

**WASHBURN COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2018**

**WASHBURN COUNTY, WISCONSIN  
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## INDEPENDENT AUDITORS' REPORT

Honorable Members of the Board of Supervisors  
Washburn County, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County, Wisconsin (the County) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Washburn County Industrial Development Agency, LTD., which represents 100% of assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report thereon, 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Honorable Members of the Board of Supervisors  
Washburn County

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County, Wisconsin as of December 31, 2018, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Matter of Emphasis***

#### ***Change in Accounting Principle***

During fiscal year ended December 31, 2018, the County adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. As a result of the implementation of this standard, the County reported a restatement of beginning net position for the change in accounting principle. (see Note 4). Our auditors' opinion was not modified with respect to the restatement

### ***Other Matters***

#### ***Required Supplementary Information***

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

### ***Supplementary Information***

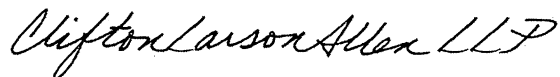
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. 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 individual and combining fund statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic

Honorable Members of the Board of Supervisors  
Washburn County

financial statements. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended December 31, 2017 which are not presented with the accompanying financial statements. In our report dated September 28, 2018, we expressed 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The 2017 individual and combining fund statements 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 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 individual and combining fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2019 on our consideration of County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



**CliftonLarsonAllen LLP**

Rice Lake, Wisconsin  
October 1, 2019

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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, 2018. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 14 following this narrative.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended December 31, 2018 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 \$81,154,785 (net position). Of this amount, \$52,015,085 represented the County's net investment in capital assets, \$5,595,733 was held for restricted purposes, and \$23,543,967 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$384,721 before the application of a change in accounting principle.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$23,637,008, an increase of \$494,211 from the previous year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,154,698 or 32.6% of total general fund expenditures.
- The County had general obligation debt outstanding at December 31, 2018 totaling \$790,000 a decrease of \$265,000 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, 2018**

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 14 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 the other fifteen 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, 2018**

**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 20 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 23 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 24 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, a schedule of funding progress for the other postemployment benefits and pension related schedules. Required supplementary information can be found beginning on page 61 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 70 of this report.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**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 \$81,154,785 at the close of the most recent fiscal year. The largest portion of Washburn County's net position (64.1%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the County's statement of net position as of December 31, 2018 and 2017:

**Condensed Statement of Net Position  
December 31, 2018 and 2017**

	Governmental Activities	
	2018	2017
Current Assets	\$ 42,726,022	\$ 42,294,287
Capital Assets	55,325,220	55,507,747
Other Noncurrent Assets	2,671,561	929,990
Total Assets	100,722,803	98,732,024
Deferred Outflows of Resources	5,166,448	3,687,533
Long-Term Debt Outstanding	2,555,135	3,177,287
Other Long-Term Obligations	2,563,481	2,972,781
Other Liabilities	3,479,925	3,808,595
Total Liabilities	8,598,541	9,958,663
Deferred Inflows of Resources	16,135,925	12,271,324
Net Position:		
Net Investment in Capital Assets	52,015,085	51,591,460
Restricted	5,595,733	3,803,718
Unrestricted	23,543,967	24,794,392
Total Net Position	\$ 81,154,785	\$ 80,189,570

An additional portion of Washburn County's net position (6.9%) represents resources that are subject to other restrictions on how they may be used. The remaining \$23,543,967 of total net position (29.0%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position increased \$384,721 during the current fiscal year.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

