u>General Revenues</u>		
Property Taxes	11,635,127	11,499,596
Other Taxes	2,258,103	2,244,386
Grants and Contributions not Restricted for a Particular Purpose	624,227	571,579
Other	2,066,646	2,307,814
Total Revenues	<u>36,724,894</u>	<u>36,608,045</u>
EXPENSES		
General Government	7,287,604	7,027,015
Public Safety	6,785,041	5,513,306
Public Works	11,107,322	10,228,892
Health and Human Services	8,885,190	8,839,192
Culture and Recreation	3,298,499	2,748,929
Conservation and Development	521,696	1,524,100
Interest and Fiscal Charges	198,611	216,676
Total Expenses	<u>38,083,963</u>	<u>36,098,110</u>
CHANGE IN NET POSITION	<u>\$ (1,359,069)</u>	<u>\$ 509,935</u>

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

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 (31.7%), operating grants/contributions (19.4%), and charges for services (35.5%).



**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

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, 2025, the County's governmental funds reported combined ending fund balances of \$26,063,475, a decrease of \$2,573,250 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2025					Total	Change During Year
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds							
General Fund	\$ 1,707,827	\$ 67,323	\$ -	\$ 2,869,215	\$ 5,401,438	\$ 10,045,803	\$ (1,829,354)
Human Services Fund	434	-	2,018,115	-	-	2,018,549	(127,179)
Debt Service Fund	-	378,867	-	-	-	378,867	-
Capital Improvement Program Fund	782,651	-	3,596,024	-	-	4,378,675	(1,206,419)
Forestry Fund	46,889	556,624	381,326	-	-	984,839	(526,801)
Nonmajor Funds	6,472	3,215,302	5,027,644	69,967	(62,643)	8,256,742	1,116,503
Total Fund Balances	<u>\$ 2,544,273</u>	<u>\$ 4,218,116</u>	<u>\$ 11,023,109</u>	<u>\$ 2,939,182</u>	<u>\$ 5,338,795</u>	<u>\$ 26,063,475</u>	<u>\$ (2,573,250)</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 58.0% of total general fund expenditures reported on the statement of revenues, expenditures, and changes in fund balances while the unassigned balance represented 31.2% of the same amount. The general fund's total fund balance decreased \$1,829,354 during the year with the unassigned portion decreasing by \$2,022,052.

The County's human services fund decreased \$127,179 in 2025. The primary factor in this decrease was an increase in expenditures and actual intergovernmental revenues for the year being less than budgeted.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

The County's debt service fund reported a fund balance of \$378,867 at December 31, 2025.

The capital improvements program fund had a year-end fund balance of \$4,378,675. 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 \$984,839, a decrease of \$526,801.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds increased \$1,116,503 during 2025 and had an accumulated fund balance of \$8,256,742 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 2025. 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 \$13,251,646 at December 31, 2025, an increase of \$125,010 from the previous year. Of that amount, \$7,215,839 was invested in capital assets. The remaining net position totaling \$6,035,807 was unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2025 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 2025 of \$2,200,575 while the actual amounts resulted in a decrease in the fund balance totaling \$1,829,354. Investment income was favorable to budget in the amount of \$712,313. Contributing to the decrease in fund balance were budget overages in the general government and public safety functions as well as a planned transfer to the development fund in the amount of \$800,000.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Washburn County's investment in capital assets for its governmental activities as of December 31, 2025 amounted to \$68,210,313 (net of accumulated depreciation) which was a net increase of \$49,885 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, 2025 and 2024**

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Land and Land Rights	\$ 12,911,400	\$ 12,896,400
Gravel Pits and Quarries	321,208	335,061
Land Improvements	1,508,988	1,508,950
Buildings and Improvements	18,627,175	18,335,983
Machinery and Equipment	9,032,027	9,493,590
Right-to-Use Leased Assets	17,131	40,177
Highway Infrastructure	25,303,064	25,141,530
Construction Work in Progress	489,320	408,737
Total	<u>\$ 68,210,313</u>	<u>\$ 68,160,428</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, 2025, Washburn County had outstanding \$10,491,663 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, 2025 and 2024**

	<u>Governmental Activities</u>		<u>Percent Change</u>
	<u>2025</u>	<u>2024</u>	
Long-Term Debt:			
General Obligation Bonds	\$ 8,180,000	\$ 8,990,000	-9.0%
General Obligation Notes	213,404	263,263	-18.9
Subtotal	8,393,404	9,253,263	-9.3
Other Long-Term Obligations:			
Lease Liability	19,788	43,199	-54.2
Premium on Debt Issuance Cost	116,101	131,539	-11.7
Compensated Absences	1,962,370	2,034,808	-3.6
Total	<u>\$ 10,491,663</u>	<u>\$ 11,462,809</u>	-8.5

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

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, 2025 totaled \$8,393,404 approximately 3.4% of the maximum legal limit of \$246,392,900. 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, 2025

	Primary Government	Component Unit Industrial Development Agency
	Governmental Activities	
ASSETS		
Cash and Investments	\$ 28,136,508	\$ 1,583,324
Taxes Receivable	12,446,562	-
Accounts Receivable	837,585	-
Due from Other Governments	3,028,999	-
Prepaid Items and Other Assets	3,313,724	2,135
Long-Term Receivables	829,584	422,996
Capital Assets:		
Capital Assets Not Being Depreciated	13,400,720	-
Capital Assets Being Depreciated	156,064,563	-
Accumulated Depreciation	(101,254,970)	-
Total Assets	116,803,275	2,008,455
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	6,111,588	-
Single-Employer Other Postemployment Benefits Related	50,050	-
Multiple-Employer Other Postemployment Benefits Related	242,612	-
Total Deferred Outflows of Resources	6,404,250	-
LIABILITIES		
Vouchers and Accounts Payable	867,420	10,000
Accrued Liabilities	1,156,885	-
Payroll Deductions	666,806	-
Accrued Interest Payable	99,611	3,777
Due to Other Governments	67,768	-
Unearned Revenue	739,284	-
Special Deposits	52,738	-
Long-Term Liabilities:		
Amounts Due Within One Year	1,429,532	28,061
Amounts Due in More than One Year	9,062,131	349,685
Wisconsin Retirement System Net Pension Liability	1,033,169	-
Single-Employer Other Postemployment Benefits Liability	1,077,177	-
Multiple-Employer Other Postemployment Benefits Liability	738,822	-
Total Liabilities	16,991,343	391,523

See accompanying Notes to Basic Financial Statements.

WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

	Primary Government	Component Unit Industrial Development Agency
	Governmental Activities	
DEFERRED INFLOWS OF RESOURCES		
Property Taxes for Subsequent Year	\$ 11,815,817	\$ -
Wisconsin Retirement System Pension Related	3,028,812	-
Single-Employer Other Postemployment Benefits Related	251,704	-
Multiple-Employer Other Postemployment Benefits Related	543,433	-
Total Deferred Inflows of Resources	<u>15,639,766</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	59,681,020	-
Restricted for:		
Debt Service	335,916	-
Housing Loan Program	879,348	-
Environmental and Socioeconomic Impact	1,171,307	-
Impact Fee Financed Development	948,090	-
Solid Waste	211,030	-
County Trunk D	397,085	-
Forestry Operations	556,624	-
Other Purposes	459,047	-
Unrestricted	25,936,949	1,616,932
Total Net Position	<u>\$ 90,576,416</u>	<u>\$ 1,616,932</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Functions/Programs					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	\$ 7,287,604	\$ 530,082	\$ 182,630	\$ -	\$ (6,574,892)	\$ -
Public Safety	6,785,041	192,334	86,192	9,595	(6,496,920)	-
Public Works	11,107,322	5,992,129	1,414,523	-	(3,700,670)	-
Health and Human Services	8,885,190	2,428,557	4,412,442	-	(2,044,191)	-
Culture, Recreation, and Education	3,298,499	820	-	-	(3,297,679)	-
Conservation and Development	521,696	3,879,514	1,011,973	-	4,369,791	-
Interest and Fiscal Charges	198,611	-	-	-	(198,611)	-
Total Primary Government	<u>\$ 38,083,963</u>	<u>\$ 13,023,436</u>	<u>\$ 7,107,760</u>	<u>\$ 9,595</u>	(17,943,172)	-
Component Unit:						
Industrial Development Agency	<u>\$ 56,572</u>	<u>\$ 31,044</u>	<u>\$ -</u>	<u>\$ -</u>	-	(25,528)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					11,635,127	-
County Sales Taxes					2,061,050	-
Other Taxes					197,053	-
State and Federal Aids Not Restricted to Specific Functions					624,227	-
Interest and Investment Earnings					1,725,034	72,016
Gain on Sale of County Property					38,038	-
Miscellaneous					303,574	-
Total General Revenues					<u>16,584,103</u>	<u>72,016</u>
CHANGE IN NET POSITION					(1,359,069)	46,488
Net Position - Beginning of Year					<u>91,935,485</u>	<u>1,570,444</u>
NET POSITION - END OF YEAR					<u>\$ 90,576,416</u>	<u>\$ 1,616,932</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
ASSETS							
Treasurer's Cash and Investments	\$ 8,549,297	\$ 1,618,899	\$ 378,867	\$ 3,831,411	\$ 1,394,272	\$ 8,351,425	\$ 24,124,171
Taxes Receivable	9,469,925	1,064,196	1,082,841	-	-	829,600	12,446,562
Accounts Receivable	198,973	2,658	-	3,744	470,790	148,554	824,719
Due from Other Governmental Units	315,142	670,591	-	-	208,648	209,170	1,403,551
Due from Other Funds	148,048	-	-	-	-	-	148,048
Prepaid Items and Other Assets	1,030,878	434	-	24,410	46,889	10,778	1,113,389
Long-Term Receivables	46,302	-	-	-	-	783,282	829,584
Advances to Other Funds	-	-	-	758,241	-	-	758,241
	<u>-</u>	<u>-</u>	<u>-</u>	<u>758,241</u>	<u>-</u>	<u>-</u>	<u>758,241</u>
Total Assets	<u>\$ 19,758,565</u>	<u>\$ 3,356,778</u>	<u>\$ 1,461,708</u>	<u>\$ 4,617,806</u>	<u>\$ 2,120,599</u>	<u>\$ 10,332,809</u>	<u>\$ 41,648,265</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities:							
Vouchers and Accounts Payable	\$ 394,401	\$ 163,425	\$ -	\$ 104,694	\$ 18,187	\$ 143,111	\$ 823,818
Payroll Deductions	159,500	-	-	-	507,306	-	666,806
Accrued Liabilities	231,205	118,580	-	34,040	167,281	252,238	803,344
Due to Other Governmental Units	75,054	(7,972)	-	-	-	686	67,768
Due to Other Funds	-	-	-	100,397	-	67,150	167,547
Unearned Revenues	13,422	-	-	-	390,248	-	403,670
Special Deposits	-	-	-	-	52,738	-	52,738
Total Liabilities	<u>873,582</u>	<u>274,033</u>	<u>-</u>	<u>239,131</u>	<u>1,135,760</u>	<u>463,185</u>	<u>2,985,691</u>
Deferred Inflows of Resources:							
Succeeding Year's Property Taxes	8,839,180	1,064,196	1,082,841	-	-	829,600	11,815,817
Unavailable Revenue - Loans Receivable	-	-	-	-	-	783,282	783,282
Total Deferred Inflows of Resources	<u>8,839,180</u>	<u>1,064,196</u>	<u>1,082,841</u>	<u>-</u>	<u>-</u>	<u>1,612,882</u>	<u>12,599,099</u>
Fund Balances:							
Nonspendable	1,707,827	434	-	782,651	46,889	6,472	2,544,273
Restricted	67,323	-	378,867	-	556,624	3,215,302	4,218,116
Committed	-	2,018,115	-	3,596,024	381,326	5,027,644	11,023,109
Assigned	2,869,215	-	-	-	-	69,967	2,939,182
Unassigned	5,401,438	-	-	-	-	(62,643)	5,338,795
Total Fund Balances	<u>10,045,803</u>	<u>2,018,549</u>	<u>378,867</u>	<u>4,378,675</u>	<u>984,839</u>	<u>8,256,742</u>	<u>26,063,475</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,758,565</u>	<u>\$ 3,356,778</u>	<u>\$ 1,461,708</u>	<u>\$ 4,617,806</u>	<u>\$ 2,120,599</u>	<u>\$ 10,332,809</u>	<u>\$ 41,648,265</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2025**