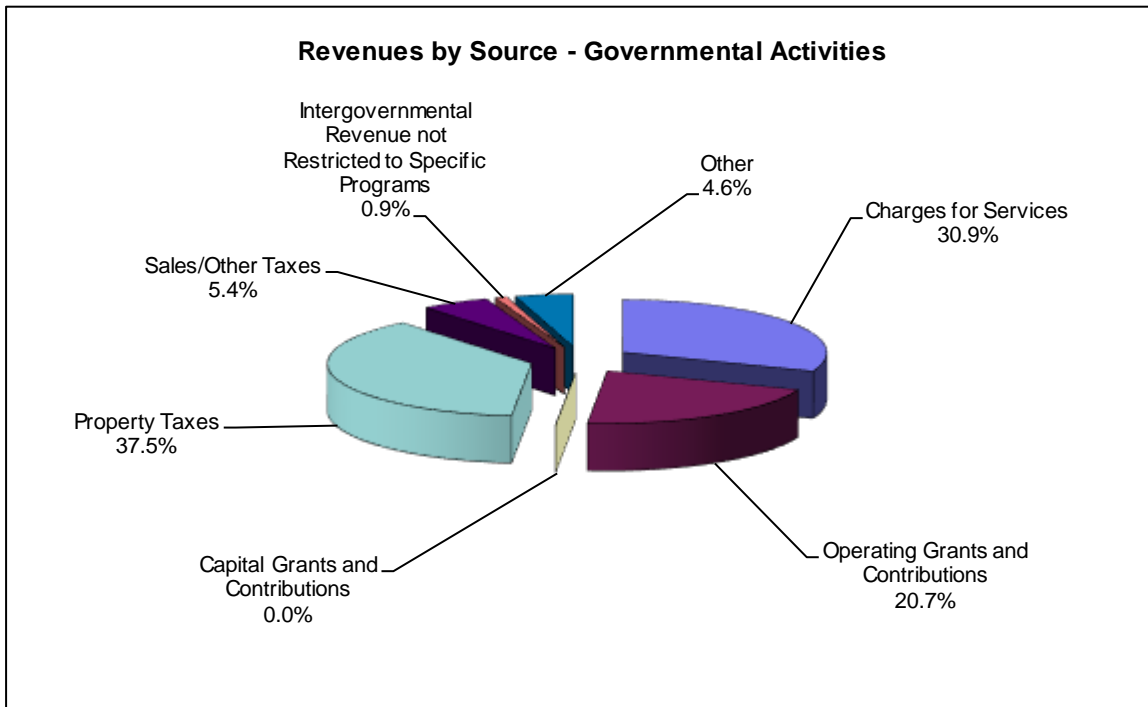
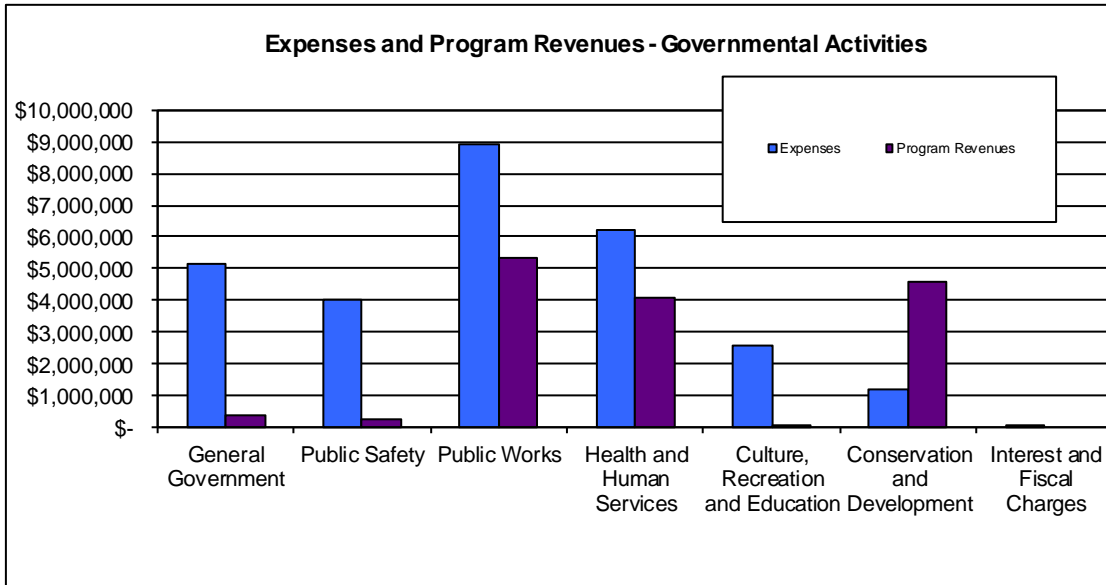
The following is a summary of the changes in the County's net position for the years ended December 31, 2018 and 2017:

**Condensed Statement of Changes in Net Position  
December 31, 2018 and 2017**

	Governmental Activities	
	2018	2017
<b>REVENUES</b>		
<u>Program Revenues</u>		
Charges for Services	\$ 8,786,750	\$ 8,854,403
Operating Grants and Contributions	5,886,959	6,039,245
Capital Grants and Contributions	4,015	567,741
<u>General Revenues</u>		
Property Taxes	10,684,422	10,694,817
Other Taxes	1,535,693	1,251,102
Grants and Contributions not Restricted for a Particular Purpose	265,037	272,012
Other	1,327,375	1,648,192
Total Revenues	28,490,251	29,327,512
 <b>EXPENSES</b>		
General Government	5,127,837	5,089,716
Public Safety	4,011,072	3,830,805
Public Works	8,909,915	9,117,342
Health and Human Services	6,212,019	6,144,800
Culture and Recreation	2,562,629	1,898,371
Conservation and Development	1,199,251	1,182,464
Interest and Fiscal Charges	82,807	101,945
Total Expenses	28,105,530	27,365,443
 <b>CHANGE IN NET POSITION</b>	384,721	1,962,069
Net Position - Beginning of Year	80,189,570	78,227,501
Change in Accounting Principle	580,494	-
<b>NET POSITION - END OF YEAR</b>	\$ 81,154,785	\$ 80,189,570

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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 (37.5%), operating grants/contributions (20.7%), and charges for services (30.9%).



**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**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, 2018, the County's governmental funds reported combined ending fund balances of \$23,637,008, an increase of \$494,211 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2018					Total	Change During Year
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds							
General Fund	\$ 1,691,353	\$ 6,158	\$ -	\$ 2,442,913	\$ 4,154,698	\$ 8,295,122	\$ (38,036)
Human Services Fund	-	-	1,564,055	-	-	1,564,055	402,805
Debt Service Fund	-	-	-	1,499,867	-	1,499,867	(778,178)
Capital Improvement Program Fund	740,523	-	3,665,353	-	-	4,405,876	220,954
Forestry Fund	21,860	369,880	1,915,394	-	-	2,307,134	361,773
Nonmajor Funds	5,552	2,596,134	2,722,179	265,714	(24,625)	5,564,954	324,893
Total Fund Balances	<u>\$ 2,459,288</u>	<u>\$ 2,972,172</u>	<u>\$ 9,866,981</u>	<u>\$ 4,208,494</u>	<u>\$ 4,130,073</u>	<u>\$ 23,637,008</u>	<u>\$ 494,211</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 65.1% of total general fund expenditures reported on the statement of revenues, expenditures, and changes in fund balances while the unassigned balance represented 32.6% of the same amount.

The general fund's total fund balance decreased \$38,036 during the year; while the unassigned portion of the fund decreased \$786,214. The primary factor in the general fund decrease was due to transfers to other funds being more than budgeted.

The County's human services fund increased \$402,805 in 2018. The primary factor in this increase was actual expenditures being less than budgeted.

The County's debt service fund balance reported a fund balance of \$1,499,867 at December 31, 2018 due to the timing of debt service payments and receipt of related tax levy funding and transfers between other funds.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

The County had one major capital projects fund during the year. The capital improvements program fund had a year-end fund balance of \$4,405,876. Project expenditures for the year were funded primarily through grants and transfers from other funds.

The forestry fund ended the year with a fund balance \$2,307,134, an increase of \$361,773 during the year. The increase can primarily be attributed to actual charges for service being more than budgeted.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds increased \$324,893 during 2018 and had an accumulated fund balance of \$5,564,954 at year-end. The main component of the current year increase can be attributed to the success of several individual funds. 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 2018. 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 \$12,034,932 at December 31, 2018, a decrease of \$250,409 from the previous year. Of that amount, \$7,617,222 was invested in capital assets and \$344,452 was restricted for the WRS pension asset. The remaining net position totaling \$4,073,258 was unrestricted.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2018 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 2018 of \$250,560 while the actual amounts resulted in a decrease in the fund balance totaling \$38,036. The most significant expenditure budget variances were realized in the public safety category which was \$53,016 over budget as detailed out in Schedule B-2 of this report.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

Washburn County's investment in capital assets for its governmental activities as of December 31, 2018 amounted to \$55,325,220 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and infrastructure. The net decrease in the governmental activities capital assets during 2018 was \$182,527.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**Capital Assets (Net of Accumulated Depreciation)  
December 31, 2018 and 2017**

	Governmental Activities	
	2018	2017
Land and Land Rights	\$ 11,953,189	\$ 11,953,189
Gravel Pits and Quarries	420,085	439,911
Land Improvements	1,426,083	1,576,916
Buildings and Improvements	6,827,742	7,325,446
Machinery and Equipment	6,939,087	6,682,658
Highway Infrastructure	26,209,608	22,448,406
Construction Work in Progress	1,549,426	5,081,221
Total	<u>\$ 55,325,220</u>	<u>\$ 55,507,747</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, 2018, Washburn County had outstanding \$3,709,404 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, 2018 and 2017**

	Governmental Activities		Percent Change
	2018	2017	
Long-Term Debt:			
General Obligation Bonds	\$ 790,000	\$ 1,055,000	-25.1%
Other Long-Term Obligations:			
Capital Lease Agreements	1,765,135	2,122,287	-16.8
Compensated Absences	1,154,269	1,186,984	-2.8
Total	<u>\$ 3,709,404</u>	<u>\$ 4,364,271</u>	-15.0

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, 2018 totaled \$790,000 approximately 0.6% of the maximum legal limit of \$126,224,150. 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.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**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 Clerk Office, P.O. Box 639, Shell Lake, Wisconsin 54871.