Total Fund Balance - Governmental Fund **\$ 26,063,475**

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	\$ 12,421,618	
Land Improvements	4,144,991	
Buildings and Improvements	24,153,483	
Machinery and Equipment	9,278,974	
Vehicles	2,404,994	
Right-to-Use Leased Asset	108,502	
Infrastructure	93,614,740	
Construction Work in Progress	489,320	
Accumulated Depreciation	<u>(85,622,148)</u>	60,994,474

Pension and other postemployment benefit (OPEB) 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	(863,750)	
Deferred Outflows of Resources - Pension Related	5,109,409	
Deferred Inflows of Resources - Pension Related	<u>(2,532,147)</u>	1,713,512
Single-Employer Other Postemployment Benefits:		
Net OPEB Liability	(910,545)	
Deferred Outflows of Resources - OPEB Related	42,308	
Deferred Inflows of Resources - OPEB Related	<u>(212,767)</u>	(1,081,004)
Multiple-Employer Other Postemployment Benefits:		
Net OPEB Liability	(613,582)	
Deferred Outflows of Resources - OPEB Related	200,908	
Deferred Inflows of Resources - OPEB Related	<u>(451,314)</u>	(863,988)

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		783,282
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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	213,404	
General Obligation Bonds Payable	8,180,000	
Lease Liability	19,788	
Accrued Interest Payable	99,611	
Unamortized Bond Premium	116,101	
Compensated Absences	<u>1,656,077</u>	(10,284,981)

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.		13,240,399
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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.		<u>11,247</u>
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Net Position of Governmental Activities		<u>\$ 90,576,416</u>
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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, 2025

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
REVENUES:							
Taxes	\$ 11,280,660	\$ 961,746	\$ 1,073,041	\$ -	\$ -	\$ 877,205	\$ 14,192,652
Intergovernmental	2,633,468	2,146,434	-	-	595,566	1,599,758	6,975,226
Licenses and Permits	244,028	-	-	-	-	398,287	642,315
Fines, Forfeits, and Penalties	74,952	10,316	-	-	-	15,922	101,190
Public Charges for Services	457,721	2,333,653	-	-	3,148,941	364,763	6,305,078
Intergovernmental Charges for Services	17,669	-	-	-	-	-	17,669
Miscellaneous	1,423,537	696,389	-	23,558	33,071	856,532	3,033,087
Total Revenues	16,132,035	6,148,538	1,073,041	23,558	3,777,578	4,112,467	31,267,217
EXPENDITURES:							
General Government	5,413,157	-	-	889,817	-	188,758	6,491,732
Public Safety	6,466,162	-	-	-	-	38,249	6,504,411
Public Works	3,569,866	-	-	2,023,202	-	-	5,593,068
Health and Human Services	257,024	6,350,128	-	-	-	2,534,268	9,141,420
Culture, Recreation, and Education	659,038	-	-	-	2,642,692	36,827	3,338,557
Conservation and Development	942,238	-	-	-	-	631,201	1,573,439
Debt Service:							
Principal	23,411	-	859,859	-	-	-	883,270
Interest and Fiscal Charges	867	-	213,182	-	-	-	214,049
Total Expenditures	17,331,763	6,350,128	1,073,041	2,913,019	2,642,692	3,429,303	33,739,946
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,199,728)	(201,590)	-	(2,889,461)	1,134,886	683,164	(2,472,729)
OTHER FINANCING SOURCES (USES):							
Sale of Capital Assets	-	-	-	-	38,038	-	38,038
Transfers In	264,060	74,411	-	1,703,102	3,377	840,854	2,885,804
Transfers Out	(893,686)	-	-	(20,060)	(1,703,102)	(407,515)	(3,024,363)
Total Other Financing Sources (Uses)	(629,626)	74,411	-	1,683,042	(1,661,687)	433,339	(100,521)
NET CHANGE IN FUND BALANCES	(1,829,354)	(127,179)	-	(1,206,419)	(526,801)	1,116,503	(2,573,250)
Fund Balance - January 1	11,875,157	2,145,728	378,867	5,585,094	1,511,640	7,140,239	28,636,725
FUND BALANCE - DECEMBER 31	<u>\$ 10,045,803</u>	<u>\$ 2,018,549</u>	<u>\$ 378,867</u>	<u>\$ 4,378,675</u>	<u>\$ 984,839</u>	<u>\$ 8,256,742</u>	<u>\$ 26,063,475</u>

See accompanying Notes to Basic Financial Statements.

WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balance - Total Governmental Fund \$ (2,573,250)

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	\$ 4,311,182	
Depreciation expense reported in the statement of activities	<u>(3,698,325)</u>	612,857

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of capital assets disposed of during the year. (8,194)

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	(283,633)	
Single-Employer Other Postemployment Benefits	(67,315)	
Multiple-Employer Other Postemployment Benefits	<u>(42,199)</u>	(393,147)

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. (21,820)

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	810,000	
General Obligation Notes Principal Retirement	49,859	
Lease Liability Principal Retirement	<u>23,411</u>	883,270

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		125,010
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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	6,290	
Change in Compensated Absences at Year-End	(5,523)	
Change in Unamortized Bond Premium	<u>15,438</u>	<u>16,205</u>

Change in Net Position of Governmental Activities \$ (1,359,069)

See accompanying Notes to Basic Financial Statements.

WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUND
DECEMBER 31, 2025

	Governmental Activities-Internal Service Funds
ASSETS	
Current Assets:	
Treasurer's Cash and Investments	\$ 4,012,337
Accounts Receivable	12,866
Due from Other Governmental Units	1,625,448
Due from Other Funds	19,499
Prepaid Items and Other Assets	2,200,335
Total Current Assets	<u>7,870,485</u>
Noncurrent Assets:	
Capital Assets:	
Not Being Depreciated/Depleted	489,782
Being Depreciated/Depleted	22,358,879
Accumulated Depreciation	(15,632,822)
Total Capital Assets	<u>7,215,839</u>
Total Assets	15,086,324
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	1,002,179
Single Employer Other Postemployment Benefits Related	7,742
Multi-Employer Other Postemployment Benefits Related	41,704
Total Deferred Outflows of Resources	<u>1,051,625</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	43,602
Accrued Liabilities	353,541
Unearned Revenues	335,614
Compensated Absences - Current	108,302
Total Current Liabilities	<u>841,059</u>
Long-Term Liabilities (Net of Current Portion):	
Advance from Capital Projects Fund	758,241
Wisconsin Retirement System Net Pension Liability	169,419
Single Employer Other Postemployment Benefits Payable	166,632
Multi-Employer Other Postemployment Benefits Payable	125,240
Compensated Absences	197,991
Total Long-Term Liabilities	<u>1,417,523</u>
Total Liabilities	<u>2,258,582</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	496,665
Single Employer Other Postemployment Benefits Related	38,937
Multi-Employer Other Postemployment Benefits Related	92,119
Total Deferred Inflows of Resources	<u>627,721</u>
NET POSITION	
Net Investment in Capital Assets	7,215,839
Unrestricted	6,035,807
Total Net Position	<u>\$ 13,251,646</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, 2025**

	<u>Governmental Activities-Internal Service Funds</u>
OPERATING REVENUES	
Charges for Services	\$ 11,240,640
Miscellaneous Revenue	83,889
Total Operating Revenues	<u>11,324,529</u>
OPERATING EXPENSES	
Administration and General	592,372
Services Provided	10,745,706
Total Operating Expenses	<u>11,338,078</u>
INCOME (LOSS) BEFORE TRANSFERS	(13,549)
TRANSFERS	
Transfers from Other Funds	<u>138,559</u>
CHANGE IN NET POSITION	125,010
Net Position - January 1	<u>13,126,636</u>
NET POSITION - DECEMBER 31	<u><u>\$ 13,251,646</u></u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025**

	Governmental Activities-Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received for Services Provided	\$ 11,865,805
Cash Paid to Suppliers for Goods and Services	(4,785,967)
Cash Paid for Employee Services	(5,276,063)
Net Cash Provided (Used) by Operating Activities	<u>1,803,775</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from Forestry Fund	<u>138,559</u>
Total Cash Flows Provided (Used) by Noncapital Financing Activities	<u>138,559</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Paid for Acquisition of Capital Assets	(590,609)
Cash Received for Sale of Capital Assets	48,837
Change in Cash Advance for Gravel Pits from County	(29,919)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(571,691)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,370,643
Cash and Cash Equivalents - Beginning of Year	<u>2,641,694</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,012,337</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (13,549)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	1,082,697
Depletion of Gravel Pits	13,853
Change in Pension Related Items	69,878
Change in Single-Employer OPEB Related Items	(18,893)
Change in Multi-Employer OPEB Related Items	(3,873)
(Increase) Decrease in Assets:	
Accounts Receivable	(8,680)
Due from Governmental Units	(353,011)
Prepaid Expenses	336,277
Due from Other Funds	669,509
Increase (Decrease) in Liabilities:	
Accounts Payable	(251,480)
Unearned Revenue	233,458
Accrued Liabilities	<u>47,589</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 1,803,775</u></u>

See accompanying Notes to Basic Financial Statements.

WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2025

	<u>Custodial Funds</u>
ASSETS	
Treasurer's Cash and Investments	\$ 290,782
LIABILITIES	
Due to Other Governments	<u>264,908</u>
NET POSITION	
Restricted	<u><u>\$ 25,874</u></u>

See accompanying Notes to Basic Financial Statements.

WASHBURN COUNTY, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Custodial Funds
ADDITIONS:	
Payments from Individuals	\$ 4,754
Licenses and Fees Collected	<u>963,081</u>
Total Additions	<u>967,835</u>
DEDUCTIONS:	
Distributions to Individuals	136,033
Payments to Licenses and Fees to Other Taxing Agencies	<u>826,217</u>
Total Deductions	<u>962,250</u>
CHANGE IN NET POSITION	5,585
Net Position - Beginning of Year	<u>20,289</u>
NET POSITION - END OF YEAR	<u><u>\$ 25,874</u></u>

See accompanying Notes to Basic Financial Statements.

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025 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, 2025**

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, 2025.

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, 2025**

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.

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, 2025**

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, 2025**

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, 2025

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, 2025**

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, 2025

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, 2025

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

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. 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, 2025**

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, 2025

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. Fund Balance and Net Position

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, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Fund Balance and Net Position (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, 2025 are reflected in the financial statements as follows:

Governmental Funds	\$ 24,124,171
Proprietary Funds	4,012,337
Fiduciary Funds	290,782
Total	<u><u>\$ 28,427,290</u></u>

The above cash and investments consisted of the following:

Deposits at Financial Institutions	\$ 14,746,418
Investment Pools:	
Local Government Investment Pool (LGIP)	1,531,765
Wisconsin Investment Series Cooperative (WISC)	12,146,162
Petty Cash	2,945
Total	<u><u>\$ 28,427,290</u></u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 \$1,000,000 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, 2025, the County's deposits were not exposed to custodial credit risk.

Investments

The County's investments at December 31, 2025 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 2025 was 9 days. LGIP is not registered with the SEC. The County's investment in LGIP is valued at amortized cost.

Deposits in Wisconsin Investment Series Cooperative (WISC or Fund). WISC was established in 1988 by school officials pursuant to an Intergovernmental Cooperation Agreement designed specifically for investment of funds by participating Wisconsin public entities. It is governed by a board of commissioners comprised of superintendents and business officials of participating entities.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Deposits in Wisconsin Investment Series Cooperative (WISC or Fund) (Continued)

The investment objective of the Fund is to provide a competitive yield for participants while maintaining liquidity and preserving capital by investing only in securities and instruments in which public entities are permitted to invest by Wisconsin law. The Commission has contracted with JPMorgan Chase Bank to act as its investment advisor and with PMA Financial Network, Inc. (PMA) to administer the Fund.

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.

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 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, 2025 totaling \$783,282. 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, 2025

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
General County Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,843,005	\$ 15,000	\$ -	\$ 3,858,005
Highway Right-of-Ways	8,563,613	-	-	8,563,613
Construction Work in Progress	408,737	123,591	43,008	489,320
Total Capital Assets Not Being Depreciated	12,815,355	138,591	43,008	12,910,938
Capital Assets Being Depreciated:				
Land Improvements	3,961,109	183,882	-	4,144,991
Buildings and Improvements	23,106,152	1,047,331	-	24,153,483
Machinery and Equipment	8,826,895	456,979	4,900	9,278,974
Vehicles	2,032,329	500,247	127,582	2,404,994
Right of Use Leased Asset-Equipment	111,151	-	2,649	108,502
Highway Infrastructure:				
Roadways	86,343,241	2,027,160	-	88,370,401
Bridges	1,408,186	-	-	1,408,186
Structures	3,836,153	-	-	3,836,153
Total Capital Assets Being Depreciated	129,625,216	4,215,599	135,131	133,705,684
Total Capital Assets	142,440,571	4,354,190	178,139	146,616,622
Accumulated Depreciation:				
Land Improvements	2,639,039	139,476	-	2,778,515
Buildings and Improvements	6,150,241	473,185	-	6,623,426
Machinery and Equipment	5,347,651	841,642	4,900	6,184,393
Vehicles	1,396,805	355,350	119,388	1,632,767
Right of Use Leased Asset-Equipment	70,974	23,046	2,649	91,371
Highway Infrastructure	66,446,050	1,865,626	-	68,311,676
Total Accumulated Depreciation	82,050,760	3,698,325	126,937	85,622,148
Net Capital Assets - General County Assets	<u>\$ 60,389,811</u>	<u>\$ 655,865</u>	<u>\$ 51,202</u>	<u>\$ 60,994,474</u>

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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	335,061	-	13,853	321,208
Buildings and Improvements	7,062,271	-	-	7,062,271
Machinery and Equipment	13,436,166	596,189	216,857	13,815,498
Total Capital Assets Being Depreciated	21,966,481	596,189	230,710	22,331,960
Total Capital Assets	22,456,263	596,189	230,710	22,821,742
Accumulated Depreciation:				
Land Improvements	946,103	44,368	-	990,471
Buildings and Improvements	5,682,199	282,954	-	5,965,153
Machinery and Equipment	8,059,074	777,264	184,329	8,652,009
Total Accumulated Depreciation	14,687,376	1,104,586	184,329	15,607,633
Net Capital Assets - Highway Department	\$ 7,768,887	\$ (508,397)	\$ 46,381	\$ 7,214,109
Copy Machine Fund:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 26,919	\$ -	\$ -	\$ 26,919
Accumulated Depreciation:				
Machinery and Equipment	25,189	-	-	25,189
Net Capital Assets - Copy Machine Fund	\$ 1,730	\$ -	\$ -	\$ 1,730
Total County:				
Capital Assets Not Being Depreciated	\$ 13,305,137	\$ 138,591	\$ 43,008	\$ 13,400,720
Capital Assets Being Depreciated	151,618,616	4,811,788	365,841	156,064,563
Total Capital Assets	164,923,753	4,950,379	408,849	169,465,283
Accumulated Depreciation	96,763,325	4,802,911	311,266	101,254,970
Net Capital Assets - Governmental Activities	\$ 68,160,428	\$ 147,468	\$ 97,583	\$ 68,210,313

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Governmental Activities (Continued)

Depreciation/amortization was charged to governmental functions as follows:

	General County Assets	Internal Service Funds	Total
General Government	\$ 962,320	\$ -	\$ 962,320
Public Safety	550,411	-	550,411
Transportation	1,864,046	1,104,586	2,968,632
Health and Human Services	68,665	-	68,665
Culture, Recreation and Education	17,527	-	17,527
Conservation and Development	235,356	-	235,356
Total	<u>\$ 3,698,325</u>	<u>\$ 1,104,586</u>	<u>\$ 4,802,911</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2025 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Wildlife Damage Fund	\$ 14,449	Cash Flow
General Fund	Animal Control Fund	52,701	Cash Flow
General Fund	Capital Improvement Program Fund	80,898	Gravel Pits
Highway Internal Service Fund	Capital Improvement Program Fund	19,499	Project Expenses
Total		<u>\$ 167,547</u>	

Advances from/to Other Funds

As of December 31, 2025 the County's capital improvements capital projects fund had advanced the highway department internal service fund \$758,241 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, 2025

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	\$ 20,060	Projects
General Fund	Development Fund	244,000	Tourism and Development
Forestry Fund	General Fund	3,377	Benefits
Child Support Fund	General Fund	448	Benefits
Public Health Fund	General Fund	5,272	Benefits
Human Services Fund	General Fund	24,495	Benefits and Projects
Aging and Disability Resource Center	General Fund	2,717	Benefits
Development Fund	General Fund	800,000	Tourism and Development
Highway Department	General Fund	57,377	Benefits
Recycling Fund	Solid Waste Fund	32,417	Project Funding
Human Services Fund	Child Support Fund	49,916	Benefits
Capital Improvement Fund	Forestry Fund	1,703,102	Capital Projects
Highway Department	County Land Sale Fund	81,182	Capital Projects
		<u>\$ 3,024,363</u>	

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the County for the year ended December 31, 2025 were as follows:

	<u>Balances</u> <u>1/1/25</u>	<u>Additions</u> <u>or Net</u> <u>Change</u>	<u>Reductions</u> <u>or Net</u> <u>Change</u>	<u>Balances</u> <u>12/31/25</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 8,990,000	\$ -	\$ 810,000	\$ 8,180,000	\$ 835,000
General Obligation Notes	263,263	-	49,859	213,404	51,257
Total Long-Term Debt	9,253,263	-	859,859	8,393,404	886,257
Other Long-Term Obligations:					
Governmental Activities:					
Governmental Funds:					
Debt Premium	131,539	-	15,438	116,101	-
Lease Liability	43,199	-	23,411	19,788	19,788
Compensated Absences - Net	1,650,554	5,523	-	1,656,077	415,185
Highway Internal Service Fund:					
Compensated Absences - Net	384,254	-	77,961	306,293	108,302
Total Other Long-Term Liabilities	2,209,546	5,523	116,810	2,098,259	543,275
Total Long-Term Liabilities	\$ 11,462,809	\$ 5,523	\$ 976,669	\$ 10,491,663	\$ 1,429,532

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025 and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
General Obligation Bonds, \$7,655,000, issued 8/6/19, Due 3/1/39, interest between 2.0% and 3.0%	2026	\$ 320,000	\$ 142,131	\$ 462,131
	2027	335,000	135,581	470,581
	2028	345,000	128,781	473,781
	2029	355,000	121,559	476,559
	2030	370,000	113,625	483,625
	2031-2035	2,055,000	410,381	2,465,381
	2036-2039	1,690,000	93,600	1,783,600
	Total	<u>\$ 5,470,000</u>	<u>\$ 1,145,658</u>	<u>\$ 6,615,658</u>

	Year	Principal	Interest	Total
General Obligation Bonds, \$6,215,000, issued 5/6/20, Due 3/1/30, interest between 1.2% and 2.0%	2026	\$ 515,000	\$ 49,050	\$ 564,050
	2027	525,000	38,650	563,650
	2028	540,000	28,000	568,000
	2029	560,000	17,000	577,000
	2030	570,000	5,700	575,700
	Total	<u>\$ 2,710,000</u>	<u>\$ 138,400</u>	<u>\$ 2,848,400</u>

	Year	Principal	Interest	Total
General Obligation Notes, \$500,000, issued 8/1/19 due 3/1/29, interest at 2.54%	2026	\$ 51,257	\$ 5,403	\$ 56,660
	2027	52,558	4,102	56,660
	2028	53,891	2,769	56,660
	2029	55,698	1,402	57,100
	Total	<u>\$ 213,404</u>	<u>\$ 13,676</u>	<u>\$ 227,080</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, 2025, the County's debt limit amounted to \$246,392,900 and indebtedness subject to the limitation totaled \$8,393,404.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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
2026	\$ 19,788	\$ 212	\$ 20,000

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.

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund:						
Delinquent Taxes	\$ 630,647	\$ 630,647	\$ -	\$ -	\$ -	\$ -
Inventories/Prepayments	1,030,878	1,030,878	-	-	-	-
Long-Term Note Receivable	46,302	46,302	-	-	-	-
Register of Deeds - PEA/RET Funds	67,323	-	67,323	-	-	-
Sick Leave Liability	1,315,000	-	-	-	1,315,000	-
HSD Youth	105,157	-	-	-	105,157	-
County Numbering	62,424	-	-	-	62,424	-
Memorials-Donations	2,060	-	-	-	2,060	-
Unclaimed Funds	299	-	-	-	299	-
Health Insurance Excess	994,384	-	-	-	994,384	-
IT Capital Equipment Fund	38,960	-	-	-	38,960	-
Property & Insurance-Deductibles	50,000	-	-	-	50,000	-
Maps & Platbooks	32,712	-	-	-	32,712	-
County Cars	236,736	-	-	-	236,736	-
Veterans-WW	22,055	-	-	-	22,055	-
Wellness	9,428	-	-	-	9,428	-
Unassigned	5,401,438	-	-	-	-	5,401,438
Subtotal General Fund	10,045,803	1,707,827	67,323	-	2,869,215	5,401,438
Committed for Human Services Programs	2,018,549	434	-	2,018,115	-	-
Forestry Department Programs	984,839	46,889	556,624	381,326	-	-
Debt Service	378,867	-	378,867	-	-	-
Capital Improvements Program Fund:						
Committed for Capital Projects	3,596,024	-	-	3,596,024	-	-
Prepayments	24,410	24,410	-	-	-	-
Advances to Other Funds	758,241	758,241	-	-	-	-
Subtotal Major Funds	17,806,733	2,537,801	1,002,814	5,995,465	2,869,215	5,401,438

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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:						
Prepayments	\$ 100	\$ 100	\$ -	\$ -	\$ -	\$ -
Committed for Health Services Programs	713,424	-	-	713,424	-	-
Child Support Fund	70,710	-	-	70,710	-	-
Opioid Mitigation and Treatment	328,122	-	-	328,122	-	-
UOA/ADRC Programs	370,636	6,372	16,899	278,072	69,967	(674)
Wildlife Damage Program	(14,449)	-	-	-	-	(14,449)
Restricted for CDBG Revolving Loan Program	96,066	-	96,066	-	-	-
Development Fund:						
Impact Fees Restricted for Environmental and Capital Improvements	948,090	-	948,090	-	-	-
Committed for Building Project	1,528,068	-	-	1,528,068	-	-
Recycling Program	1,544,853	-	-	1,544,853	-	-
Animal Control Program	(47,520)	-	-	-	-	(47,520)
County Land Sales Fund:						
Committed for Dam Maintenance	723,913	-	264,049	459,864	-	-
Restricted for Jail Assessments Fee Funded Projects	95,254	-	95,254	-	-	-
Sheriff Special Activity Fund:						
Donor Restrictions for Sheriff Operations	15,522	-	15,522	-	-	-
Committed for Projects in the Sheriff's Department	104,531	-	-	104,531	-	-
Restricted for Environmental and Socioeconomic Impact Fund Projects	1,171,307	-	1,171,307	-	-	-
Restricted for County Trunk D Project	397,085	-	397,085	-	-	-
Solid Waste Projects:						
Restricted by Contract Agreements for Solid Waste Improvements	211,030	-	211,030	-	-	-
Subtotal Nonmajor Funds	<u>8,256,742</u>	<u>6,472</u>	<u>3,215,302</u>	<u>5,027,644</u>	<u>69,967</u>	<u>(62,643)</u>
Total Governmental Fund Balance at December 31, 2025	<u>\$ 26,063,475</u>	<u>\$ 2,544,273</u>	<u>\$ 4,218,116</u>	<u>\$ 11,023,109</u>	<u>\$ 2,939,182</u>	<u>\$ 5,338,795</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025 was \$1,656,077.

Highway Department Employees. Vacation and sick leave accrued to highway department employees totaled \$306,293 on December 31, 2025 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, 2025**

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, 2025 through December 31, 2025, the WRS recognized \$1,025,967 in contributions from the County.

Contribution rates as of December 31, 2025 are:

	<u>Employee</u>	<u>Employer</u>
General, Executive and Elected Officials	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%
Act 4 Protective County Jailers	14.30%	6.90%

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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>
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
2023	1.6	(21.0)
2024	3.6	15.0

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

At December 31, 2025, the County reported a liability of \$1,033,169 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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, 2024, the County's proportion was 0.06287677 percent, which was an increase of 0.00030829 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the County recognized pension expense of \$1,382,982. At December 31, 2025, 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, 2025**

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	\$ 3,208,556	\$ 3,015,037
Changes of Assumptions	306,561	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,569,955	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	549	13,775
County Contributions Subsequent to the Measurement Date	1,025,967	-
Total	<u>\$ 6,111,588</u>	<u>\$ 3,028,812</u>

\$1,025,967 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, 2026. 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>
2026	\$ 615,333
2027	2,137,282
2028	(531,088)
2029	(164,718)

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, 2025**

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, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
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 5.7%
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 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 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, 2025**

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	38.0 %	7.0 %	4.3 %
Public Fixed Income	27.0	6.1	3.4
Private Equity/Debt	20.0	9.5	6.7
Inflation Sensitive	19.0	4.8	2.1
Real Estate	8.0	6.5	3.8
Leverage	-12.0	3.7	1.1
Total Core Fund	100.0 %	7.5 %	4.8 %
Variable Fund Asset Class			
U.S. Equities	70.0 %	6.5 %	3.8 %
International Equities	30.0	7.4	4.7
Total Variable Fund	100.0 %	6.9 %	4.2 %

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

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. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 6.80% was used to measure the Total Pension Liability, for the current and prior year. The single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (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, 2023. 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 6.80% expected rate of return implies that a dividend of approximately 1.70% 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)	<u>\$ 9,692,478</u>	<u>\$ 1,033,169</u>	<u>\$ (5,119,021)</u>

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, 2025**

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 January 1, 2024, the date of the latest actuarial valuation.

Retirees (Pre-65)	5
Total eligible active plan members	<u>171</u>
	<u><u>176</u></u>

Total OPEB Liability

The County does not accumulate 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, 2024. At December 31, 2025, the County reported a total OPEB liability of 1,077,177. Changes in the County's total OPEB liability were as follows:

	Total OPEB Liability (a)
Balance at December 31, 2024	<u>\$ 1,042,406</u>
Changes for the year:	
Service Cost	116,788
Interest	36,935
Changes of Assumptions or Other Input	(66,044)
Benefit Payments	<u>(52,908)</u>
Net Changes	<u><u>34,771</u></u>
Balance at December 31, 2025	<u><u>\$ 1,077,177</u></u>

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, 2025**

NOTE 3 OTHER INFORMATION (CONTINUED)

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

Actuarial Assumptions (Continued)

otherwise specified:

Valuation Date:	January 1, 2024
Measurement Date:	December 31, 2024
Experience Study:	2021-2003 Wisconsin Retirement System (WRS)
Actuarial Cost Method:	Entry Age Normal
20-Year Tax-Exempt Municipal Bond Yield:	4.08%
Discount Rate:	4.08%
Health Care Trends:	3.0% year one to an ultimate rate of 3.7%
Salary Increases:	
Economic Increase (Inflation)	3.0%
Merit & Longevity	0.6% - 4.9%
Mortality:	2020 WRS Experience Table and with mortality improvements using 100% of the fully generational MP-2021 projection scale from a base year of 2010

Discount rate

The discount rate used to measure the total OPEB liability was 4.08 percent.

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 (3.08%)	Current Discount Rate (4.08%)	1% Increase to Discount Rate (5.08%)
Net OPEB Liability	<u>\$ 1,158,202</u>	<u>\$ 1,077,177</u>	<u>\$ 1,001,651</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>\$ 953,816</u>	<u>\$ 1,077,177</u>	<u>\$ 1,223,553</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 OTHER INFORMATION (CONTINUED)

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

For the year ended December 31, 2025, the County recognized OPEB expense of \$101,330. At December 31, 2025, 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	\$ -	\$ 41,181
Changes of Assumptions or Other Input	50,050	210,523
Total	<u>\$ 50,050</u>	<u>\$ 251,704</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
2026	\$ (53,864)
2027	(51,821)
2028	(22,982)
2029	(17,343)
2030	(21,459)
Thereafter	(34,185)

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, 2025**

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, 2025 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, 2024 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 2025 the LRLIF recognized \$4,110 in contributions from the County.

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025, the County reported a liability of \$738,822 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024. 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, 2024, the County's proportion was 0.18884800 percent, which was a decrease of 0.00636700 percent from its proportion measured as of December 31, 2024.

For the year ended December 31, 2025, the County recognized OPEB expense of \$43,148. At December 31, 2025, 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	\$ -	\$ 76,864
Net Difference Between Projected and Actual Earnings on OPEB Investments	10,146	-
Changes of Assumptions or Other Input	181,286	414,389
Change in proportion and differences between employer contributions and proportionate share of contributions	47,070	52,180
County Contributions Subsequent to the Measurement Date	4,110	-
Total	<u>\$ 242,612</u>	<u>\$ 543,433</u>

\$4,110 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, 2026. 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
2026	\$ (20,368)
2027	(53,265)
2028	(86,833)
2029	(86,974)
2030	(28,762)
Thereafter	(28,729)

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.08%
Long-Term Expected Rate of Return	4.25%
Discount Rate	4.09%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.7%
Mortality	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total OPEB liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 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	40%	2.41%
U.S. Mortgages	Bloomberg US MBS	60%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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)

Single Discount Rate. A single discount rate of 4.09% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. 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, 2037.