## **BASIC FINANCIAL STATEMENTS**

**WASHBURN COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Primary Government</u>	<u>Component Unit Industrial Development Agency</u>
	<u>Governmental Activities</u>	
<b>ASSETS</b>		
Treasurer's Cash and Investments	\$ 25,708,361	\$ 864,477
Taxes Receivable	11,861,164	-
Accounts Receivable	464,619	-
Special Assessments Receivable	119,220	-
Due from Other Governments	2,795,907	-
Inventories	1,166,152	-
Prepaid Expenses	610,599	-
Long-Term Receivables	929,218	1,217,403
Restricted Assets:		
Wisconsin Retirement System Pension Plan Asset	1,742,343	-
Capital Assets:		
Capital Assets Not Being Depreciated	13,502,615	-
Capital Assets Being Depreciated	118,871,906	-
Accumulated Depreciation	<u>(77,049,301)</u>	<u>-</u>
Total Assets	100,722,803	2,081,880
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Wisconsin Retirement System Pension Related	5,039,733	-
Single-Employer Other Postemployment Benefits Related	61,177	-
Multiple-Employer Other Postemployment Benefits Related	<u>65,538</u>	<u>-</u>
Total Deferred Outflows of Resources	5,166,448	-
<b>LIABILITIES</b>		
Vouchers and Accounts Payable	1,076,962	-
Accrued Liabilities	547,019	5,665
Payroll Deductions	478,422	-
Accrued Interest Payable	7,233	-
Short-Term Debt Payable	755,000	-
Due to Other Governments	47,758	-
Unearned Revenue	352,908	-
Special Deposits	214,623	-
Long-Term Liabilities:		
Amounts Due Within One Year	1,612,526	26,173
Amounts Due in More than One Year	2,096,878	540,371
Single-Employer Other Postemployment Benefits Liability	876,775	-
Multiple-Employer Other Postemployment Benefits Liability	<u>532,437</u>	<u>-</u>
Total Liabilities	8,598,541	572,209
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes for Subsequent Year	10,831,073	-
Wisconsin Retirement System Pension Related	5,297,351	-
Multiple-Employer Other Postemployment Benefits Related	<u>7,501</u>	<u>-</u>
	16,135,925	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	52,015,085	-
Restricted for:		
Housing Loan Program	898,942	-
Other Purposes	2,954,448	1,509,671
Wisconsin Retirement Pension Plan Asset	1,742,343	-
Unrestricted	<u>23,543,967</u>	<u>-</u>
Total Net Position	<u>\$ 81,154,785</u>	<u>\$ 1,509,671</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

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		
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 5,127,837	\$ 276,227	\$ 118,517	\$ -	\$ (4,733,093)	\$ -
Public Safety	4,011,072	166,635	80,326	4,015	(3,760,096)	-
Public Works	8,909,915	3,925,286	1,389,396	-	(3,595,233)	-
Health and Human Services	6,212,019	1,188,883	2,915,161	-	(2,107,975)	-
Culture, Recreation, and Education	2,562,629	1,487	-	-	(2,561,142)	-
Conservation and Development	1,199,251	3,228,232	1,383,559	-	3,412,540	-
Interest and Fiscal Charges	82,807	-	-	-	(82,807)	-
Total Primary Government	<u>\$ 28,105,530</u>	<u>\$ 8,786,750</u>	<u>\$ 5,886,959</u>	<u>\$ 4,015</u>	(13,427,806)	-
<b>Component Unit:</b>						
Industrial Development Agency	<u>\$ 73,169</u>	<u>\$ 56,721</u>	<u>\$ 50,000</u>	<u>\$ -</u>	-	33,552
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes					10,684,422	-
County Sales Taxes					1,407,650	-
Other Taxes					128,043	-
State and Federal Aids Not Restricted to Specific Functions					265,037	-
Interest and Investment Earnings					575,025	9,975
Miscellaneous					752,350	-
Total General Revenues					<u>13,812,527</u>	<u>9,975</u>
<b>CHANGE IN NET POSITION</b>					384,721	43,527
Net Position - Beginning of Year					80,189,570	1,466,144
Change in Accounting Principle					580,494	-
Net Position - Beginning of Year - As Restated					<u>80,770,064</u>	<u>1,466,144</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 81,154,785</u>	<u>\$ 1,509,671</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
<b>ASSETS</b>							
Treasurer's Cash and Investments	\$ 6,640,371	\$ 1,071,371	\$ 1,499,866	\$ 5,728,634	\$ 2,071,277	\$ 5,591,925	\$ 22,603,444
Taxes Receivable	9,097,341	1,103,106	1,058,143	-	-	602,574	11,861,164
Accounts Receivable	225,409	99,772	-	19,202	5,532	111,578	461,493
Special Assessments Receivable	-	-	-	119,220	-	-	119,220
Due from Other Governmental Units	98,185	660,916	-	-	1,138,301	89,491	1,986,893
Due from Other Funds	254,613	-	-	-	-	-	254,613
Prepaid Expenses	604,867	-	-	-	180	5,552	610,599
Inventory	8,396	-	-	-	21,680	-	30,076
Long-Term Receivables	48,000	-	-	-	-	881,218	929,218
Advances to Other Funds	-	-	-	740,523	-	-	740,523
<b>Total Assets</b>	<b>\$ 16,977,182</b>	<b>\$ 2,935,165</b>	<b>\$ 2,558,009</b>	<b>\$ 6,607,579</b>	<b>\$ 3,236,970</b>	<b>\$ 7,282,338</b>	<b>\$ 39,597,243</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Vouchers and Accounts Payable	\$ 455,458	\$ 115,625	\$ -	\$ 289,330	\$ 17,974	\$ 111,592	\$ 989,979
Payroll Deductions	3,213	-	-	-	475,209	-	478,422
Accrued Liabilities	96,842	104,879	-	-	70,517	134,498	406,736
Accrued Interest Payable	-	-	-	3,127	-	-	3,127
Short-Term Debt	-	-	-	755,000	-	-	755,000
Due to Other Governmental Units	46,527	-	-	-	-	1,231	47,758
Due to Other Funds	-	-	-	1,035,026	-	23,771	1,058,797
Unearned Revenues	5,269	10,000	-	-	159,013	-	174,282
Special Deposits	7,500	-	-	-	207,123	-	214,623
<b>Total Liabilities</b>	<b>614,809</b>	<b>230,504</b>	<b>-</b>	<b>2,082,483</b>	<b>929,836</b>	<b>271,092</b>	<b>4,128,724</b>
<b>Deferred Inflows of Resources:</b>							
Succeeding Year's Property Taxes	8,067,251	1,140,606	1,058,142	-	-	565,074	10,831,073
Unavailable Revenue - Loans Receivable	-	-	-	-	-	881,218	881,218
Unavailable Revenue - Special Assessments	-	-	-	119,220	-	-	119,220
<b>Total Deferred Inflows of Resources</b>	<b>8,067,251</b>	<b>1,140,606</b>	<b>1,058,142</b>	<b>119,220</b>	<b>-</b>	<b>1,446,292</b>	<b>11,831,511</b>
<b>Fund Balances:</b>							
Nonspendable	1,691,353	-	-	740,523	21,860	5,552	2,459,288
Restricted	6,158	-	-	-	369,880	2,596,134	2,972,172
Committed	-	1,564,055	-	3,665,353	1,915,394	2,722,179	9,866,981
Assigned	2,442,913	-	1,499,867	-	-	265,714	4,208,494
Unassigned	4,154,698	-	-	-	-	(24,625)	4,130,073
<b>Total Fund Balances</b>	<b>8,295,122</b>	<b>1,564,055</b>	<b>1,499,867</b>	<b>4,405,876</b>	<b>2,307,134</b>	<b>5,564,954</b>	<b>23,637,008</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 16,977,182</b>	<b>\$ 2,935,165</b>	<b>\$ 2,558,009</b>	<b>\$ 6,607,579</b>	<b>\$ 3,236,970</b>	<b>\$ 7,282,338</b>	<b>\$ 39,597,243</b>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2018**