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 4.09 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 (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	<u>1% Decrease (3.09%)</u>	<u>Current Discount Rate (4.09%)</u>	<u>1% Increase (5.09%)</u>
Proportionate share of the Net OPEB Liability (asset) 12/31/25	<u>\$ 987,539</u>	<u>\$ 738,822</u>	<u>\$ 547,163</u>

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, 2025**

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. 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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,846,255	\$ 10,846,255	\$ 11,280,660	\$ 434,405
Intergovernmental	2,591,909	2,685,375	2,633,468	(51,907)
Licenses and Permits	233,175	233,175	244,028	10,853
Fines, Forfeits, and Penalties	84,000	84,000	74,952	(9,048)
Public Charges for Services	452,675	452,675	457,721	5,046
Intergovernmental Charges for Services	5,300	5,300	17,669	12,369
Miscellaneous	741,080	748,080	1,423,537	675,457
Total Revenues	14,954,394	15,054,860	16,132,035	1,077,175
EXPENDITURES				
General Government	5,069,710	5,096,512	5,413,157	(316,645)
Public Safety	5,900,693	6,079,131	6,466,162	(387,031)
Public Works	3,565,447	3,565,447	3,569,866	(4,419)
Health and Human Services	295,508	302,508	257,024	45,484
Culture, Recreation, and Education	670,829	670,829	659,038	11,791
Conservation and Development	944,003	1,037,848	942,238	95,610
Debt Service				
Principal Expenditures	-	-	23,411	(23,411)
Interest Expenditures	-	-	867	(867)
Total Expenditures	16,446,190	16,752,275	17,331,763	(579,488)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,491,796)	(1,697,415)	(1,199,728)	497,687
OTHER FINANCING SOURCES (USES)				
Transfers In	265,500	265,500	264,060	(1,440)
Transfers Out	(800,000)	(768,660)	(893,686)	(125,026)
Total Other Financing Sources (Uses)	(534,500)	(503,160)	(629,626)	(126,466)
NET CHANGE IN FUND BALANCE	(2,026,296)	(2,200,575)	(1,829,354)	371,221
Fund Balance - January 1	11,875,157	11,875,157	11,875,157	-
FUND BALANCE - DECEMBER 31	<u>\$ 9,848,861</u>	<u>\$ 9,674,582</u>	<u>\$ 10,045,803</u>	<u>\$ 371,221</u>

See accompanying Notes to Required Supplementary Information.

SCHEDULE 2

**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 961,746	\$ 961,746	\$ 961,746	\$ -
Intergovernmental	2,694,937	2,694,937	2,146,434	(548,503)
Fines, Forfeits, and Penalties	14,700	14,700	10,316	(4,384)
Public Charges for Services	2,120,454	2,120,454	2,333,653	213,199
Miscellaneous	568,488	602,515	696,389	93,874
Total Revenues	6,360,325	6,394,352	6,148,538	(245,814)
EXPENDITURES				
Health and Human Services	6,446,286	6,504,809	6,350,128	154,681
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(85,961)	(110,457)	(201,590)	(91,133)
OTHER FINANCING SOURCES (USES)				
Transfers In	85,961	110,457	74,411	(36,046)
NET CHANGE IN FUND BALANCE	-	-	(127,179)	(127,179)
Fund Balance - January 1	2,145,728	2,145,728	2,145,728	-
FUND BALANCE - DECEMBER 31	<u>\$ 2,145,728</u>	<u>\$ 2,145,728</u>	<u>\$ 2,018,549</u>	<u>\$ (127,179)</u>

See accompanying Notes to Required Supplementary Information.

WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – FORESTRY FUND
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 2,651,777	\$ 2,651,777	\$ 595,566	\$ (2,056,211)
Public Charges for Services	2,664,121	2,664,121	3,148,941	484,820
Other Revenues	(66,660)	(66,660)	33,071	99,731
Total Revenues	5,249,238	5,249,238	3,777,578	(1,471,660)
EXPENDITURES				
Culture, Recreation, and Education	4,092,796	4,096,173	2,642,692	1,453,481
Total Expenditures	4,092,796	4,096,173	2,642,692	1,453,481
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,156,442	1,153,065	1,134,886	(18,179)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	38,038	38,038
Transfers In	66,660	70,037	3,377	(66,660)
Transfers Out	(1,223,102)	(1,223,102)	(1,703,102)	(480,000)
Total Other Financing Sources (Uses)	(1,156,442)	(1,153,065)	(1,661,687)	(508,622)
NET CHANGE IN FUND BALANCE	-	-	(526,801)	(526,801)
Fund Balance - January 1	1,511,640	1,511,640	1,511,640	-
FUND BALANCE - DECEMBER 31	<u>\$ 1,511,640</u>	<u>\$ 1,511,640</u>	<u>\$ 984,839</u>	<u>\$ (526,801)</u>

See accompanying Notes to Required Supplementary Information.

SCHEDULE 4

**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)**

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 84,164	\$ 92,075	\$ 96,027	\$ 80,745	\$ 90,305	\$ 125,243	\$ 102,581	\$ 116,788
Interest on the Total OPEB Liability	31,914	32,495	40,083	21,221	19,098	22,299	39,161	36,935
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)	(28,621)	(66,044)
Benefit Payments	(42,000)	(48,872)	(48,872)	(16,693)	(23,616)	(20,588)	(41,344)	(52,908)
Net Change in Total OPEB Liability	95,836	29,027	(203,790)	120,288	145,167	3,162	71,777	34,771
Total OPEB Liability - Beginning	780,939	876,775	905,802	702,012	822,300	967,467	970,629	1,042,406
Total OPEB Liability - Ending (a)	<u>\$ 876,775</u>	<u>\$ 905,802</u>	<u>\$ 702,012</u>	<u>\$ 822,300</u>	<u>\$ 967,467</u>	<u>\$ 970,629</u>	<u>\$ 1,042,406</u>	<u>\$ 1,077,177</u>
Covered Employee-Payroll	\$ 7,442,221	\$ 7,556,000	\$ 7,872,000	\$ 8,223,000	\$ 10,295,129	\$ 10,862,374	\$ 11,220,360	\$ 12,638,930
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%	9.29%	8.52%

Changes in assumptions since prior valuation:

- The discount rate was changed from 2.12% as of December 31, 2022 to 2.06% as of December 31, 2023.
- 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%.

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.

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)**

OPEB Fiscal Year-End Date (Measurement Date)	County's Proportion of the Net OPEB Liability (Asset)	County's Proportionate Share of the Net OPEB Liability (Asset)	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2024	0.18884800 %	\$ 738,822	\$ 10,234,000	7.22 %	37.20 %
12/31/2023	0.19521500	898,117	9,521,000	9.43	33.90
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.

SCHEDULE 6

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
12/31/2025	\$ 4,110	\$ (4,110)	\$ -	\$ 10,234,000	0.04 %
12/31/2024	3,959	(3,959)	-	7,913,000	0.05
12/31/2023	3,244	(3,244)	-	8,730,000	0.04
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

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
12/31/2024	0.06287677%	\$ 1,033,169	\$ 11,691,001	8.84%	98.79%
12/31/2023	0.06256848%	930,271	10,863,606	8.56%	98.85%
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%

See accompanying Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO WISCONSIN RETIREMENT
SYSTEM PENSION PLAN – LAST TEN FISCAL YEARS**

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
12/31/2025	\$ 1,025,967	\$ (1,025,967)	\$ -	\$ 12,638,930	8.12%
12/31/2024	923,802	(923,802)	-	11,220,360	8.23%
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%

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.

See accompanying Notes to Required Supplementary Information.

WASHBURN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

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.

Actual expenditures exceeded budget amounts in the general government, public safety, public works and debt service functions of the general fund by \$316,645, \$387,031, \$4,419 and \$24,278 respectively. These overages were considered necessary and authorized by the County Board and management.

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, 2025**

	Special Revenue Funds							
	Public Health	Child Support	Opioid Settlement	UOA/ ADRC	CDBG Grant Fund	Wildlife Damage	Development Fund	Animal Control
ASSETS								
Treasurer's Cash and Investments	\$ 764,726	\$ 76,131	\$ 328,122	\$ 399,697	\$ 96,066	\$ -	\$ 2,476,158	\$ -
Taxes Receivable	127,706	-	-	620,354	-	-	-	81,540
Accounts Receivable	-	1,203	-	-	-	-	-	875
Due from Other Governmental Units	37,791	79,499	-	76,880	-	14,461	-	-
Loans Receivable	-	-	-	-	783,282	-	-	-
Prepaid Items	100	-	-	6,372	-	-	-	4,306
Total Assets	\$ 930,323	\$ 156,833	\$ 328,122	\$ 1,103,303	\$ 879,348	\$ 14,461	\$ 2,476,158	\$ 86,721
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
Liabilities:								
Vouchers Payable	\$ 778	\$ 767	\$ -	\$ 33,060	\$ -	\$ 14,461	\$ -	\$ -
Accrued Liabilities	87,629	85,356	-	79,253	-	-	-	-
Due to Other Governmental Units	686	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	14,449	-	52,701
Total Liabilities	89,093	86,123	-	112,313	-	28,910	-	52,701
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	127,706	-	-	620,354	-	-	-	81,540
Loans Receivable	-	-	-	-	783,282	-	-	-
Total Deferred Inflows of Resources	127,706	-	-	620,354	783,282	-	-	81,540
Fund Balance:								
Nonspendable	100	-	-	6,372	-	-	-	-
Restricted	-	-	-	16,899	96,066	-	948,090	-
Committed	713,424	70,710	328,122	278,072	-	-	1,528,068	-
Assigned	-	-	-	69,967	-	-	-	-
Unassigned	-	-	-	(674)	-	(14,449)	-	(47,520)
Total Fund Balance	713,524	70,710	328,122	370,636	96,066	(14,449)	2,476,158	(47,520)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 930,323	\$ 156,833	\$ 328,122	\$ 1,103,303	\$ 879,348	\$ 14,461	\$ 2,476,158	\$ 86,721

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2025**

	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	\$ 723,913	\$ 96,033	\$ 139,815	\$ 1,171,307	\$ 397,085	\$ 1,485,251	\$ 189,780	\$ 7,341	\$ 8,351,425
Taxes Receivable	-	-	-	-	-	-	-	-	829,600
Accounts Receivable	-	190	1,844	62,221	-	60,971	21,250	-	148,554
Due from Other Governmental Units	-	539	-	-	-	-	-	-	209,170
Loans Receivable	-	-	-	-	-	-	-	-	783,282
Prepaid Items	-	-	-	-	-	-	-	-	10,778
Total Assets	<u>\$ 723,913</u>	<u>\$ 96,762</u>	<u>\$ 141,659</u>	<u>\$ 1,233,528</u>	<u>\$ 397,085</u>	<u>\$ 1,546,222</u>	<u>\$ 211,030</u>	<u>\$ 7,341</u>	<u>\$ 10,332,809</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Vouchers Payable	\$ -	\$ 1,508	\$ 21,606	\$ 62,221	\$ -	\$ 1,369	\$ -	\$ 7,341	\$ 143,111
Accrued Liabilities	-	-	-	-	-	-	-	-	252,238
Due to Other Governmental Units	-	-	-	-	-	-	-	-	686
Due to Other Funds	-	-	-	-	-	-	-	-	67,150
Total Liabilities	-	1,508	21,606	62,221	-	1,369	-	7,341	463,185
Deferred Inflows of Resources:									
Succeeding Year's Property Taxes	-	-	-	-	-	-	-	-	829,600
Loans Receivable	-	-	-	-	-	-	-	-	783,282
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	1,612,882
Fund Balance:									
Nonspendable	-	-	-	-	-	-	-	-	6,472
Restricted	264,049	95,254	15,522	1,171,307	397,085	-	211,030	-	3,215,302
Committed	459,864	-	104,531	-	-	1,544,853	-	-	5,027,644
Assigned	-	-	-	-	-	-	-	-	69,967
Unassigned	-	-	-	-	-	-	-	-	(62,643)
Total Fund Balance	<u>723,913</u>	<u>95,254</u>	<u>120,053</u>	<u>1,171,307</u>	<u>397,085</u>	<u>1,544,853</u>	<u>211,030</u>	<u>-</u>	<u>8,256,742</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 723,913</u>	<u>\$ 96,762</u>	<u>\$ 141,659</u>	<u>\$ 1,233,528</u>	<u>\$ 397,085</u>	<u>\$ 1,546,222</u>	<u>\$ 211,030</u>	<u>\$ 7,341</u>	<u>\$ 10,332,809</u>

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2025**

	Special Revenue Funds							
	Public Health	Child Support	Opioid Settlement	UOA/ ADRC	CDBG Grant Fund	Wildlife Damage	Development Fund	Animal Control
REVENUES								
Taxes	\$ 230,156	\$ -	\$ -	\$ 565,309	\$ -	\$ -	\$ -	\$ 81,740
Intergovernmental	91,021	321,179	51,781	1,015,660	-	36,827	-	-
Licenses and Permits	-	-	-	-	-	-	194,994	14,535
Fines, Forfeits, and Penalties	-	-	-	-	-	-	-	-
Public Charges for Services	231	12,636	-	-	-	-	-	-
Miscellaneous:								
Interest	-	-	23,101	1,009	4,114	-	-	-
Loan Repayments	-	-	-	-	38,636	-	-	-
Sale of County Property	-	-	-	-	-	-	-	-
Donations	96,951	24,797	-	1,430	-	-	-	-
Other	-	-	-	127,986	-	-	-	2,500
Total Revenues	418,359	358,612	74,882	1,711,394	42,750	36,827	194,994	98,775
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Health and Human Services	336,330	347,606	-	1,750,115	-	-	-	100,217
Culture, Recreation, and Education	-	-	-	-	-	36,827	-	-
Conservation and Development	-	-	-	-	56,765	-	-	-
Total Expenditures	336,330	347,606	-	1,750,115	56,765	36,827	-	100,217
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	82,029	11,006	74,882	(38,721)	(14,015)	-	194,994	(1,442)
OTHER FINANCING SOURCES (USES)								
Transfers In	5,272	448	-	2,717	-	-	800,000	-
Transfers Out	-	(49,916)	-	-	-	-	(244,000)	-
Total Other Financing Sources (Uses)	5,272	(49,468)	-	2,717	-	-	556,000	-
NET CHANGE IN FUND BALANCE	87,301	(38,462)	74,882	(36,004)	(14,015)	-	750,994	(1,442)
Fund Balance - Beginning of Year	626,223	109,172	253,240	406,640	110,081	(14,449)	1,725,164	(46,078)
FUND BALANCE - DECEMBER 31	<u>\$ 713,524</u>	<u>\$ 70,710</u>	<u>\$ 328,122</u>	<u>\$ 370,636</u>	<u>\$ 96,066</u>	<u>\$ (14,449)</u>	<u>\$ 2,476,158</u>	<u>\$ (47,520)</u>

SCHEDULE A-2

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 877,205
Intergovernmental	-	-	-	-	-	83,290	-	-	1,599,758
Licenses and Permits	-	-	-	-	-	-	-	188,758	398,287
Fines, Forfeits, and Penalties	-	15,922	-	-	-	-	-	-	15,922
Public Charges for Services	17,081	-	-	-	-	249,815	85,000	-	364,763
Miscellaneous:									
Interest	-	-	-	31,204	13,871	-	-	-	73,299
Loan Repayments	-	-	-	-	-	-	-	-	38,636
Sale of County Property	221,000	-	-	-	-	-	-	-	221,000
Donations	-	-	23,274	-	-	-	-	-	146,452
Other	-	-	-	246,659	-	-	-	-	377,145
Total Revenues	238,081	15,922	23,274	277,863	13,871	333,105	85,000	188,758	4,112,467
EXPENDITURES									
General Government	-	-	-	-	-	-	-	188,758	188,758
Public Safety	-	7,633	30,616	-	-	-	-	-	38,249
Health and Human Services	-	-	-	-	-	-	-	-	2,534,268
Culture, Recreation, and Education	-	-	-	-	-	-	-	-	36,827
Conservation and Development	60,949	-	-	246,659	-	213,995	52,833	-	631,201
Total Expenditures	60,949	7,633	30,616	246,659	-	213,995	52,833	188,758	3,429,303
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	177,132	8,289	(7,342)	31,204	13,871	119,110	32,167	-	683,164
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	32,417	-	-	840,854
Transfers Out	(81,182)	-	-	-	-	-	(32,417)	-	(407,515)
Total Other Financing Sources (Uses)	(81,182)	-	-	-	-	32,417	(32,417)	-	433,339
NET CHANGE IN FUND BALANCE	95,950	8,289	(7,342)	31,204	13,871	151,527	(250)	-	1,116,503
Fund Balance - Beginning of Year	627,963	86,965	127,395	1,140,103	383,214	1,393,326	211,280	-	7,140,239
FUND BALANCE - DECEMBER 31	\$ 723,913	\$ 95,254	\$ 120,053	\$ 1,171,307	\$ 397,085	\$ 1,544,853	\$ 211,030	\$ -	\$ 8,256,742

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2025
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2024)**

	<u>2025</u>	<u>2024</u>
ASSETS		
Treasurer's Cash and Investments	\$ 8,549,297	\$ 10,217,645
Current Taxes Receivable	8,839,278	8,723,233
Tax Certificates	630,647	755,549
Accounts Receivable	198,973	242,658
Due from Other Governments	315,142	358,419
Due from Other Funds	148,048	173,838
Prepaid Items and Other Assets:		
Prepaid Items and Other Assets	26,185	33,310
Prepaid Insurance	1,004,693	854,215
Long-Term Note Receivable	<u>46,302</u>	<u>57,302</u>
 Total Assets	 <u><u>\$ 19,758,565</u></u>	 <u><u>\$ 21,416,169</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 394,401	\$ 177,167
Payroll Deductions	159,500	182,401
Accrued Liabilities	231,205	367,791
Due to Other Governments	75,054	79,762
Unearned Revenue	<u>13,422</u>	<u>10,756</u>
Total Liabilities	873,582	817,877
 Deferred Inflows of Resources:		
Succeeding Year's Property Taxes	8,839,180	8,723,135
 Fund Balance:		
Nonspendable	1,707,827	1,700,376
Restricted	67,323	33,923
Assigned	2,869,215	2,717,368
Unassigned	<u>5,401,438</u>	<u>7,423,490</u>
Total Fund Balance	<u>10,045,803</u>	<u>11,875,157</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u><u>\$ 19,758,565</u></u>	 <u><u>\$ 21,416,169</u></u>

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024)**

	2025		Variance with Final Budget Positive (Negative)	2024 Actual
	Final Budget	Actual		
REVENUES				
Taxes:				
Property:				
General Property Taxes	\$ 8,723,135	\$ 8,723,135	\$ -	\$ 8,632,171
Forest Cropland Taxes From Districts	65,000	77,710	12,710	74,616
Sales and Use:				
County Sales Tax	1,750,000	2,061,050	311,050	2,070,629
Retained Sales Tax Applied	120	151	31	161
Real Estate Transfer Fees	88,000	119,192	31,192	98,980
Interest and Penalties on Taxes	220,000	299,422	79,422	253,353
Total Taxes	10,846,255	11,280,660	434,405	11,129,910
Intergovernmental:				
Federal Grants:				
Aid in Lieu of Taxes	12,000	15,180	3,180	14,698
Emergency Government	28,364	28,824	460	28,923
Federal Aids Secondary	(4,469)	(4,469)	-	-
Wireless 911 Grant	6,831	9,595	2,764	6,622
Jail Literacy Grant	14,500	9,500	(5,000)	98,399
State Shared Taxes:				
Shared Revenue	465,824	469,375	3,551	449,285
Personal Property Aid	65,297	65,297	-	22,758
Tax Exempt Computer Aids	16,300	16,383	83	16,207
State Grants:				
Aid for Courts	52,275	63,637	11,362	52,275
Victim/Witness Program	45,000	53,961	8,961	52,695
Veterans Service Officer	20,000	20,011	11	7,688
Probation and Parole	40,000	36,960	(3,040)	64,028
Guardian Ad Litem	25,000	28,072	3,072	27,380
Snowmobile and ATV Enforcement	-	16,454	16,454	-
County Trunk Highways	1,418,992	1,418,992	-	1,258,952