**Total Fund Balance - Governmental Fund** \$ 23,637,008

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	\$	11,463,407	
Land Improvements		2,817,525	
Buildings and Improvements		8,557,371	
Machinery and Equipment		4,686,274	
Vehicles		1,739,076	
Infrastructure		80,709,654	
Construction Work in Progress		1,549,426	
Accumulated Depreciation		<u>(65,452,959)</u>	46,069,774

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

Wisconsin Retirement System Pension:			
Net Pension Asset		1,397,891	
Deferred Outflows of Resources - Pension Related		4,043,404	
Deferred Inflows of Resources - Pension Related		<u>(4,250,092)</u>	1,191,203
Single-Employer Other Postemployment Benefits:			
Net OPEB Liability		(710,490)	
Deferred Outflows of Resources - OPEB Related		<u>49,574</u>	(660,916)
Multiple-Employer Other Postemployment Benefits:			
Net OPEB Liability		(431,274)	
Deferred Outflows of Resources - OPEB Related		53,088	
Deferred Inflows of Resources - OPEB Related		<u>(6,076)</u>	(384,262)

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		881,218	
Special Assessments		<u>119,220</u>	1,000,438

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

General Obligation Bonds Payable		790,000	
Capital Leases		126,911	
Accrued Interest Payable		(16,990)	
Compensated Absences		<u>833,471</u>	(1,733,392)