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024)**

	2025		Variance with Final Budget Positive (Negative)	2024 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Intergovernmental: (Continued)				
State Grants: (Continued)				
Soil and Water Resource Management	\$ 291,101	\$ 207,330	\$ (83,771)	\$ 157,242
Law Enforcement Training	37,000	31,414	(5,586)	35,053
Land Information Board Grants	88,960	88,960	-	78,232
Forest Crop/Managed Forest Aides	29,400	28,984	(416)	28,387
Severance and Withdrawal Taxes	6,000	3,189	(2,811)	12,786
Payment in Lieu of Taxes	27,000	25,819	(1,181)	27,458
Total Intergovernmental	2,685,375	2,633,468	(51,907)	2,439,068
Licenses and Permits:				
Licenses:				
Marriage License Revenue	6,000	7,500	1,500	6,100
Permits:				
Zoning Fees	227,175	236,528	9,353	248,723
Total Licenses and Permits	233,175	244,028	10,853	254,823
Fines, Forfeits, and Penalties:				
Law and Ordinance Violations:				
County Share of Fines and Forfeitures	84,000	74,952	(9,048)	88,565
Public Charge for Services:				
General Government:				
Treasurer's Fees	300	471	171	637
Register of Deeds Fees	122,000	135,298	13,298	140,635
Land Modernization Fees	36,500	33,880	(2,620)	34,144
Court Fees and Costs	75,000	56,325	(18,675)	71,711
Register in Probate Fees	8,000	6,557	(1,443)	8,409
Assessment of Property Fees	1,000	1,406	406	1,539

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024)**

	2025		Variance with Final Budget Positive (Negative)	2024 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Public Charges for Services: (Continued)				
General Government: (Continued)				
Family Counseling Fees	\$ 1,500	\$ 945	\$ (555)	\$ 1,415
Guardian Ad Litem Reimbursement	90,000	86,245	(3,755)	92,039
District Attorney Fees	800	354	(446)	482
Coroner	12,000	12,343	343	18,651
Public Safety:				
Sheriff Fees	15,000	28,799	13,799	27,395
Inmate Phone	11,000	2,200	(8,800)	2,300
Electric Monitor Revenue	17,000	11,194	(5,806)	26,736
Board of Prisoners - Huber Law	4,200	2,272	(1,928)	5,264
Drug Enforcement	-	-	-	320
County Numbering System	10,300	11,280	980	11,090
Prisoner Medical Reimbursements	22,000	45,715	23,715	16,728
Health and Human Services:				
Veteran Service Fees	11,500	3,975	(7,525)	8,357
Culture, Recreation, and Education:				
UWEX Extension Fees	1,500	820	(680)	1,280
Conservation and Development:				
Soil and Water Revenue	13,075	17,642	4,567	18,832
Total Public Charges for Services	452,675	457,721	5,046	487,964
Intergovernmental Charges for Services:				
Smart Growth Planning	5,300	17,669	12,369	28,530

SCHEDULE B-2

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024)**

	2025		Variance with Final Budget Positive (Negative)	2024 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Miscellaneous:				
Interest:				
Temporary Investments	\$ 640,000	\$ 1,352,313	\$ 712,313	\$ 1,746,407
Rent:				
Buildings	-	2	2	-
Property Sales:				
Sale of General Capital Assets	-	783	783	55
Sale of Sheriff Department Cars	35,000	-	(35,000)	46,225
Sale of Maps and Plats	3,250	2,412	(838)	2,807
Sale of CSM's	6,300	13,010	6,710	11,540
Other:				
County Cars Revenue	25,000	3,317	(21,683)	26,838
Insurance Recoveries	20,000	16,721	(3,279)	61,505
Donations	7,000	9,900	2,900	7,500
Miscellaneous	11,530	25,079	13,549	25,494
Total Miscellaneous Revenues	748,080	1,423,537	675,457	1,928,371
 Total Revenues	 15,054,860	 16,132,035	 1,077,175	 16,357,231
EXPENDITURES				
General Government:				
Legislative:				
Board	121,888	142,264	(20,376)	126,837
Judicial:				
Judge	183,183	272,641	(89,458)	236,148
Clerk of Courts	375,644	374,099	1,545	360,988
Register in Probate	2,200	1,123	1,077	393
Family Court Commissioner	36,040	34,651	1,389	33,697
Coroner	59,656	67,753	(8,097)	87,932
Legal:				
District Attorney	303,521	300,517	3,004	284,885
Family Counseling	5,000	3,285	1,715	3,464
Criminal Justice Coordinator	161,094	150,607	10,487	148,017
Corporation Counsel	220,908	215,726	5,182	207,613
Victim/Witness Coordinator	103,503	103,728	(225)	98,890

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024)**

	2025		Variance with Final Budget Positive (Negative)	2024 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
General Government: (Continued)				
General Administration:				
Clerk	\$ 257,815	\$ 252,117	\$ 5,698	\$ 241,439
Administration	372,505	358,279	14,226	358,212
Contracted Services	1,810	1,810	-	3,012
Elections	53,600	56,465	(2,865)	71,971
Information Technology	622,043	625,140	(3,097)	627,333
Information Technology Capital Equipment	22,050	19,120	2,930	20,537
Central Postage	32,600	37,852	(5,252)	44,910
Government Center Building	312,019	327,861	(15,842)	293,989
Forestry Building	27,828	27,867	(39)	19,520
Financial Administration:				
Accounting and Auditing	274,662	283,876	(9,214)	285,500
Treasurer	325,580	325,082	498	283,739
Assessment of Property	4,000	5,001	(1,001)	4,005
Purchasing	39,397	39,675	(278)	39,143
General Building and Plant:				
Annex - Spooner	-	-	-	35
Courthouse	390,660	361,327	29,333	308,597
Building Repair	21,399	17,526	3,873	23,099
Wayside	52,020	56,427	(4,407)	53,882
Property Records and Control:				
Register of Deeds	203,227	203,755	(528)	211,924
Surveyor	532,999	397,059	135,940	496,983
Maps and Plats	-	-	-	6,807
Other General Government:				
County Owned Cars Expense	900	1,387	(487)	449
Property and Liability Insurance	81,000	129,150	(48,150)	96,304
Contingency:				
Other	(104,239)	219,987	(324,226)	-
Total General Government	5,096,512	5,413,157	(316,645)	5,080,254

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024)**

	2025		Variance with Final Budget Positive (Negative)	2024 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Public Safety:				
Sheriff	\$ 3,227,279	\$ 3,381,650	\$ (154,371)	\$ 2,997,601
Fire Suppression	100	-	100	-
Jail Expenses	2,718,797	2,962,276	(243,479)	2,495,270
Highway Safety	1,000	510	490	-
Emergency Government	119,193	119,501	(308)	104,483
Emergency Communications	12,762	2,225	10,537	6,401
Total Public Safety	6,079,131	6,466,162	(387,031)	5,603,755
Public Works:				
Appropriations to Highway Department [1]	3,551,697	3,556,166	(4,469)	3,247,082
Other Transportation:				
Transit Commission	50	-	50	-
Airport	13,700	13,700	-	12,700
Total Public Works	3,565,447	3,569,866	(4,419)	3,259,782
Health and Human Services:				
Health:				
Wellness Program	15,000	9,608	5,392	8,887
Human Services:				
AODA Program	10,000	9,300	700	9,792
Veterans:				
Veterans Service	221,359	195,556	25,803	191,282
Veterans Commission	44,899	31,233	13,666	27,723
Deceased Veterans Affairs	11,250	11,327	(77)	10,085
Total Health and Human Services	302,508	257,024	45,484	247,769

[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, 2025
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024)**

	2025		Variance with Final Budget Positive (Negative)	2024 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Culture, Recreation, and Education:				
Culture:				
Library	\$ 356,084	\$ 356,084	\$ -	\$ 307,434
Historical Society	23,200	34,200	(11,000)	29,200
Recreation:				
Fairs	43,975	43,975	-	43,975
Education:				
University Extension	247,570	224,779	22,791	204,816
Total Culture, Recreation, and Education	670,829	659,038	11,791	585,425
Conservation and Development:				
Resource Conservation:				
Soil and Water Conservation	369,029	281,174	87,855	268,155
Aquatic Invasive Species	15,289	15,248	41	14,192
Power Line Related Expenditures	1,900	1,990	(90)	1,512
Planning:				
Regional Planning Commission	26,644	26,644	-	26,506
Zoning:				
Zoning	380,986	372,869	8,117	371,104
Economic Development:				
Economic Development Corporation and Tourism	241,000	241,313	(313)	200,595
ITBEC Contribution	3,000	3,000	-	3,000
Total Conservation and Development	1,037,848	942,238	95,610	885,064
Debt Service:				
Principal Expenditures	-	23,411	(23,411)	23,299
Interest and Fiscal Charges	-	867	(867)	1,533
	-	24,278	(24,278)	24,832
Total Expenditures	16,752,275	17,331,763	(579,488)	15,686,881
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,697,415)	(1,199,728)	497,687	670,350

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024)**

	2025		Variance with Final Budget Positive (Negative)	2024 Actual
	Final Budget	Actual		
OTHER FINANCING SOURCES (USES)				
Transfers In:				
Capital Projects Fund	\$ -	\$ 20,060	\$ 20,060	\$ -
Development Fund	265,500	244,000	(21,500)	203,000
Total Transfers In	265,500	264,060	(1,440)	203,000
Transfers Out:				
Human Services Fund	-	(24,495)	(24,495)	(2,451)
Child Support Fund	-	(448)	(448)	(106)
Forestry Fund	-	(3,377)	(3,377)	(30,099)
Aging Disability Resource Center	-	(2,717)	(2,717)	(3,704)
Development Fund	-	(800,000)	(800,000)	-
Highway Department Fund	-	(57,377)	(57,377)	(4,267)
Public Health Fund	-	(5,272)	(5,272)	(12,258)
Transfers to Other Funds	(768,660)	-	768,660	-
Total Transfers Out	(768,660)	(893,686)	(125,026)	(52,885)
Total Other Financing Sources (Uses)	(503,160)	(629,626)	(126,466)	150,115
NET CHANGE IN FUND BALANCE	(2,200,575)	(1,829,354)	371,221	820,465
Fund Balance - January 1	11,875,157	11,875,157	-	11,054,692
FUND BALANCE - DECEMBER 31	<u>\$ 9,674,582</u>	<u>\$ 10,045,803</u>	<u>\$ 371,221</u>	<u>\$ 11,875,157</u>

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2024)

	Highway Department	Copy Machine	Total	
			2025	2024
ASSETS				
Current Assets:				
Treasurer's Cash and Investments	\$ 4,002,820	\$ 9,517	\$ 4,012,337	\$ 2,641,694
Accounts Receivable	12,866	-	12,866	4,186
Due from Other Governments	1,625,448	-	1,625,448	1,272,437
Due from Other Funds	19,499	-	19,499	689,008
Prepaid Items and Other Assets	2,200,335	-	2,200,335	2,536,612
Total Current Assets	7,860,968	9,517	7,870,485	7,143,937
Noncurrent Assets:				
Capital Assets:				
Not Being Depreciated/Depleted	489,782	-	489,782	489,782
Being Depreciated/Depleted	22,331,960	26,919	22,358,879	21,993,400
Accumulated Depreciation	(15,607,633)	(25,189)	(15,632,822)	(14,712,565)
Total Capital Assets	7,214,109	1,730	7,215,839	7,770,617
Total Assets	15,075,077	11,247	15,086,324	14,914,554
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	1,002,179	-	1,002,179	1,406,012
Single Employer Other Postemployment Benefits Related	7,742	-	7,742	11,375
Multi-Employer Other Postemployment Benefits Related	41,704	-	41,704	64,547
Total Deferred Outflows of Resources	1,051,625	-	1,051,625	1,481,934

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2024)

	Highway Department	Copy Machine	Total	
			2025	2024
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 43,602	\$ -	\$ 43,602	\$ 295,082
Accrued Liabilities	353,541	-	353,541	227,991
Unearned Revenues	335,614	-	335,614	102,156
Accrued Vacation and Sick Leave - Current	108,302	-	108,302	85,525
Total Current Liabilities	841,059	-	841,059	710,754
Long-Term Liabilities:				
Advance from Capital Projects Fund	758,241	-	758,241	788,160
Wisconsin Retirement System Net Pension Liability	169,419	-	169,419	157,157
Single Employer Other Postemployment Benefits Payable	166,632	-	166,632	183,606
Multi-Employer Other Postemployment Benefits Payable	125,240	-	125,240	161,025
Accrued Vacation and Sick Leave	197,991	-	197,991	298,729
Total Long-Term Liabilities	1,417,523	-	1,417,523	1,588,677
Total Liabilities	2,258,582	-	2,258,582	2,299,431
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	496,665	-	496,665	842,882
Single Employer Other Postemployment Benefits Related	38,937	-	38,937	44,489
Multi-Employer Other Postemployment Benefits Related	92,119	-	92,119	83,050
Total Deferred Inflows of Resources	627,721	-	627,721	970,421
NET POSITION				
Net Investment in Capital Assets	7,214,109	1,730	7,215,839	7,770,617
Unrestricted	6,026,290	9,517	6,035,807	5,356,019
Total Net Position	\$ 13,240,399	\$ 11,247	\$ 13,251,646	\$ 13,126,636

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Highway Department	Copy Machine	Total	
			2025	2024
OPERATING REVENUES	\$ 11,322,616	\$ 1,913	\$ 11,324,529	\$ 10,568,852
OPERATING EXPENSES	11,315,353	22,725	11,338,078	10,673,949
OPERATING INCOME (LOSS)	7,263	(20,812)	(13,549)	(105,097)
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	-	-	-	(25,563)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	7,263	(20,812)	(13,549)	(130,660)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Transfers from Forestry Fund	81,182	-	81,182	80,116
Transfers from General Fund	57,377	-	57,377	4,267
Total Capital Contributions and Transfers	138,559	-	138,559	84,383
CHANGE IN NET POSITION	145,822	(20,812)	125,010	(46,277)
Net Position - January 1	13,094,577	32,059	13,126,636	13,172,913
NET POSITION - DECEMBER 31	<u>\$ 13,240,399</u>	<u>\$ 11,247</u>	<u>\$ 13,251,646</u>	<u>\$ 13,126,636</u>

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Highway Department	Copy Machine	Total	
			2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received for Services Provided	\$ 11,863,892	\$ 1,913	\$ 11,865,805	\$ 10,641,862
Cash Paid to Suppliers for Goods and Services	(4,763,242)	(22,725)	(4,785,967)	(5,101,777)
Cash Paid for Employee Services	(5,276,063)	-	(5,276,063)	(4,368,453)
Net Cash Provided (Used) by Operating Activities	1,824,587	(20,812)	1,803,775	1,171,632
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from Forestry Fund	138,559	-	138,559	84,383
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash Paid for Acquisition of Capital Assets	(590,609)	-	(590,609)	(772,158)
Cash Received for Sale of Capital Assets	48,837	-	48,837	6,080
Change in Cash Advance for Gravel Pits from County	(29,919)	-	(29,919)	(31,178)
Principal Paid on Financed Purchase Obligation	-	-	-	(865,338)
Interest Paid on Financed Purchase Obligation	-	-	-	(35,485)
Net Cash Provided (Used) by Capital and Related Financing Activities	(571,691)	-	(571,691)	(1,698,079)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,391,455	(20,812)	1,370,643	(442,064)
CASH AND CASH EQUIVALENTS - JANUARY 1	2,611,365	30,329	2,641,694	3,083,758
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u>\$ 4,002,820</u>	<u>\$ 9,517</u>	<u>\$ 4,012,337</u>	<u>\$ 2,641,694</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 7,263	\$ (20,812)	\$ (13,549)	\$ (105,097)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,082,697	-	1,082,697	1,115,531
Depletion of Gravel Pits	13,853	-	13,853	15,841
Change in Pension Related Items	69,878	-	69,878	66,132
Change in Single-Employer OPEB Related Items	(18,893)	-	(18,893)	7,159
Change in Multi-Employer OPEB Related Items	(3,873)	-	(3,873)	11,387
(Increase) Decrease in Assets:				
Accounts Receivable	(8,680)	-	(8,680)	349,919
Due from Governmental Units	(353,011)	-	(353,011)	(346,128)
Prepaid Expenses	336,277	-	336,277	(224,490)
Due from Other Funds	669,509	-	669,509	(32,937)
Increase (Decrease) in Liabilities:				
Accounts Payable	(251,480)	-	(251,480)	125,190
Unearned Revenue	233,458	-	233,458	102,156
Accrued Liabilities	47,589	-	47,589	86,969
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,824,587</u>	<u>\$ (20,812)</u>	<u>\$ 1,803,775</u>	<u>\$ 1,171,632</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Capital Contributions from the State	\$ -	\$ -	\$ -	\$ -

WASHBURN COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025	2024
OPERATING REVENUES		
Charges for Services:		
County Highway [1]	\$ 5,583,326	\$ 5,064,987
State Highway	2,705,551	2,340,548
Other Local Highways	2,474,213	2,566,383
County Departments	205,442	186,461
Other Services	270,195	313,634
Rental Income	-	1,800
Sale of Assets	-	(89,157)
Miscellaneous Revenue	83,889	183,036
Total Operating Revenues	<u>11,322,616</u>	<u>10,567,692</u>
OPERATING EXPENSES		
Administration and General:		
Administration	437,592	287,838
Patrol Superintendent	154,426	165,342
Radio Expense	354	84
Public Liability Insurance	43,064	-
Transportation Cost Pools:		
Machinery Operations	(629,809)	(682,366)
Services Provided:		
County:		
General Maintenance	2,599,529	2,738,458
Reconstruction and Betterments	2,027,160	1,809,855
Winter Maintenance	806,188	434,751
Bridge Maintenance	81,182	36,788
State:		
Highway Maintenance and Construction	3,044,001	2,815,061
Equipment and Salt Storage	-	152,690
County Aid Bridge Paid Districts	19,789	73,481
Local Districts	2,547,436	2,627,950
Local Departments	205,442	186,461
Non-Governmental Customers	1,765	2,967
Other Postemployment Benefits	(22,766)	23,614
Total Operating Expenses	<u>11,315,353</u>	<u>10,672,974</u>
OPERATING INCOME (LOSS)	7,263	(105,282)
NONOPERATING REVENUES (EXPENSES)		
Interest Expense	-	(25,563)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	7,263	(130,845)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Transfers from Forestry Fund	81,182	80,116
Transfers from General Fund	57,377	4,267
Total Capital Contributions and Transfers	<u>138,559</u>	<u>84,383</u>
CHANGE IN NET POSITION	145,822	(46,462)
Net Position - January 1	<u>13,094,577</u>	<u>13,141,039</u>
NET POSITION - DECEMBER 31	<u>\$ 13,240,399</u>	<u>\$ 13,094,577</u>
[1] Charges to County for Highway Maintenance and Construction		
Consisted of the Following Payments from the General Fund:		
County Appropriations	\$ 2,141,643	\$ 1,989,355
State Transportation Aids	1,418,992	1,258,952
Federal and State Project Revenues	(4,469)	4,425
Total General Fund	<u>3,556,166</u>	<u>3,252,732</u>
Charges to Capital Projects Fund and Other Funds	<u>2,027,160</u>	<u>1,812,255</u>
Total County Highway Charges for Services	<u>\$ 5,583,326</u>	<u>\$ 5,064,987</u>

**WASHBURN COUNTY, WISCONSIN
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	Juvenile Restitution	Represen- tative Payee	Clerk of Courts	Sheriff	District Attorney	Total
ASSETS						
Treasurer's Cash and Investments	\$ 28	\$ 4	\$ 263,707	\$ 25,846	\$ 1,197	\$ 290,782
LIABILITIES						
Due to Other Governments	-	4	263,707	-	1,197	264,908
NET POSITION						
Restricted	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,846</u>	<u>\$ -</u>	<u>\$ 25,874</u>

SCHEDULE D-2

**WASHBURN COUNTY, WISCONSIN
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025**

	Juvenile Restitution	Representative Payee	Clerk of Courts	Sheriff	District Attorney	Total
ADDITIONS:						
Payments from Individuals	\$ 4,754	\$ -	\$ -	\$ -	\$ -	\$ 4,754
Licenses and Fees Collected	-	7,507	812,756	122,507	20,311	963,081
Total Additions	<u>4,754</u>	<u>7,507</u>	<u>812,756</u>	<u>122,507</u>	<u>20,311</u>	<u>967,835</u>
DEDUCTIONS:						
Distributions to Individuals	-	-	-	115,722	20,311	136,033
Payments to Licenses and Fees to Other Taxing Agencies	5,954	7,507	812,756	-	-	826,217
Total Deductions	<u>5,954</u>	<u>7,507</u>	<u>812,756</u>	<u>115,722</u>	<u>20,311</u>	<u>962,250</u>
Change in Net Position	(1,200)	-	-	6,785	-	5,585
Net Position - Beginning of Year	<u>1,228</u>	<u>-</u>	<u>-</u>	<u>19,061</u>	<u>-</u>	<u>20,289</u>
Net Position - End of Year	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,846</u>	<u>\$ -</u>	<u>\$ 25,874</u>



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