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. 12,006,675

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. 28,257

**Net Position of Governmental Activities** \$ 81,154,785

**WASHBURN COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
<b>REVENUES:</b>							
Taxes	\$ 9,633,516	\$ 1,203,524	\$ 261,909	\$ 770,463	\$ -	\$ 560,811	\$ 12,430,223
Intergovernmental	2,152,186	1,736,301	-	-	984,615	932,091	5,805,193
Licenses and Permits	177,307	-	-	-	-	47,959	225,266
Fines, Forfeits, and Penalties	71,941	12,119	-	-	-	11,820	95,880
Public Charges for Services	382,067	879,403	-	-	2,874,510	463,896	4,599,876
Intergovernmental Charges for Services	20,442	-	-	-	-	-	20,442
Miscellaneous	424,067	232,876	-	228,738	40,055	418,233	1,343,969
Total Revenues	<u>12,861,526</u>	<u>4,064,223</u>	<u>261,909</u>	<u>999,201</u>	<u>3,899,180</u>	<u>2,434,810</u>	<u>24,520,849</u>
<b>EXPENDITURES:</b>							
General Government	4,416,569	-	-	627,710	-	-	5,044,279
Public Safety	4,110,252	-	-	-	-	35,861	4,146,113
Public Works	2,763,043	-	-	1,613,393	-	735,656	5,112,092
Health and Human Services	223,569	3,858,320	-	-	-	1,770,058	5,851,947
Culture, Recreation, and Education	488,501	-	-	-	1,999,783	39,593	2,527,877
Conservation and Development	745,226	-	-	-	-	330,515	1,075,741
Debt Service:							
Principal	-	-	265,000	-	152,300	-	417,300
Interest and Fiscal Charges	-	-	18,450	9,319	-	-	27,769
Total Expenditures	<u>12,747,160</u>	<u>3,858,320</u>	<u>283,450</u>	<u>2,250,422</u>	<u>2,152,083</u>	<u>2,911,683</u>	<u>24,203,118</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	114,366	205,903	(21,541)	(1,251,221)	1,747,097	(476,873)	317,731
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds of Long-Term Debt	-	-	-	-	74,617	-	74,617
Capital Lease Proceeds	-	-	-	-	151,714	-	151,714
Transfers In	21,869	196,902	-	2,475,675	1,714	1,033,809	3,729,969
Transfers Out	(174,271)	-	(756,637)	(1,003,500)	(1,613,369)	(232,043)	(3,779,820)
Total Other Financing Sources (Uses)	<u>(152,402)</u>	<u>196,902</u>	<u>(756,637)</u>	<u>1,472,175</u>	<u>(1,385,324)</u>	<u>801,766</u>	<u>176,480</u>
<b>NET CHANGE IN FUND BALANCES</b>	(38,036)	402,805	(778,178)	220,954	361,773	324,893	494,211
Fund Balance - January 1	8,333,158	1,161,250	2,278,045	4,184,922	1,945,361	5,240,061	23,142,797
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 8,295,122</u>	<u>\$ 1,564,055</u>	<u>\$ 1,499,867</u>	<u>\$ 4,405,876</u>	<u>\$ 2,307,134</u>	<u>\$ 5,564,954</u>	<u>\$ 23,637,008</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, 2018**

**Net Change in Fund Balance - Total Governmental Fund** \$ 494,211

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	\$ 3,151,076	
Depreciation expense reported in the statement of activities	<u>(2,880,099)</u>	270,977

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. 12,853

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	(157,239)	
Single-Employer Other Postemployment Benefits:	(28,086)	
Multiple-Employer Other Postemployment Benefits:	<u>(40,527)</u>	(225,852)

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. (176,425)

Capital Lease incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. The amount of capital lease proceeds incurred in the current year is (151,714)

Long-term debt and related obligations incurred in governmental funds are reported as an increase in fund balance, but are reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. Such items incurred in the current year are:

Forest Crop Loans		(74,617)
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

General Obligation Bonds Principal Retirement	265,000	
Forest Crop Loans Repaid	74,617	
Capital Lease Retirement	<u>77,683</u>	417,300

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		(250,409)
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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	12,751	
Change in Compensated Absences at Year-End	<u>55,646</u>	<u>68,397</u>

**Change in Net Position of Governmental Activities** \$ 384,721

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2018**

	Governmental Activities- Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Treasurer's Cash and Investments	\$ 3,104,917
Accounts Receivable	3,126
Due from Other Governmental Units	809,014
Due from Other Funds	804,184
Inventories and Prepaid Expenses	1,136,076
Total Current Assets	5,857,317
<b>Restricted Assets:</b>	
Wisconsin Retirement System Pension Plan Asset	344,452
Noncurrent Assets:	
Capital Assets:	
Not Being Depreciated/Depleted	489,782
Being Depreciated/Depleted	20,362,006
Accumulated Depreciation	(11,596,342)
Total Capital Assets	9,255,446
Total Assets	15,457,215
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Wisconsin Retirement System Pension Related	996,329
Single Employer Other Postemployment Benefits Related	11,603
Multi-Employer Other Postemployment Benefits Related	12,450
Total Deferred Outflows of Resources	1,020,382
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	86,983
Accrued Liabilities	140,283
Accrued Interest Payable	21,096
Unearned Revenues	178,626
Accrued Vacation and Sick Leave - Current	99,191
Capital Leases Payable - Current	1,018,030
Total Current Liabilities	1,544,209
Long-Term Liabilities (Net of Current Portion):	
Advance from Capital Projects Fund	740,523
Single Employer Other Postemployment Benefits Payable	166,285
Multi-Employer Other Postemployment Benefits Payable	101,163
Accrued Vacation and Sick Leave	221,607
Capital Leases Payable	620,194
Total Long-Term Liabilities	1,849,772
Total Liabilities	3,393,981
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Wisconsin Retirement System Pension Related	1,047,259
Multi-Employer Other Postemployment Benefits Related	1,425
Total Deferred Inflows of Resources	1,048,684
<b>NET POSITION</b>	
Net Investment in Capital Assets	7,617,222
Restricted for Wisconsin Retirement System Pension Plan Asset	344,452
Unrestricted	4,073,258
Total Net Position	\$ 12,034,932

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, 2018**

	Governmental Activities- Internal Service Funds
<b>OPERATING REVENUES</b>	\$ 8,121,111
<b>OPERATING EXPENSES</b>	8,353,582
<b>OPERATING LOSS</b>	(232,471)
<b>NONOPERATING EXPENSES</b>	(67,789)
<b>LOSS BEFORE TRANSFERS</b>	(300,260)
<b>TRANSFERS</b>	
Transfers from Forestry Fund	48,838
Transfers from General Fund	1,514
Transfers to General Fund	(501)
Total Transfers and Capital Contributions	49,851
<b>CHANGE IN NET POSITION</b>	(250,409)
Net Position - January 1	12,181,134
Change in Accounting Principle	104,207
Net Position, January 1 - As Restated	12,285,341
<b>NET POSITION - DECEMBER 31</b>	\$ 12,034,932

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Activities - Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received for Services Provided	\$ 9,086,727
Cash Paid to Suppliers for Goods and Services	(3,488,879)
Cash Paid for Employee Services	(3,689,415)
Net Cash Provided by Operating Activities	<u>1,908,433</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer from Forestry Fund	50,352
Transfers to General Fund	(501)
Total Cash Flows Provided (Used) by Noncapital Financing Activities	<u>49,851</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash Paid for Acquisition of Capital Assets	(567,123)
Cash Received for Sale of Capital Assets	3,951
Cash Paid County on Advance for Gravel Pits	(2,686)
Principal Paid on Capital Leases	(431,183)
Interest Paid on Capital Leases	(73,015)
Net Cash Provided by Capital and Related Financing Activities	<u>(1,070,056)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	888,228
<b>CASH AND CASH EQUIVALENTS - JANUARY 1</b>	<u>2,216,689</u>
<b>CASH AND CASH EQUIVALENTS - DECEMBER 31</b>	<u>\$ 3,104,917</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating Income (Loss)	\$ (232,471)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	979,592
Depletion of Gravel Pits	19,826
Depletion of Gravel Pits	43,597
Depletion of Gravel Pits	6,573
Depletion of Gravel Pits	9,509
(Gain) Loss on Disposal of Assets	30,111
(Increase) Decrease in Assets:	
Accounts Receivable	(667)
Due from Governmental Units	117,489
Prepaid Expenses	8,510
Inventories	11,839
Due from Other Funds	1,011,795
Increase (Decrease) in Liabilities:	
Vouchers Payable	17,797
Unearned Revenue	(159,050)
Accrued Liabilities	43,983
Net Cash Provided by Operating Activities	<u>\$ 1,908,433</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
STATEMENT OF NET POSITION – FIDUCIARY FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Treasurer's Cash and Investments	<u>\$      135,309</u>
<b>LIABILITIES</b>	
Vouchers Payable	\$          951
Special Deposits	<u>          134,358</u>
Total Liabilities	<u>\$      135,309</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018 are presented in this report as a discretely presented component unit. The Agency's financial statements are separately audited and 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:

**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.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Government-Wide Statements (Continued)**

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, 2018.

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.

**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.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Financial Statements (Continued)**

**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 agency 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 financial statements and the proprietary 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, 2018**

**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 are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. 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 acquisitions under capital 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.

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

**1. Deposits and Investments**

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.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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)**

- 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.

**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 are recorded as receivables and due other governmental units in the agency fund balance sheet. 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, 2018**

**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, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the average cost method for the highway department. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

**5. 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 applicable governmental or business-type activities columns 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. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

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, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. 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.

**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 (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting. The County also reports a deferred inflows of resources for pension and other postemployment benefit related items.

**8. Compensated Absences**

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

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**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, business-type 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, 2018**

**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**

Internal Service 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 internal service 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 internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**13. Use of Restricted Resources**

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

**14. Equity Classifications**

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

**Government-Wide and Proprietary Fund Statements.** Fund equity is classified as net position in the government-wide and proprietary 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 their 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. 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.

**WASHBURN COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**14. Equity Classifications (Continued)**

**Fund Financial Statements (Continued).** 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, 2018 are reflected in the financial statements as follows:

Governmental Funds	\$ 22,603,444
Proprietary Funds	3,104,917
Fiduciary Funds	135,309
Total	<u>\$ 25,843,670</u>

The above cash and investments consisted of the following:

Deposits at Financial Institutions	\$ 14,581,140
Investment in State Local Government Pooled- Investment Fund	11,259,385
Petty Cash	3,145
Total	<u>\$ 25,843,670</u>

**Deposits at Financial Institutions**

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Deposits at Financial Institutions (Continued)**

The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund. Custodial credit risk for deposits is the risk that, in the event of failure, the County's deposits may not be returned.

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, 2018, the County's deposits were insured or collateralized.

**Investments**

The County's investments at December 31, 2018 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 2018 was 27 days.

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

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

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

The County's assets in the State Investment Fund (LGIP) are measured at amortized cost.

**B. Receivables**

**CDBG Housing Rehabilitation Loans.** The County has also received federal grants through the State of Wisconsin for the purpose of financing housing rehabilitation loans. Repayments received by the County on these loans are recorded in a separate special revenue fund and are to be used to finance similar housing rehabilitation loans. The County had seventy-eight (78) deferred mortgage loans outstanding at December 31, 2018 totaling \$881,218. 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, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>General County Assets:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 2,899,794	\$ -	\$ -	\$ 2,899,794
Highway Right-of-Ways	8,563,613	-	-	8,563,613
Construction Work in Progress	5,081,221	214,824	3,746,619	1,549,426
Total Capital Assets Not Being Depreciated	16,544,628	214,824	3,746,619	13,012,833
Capital Assets Being Depreciated:				
Land Improvements	2,800,275	17,250	-	2,817,525
Buildings and Improvements	8,569,719	127,493	139,841	8,557,371
Machinery and Equipment	4,388,548	297,726	-	4,686,274
Vehicles	1,433,605	349,995	44,524	1,739,076
Highway Infrastructure:				
Roadways	69,595,400	5,890,407	20,492	75,465,315
Bridges	1,408,186	-	-	1,408,186
Structures	3,850,495	-	14,342	3,836,153
Total Capital Assets Being Depreciated	92,046,228	6,682,871	219,199	98,509,900
Total Capital Assets	108,590,856	6,897,695	3,965,818	111,522,733
Accumulated Depreciation:				
Land Improvements	1,727,473	122,764	-	1,850,237
Buildings and Improvements	4,341,189	176,912	-	4,518,101
Equipment and Vehicles	4,330,575	486,052	232,052	4,584,575
Highway Infrastructure	52,405,675	2,094,371	-	54,500,046
Total Accumulated Depreciation	62,804,912	2,880,099	232,052	65,452,959
Net Capital Assets - General County Assets	<u>\$ 45,785,944</u>	<u>\$ 4,017,596</u>	<u>\$ 3,733,766</u>	<u>\$ 46,069,774</u>

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

**Governmental Activities (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Highway Department:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 489,782	\$ -	\$ -	\$ 489,782
Capital Assets Being Depreciated:				
Land Improvements	1,132,983	-	-	1,132,983
Gravel Pits and Quarries*	439,911	-	19,826	420,085
Buildings and Improvements	6,903,069	-	39,590	6,863,479
Machinery and Equipment	11,609,346	700,926	391,732	11,918,540
Total Capital Assets Being Depreciated	<u>20,085,309</u>	<u>700,926</u>	<u>451,148</u>	<u>20,335,087</u>
Total Capital Assets	20,575,091	700,926	451,148	20,824,869
Accumulated Depreciation:				
Land Improvements	628,869	45,319	-	674,188
Buildings and Improvements	3,806,153	276,818	7,964	4,075,007
Machinery and Equipment	6,419,996	657,455	255,493	6,821,958
Total Accumulated Depreciation	<u>10,855,018</u>	<u>979,592</u>	<u>263,457</u>	<u>11,571,153</u>
Net Capital Assets - Highway Department	<u>\$ 9,720,073</u>	<u>\$ (278,666)</u>	<u>\$ 187,691</u>	<u>\$ 9,253,716</u>
<b>Copy Machine Fund:</b>				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 26,919	\$ -	\$ -	\$ 26,919
Accumulated Depreciation:				
Machinery and Equipment	<u>25,189</u>	<u>-</u>	<u>-</u>	<u>25,189</u>
Net Capital Assets - Copy Machine Fund	<u>\$ 1,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730</u>
<b>Total County:</b>				
Capital Assets Not Being Depreciated	\$ 17,034,410	\$ 214,824	\$ 3,746,619	\$ 13,502,615
Capital Assets Being Depreciated	<u>112,158,456</u>	<u>7,383,797</u>	<u>670,347</u>	<u>118,871,906</u>
Total Capital Assets	129,192,866	7,598,621	4,416,966	132,374,521
Accumulated Depreciation	<u>73,685,119</u>	<u>3,859,691</u>	<u>495,509</u>	<u>77,049,301</u>
Net Capital Assets - Governmental Activities	<u>\$ 55,507,747</u>	<u>\$ 3,738,930</u>	<u>\$ 3,921,457</u>	<u>\$ 55,325,220</u>

\*Highway department gravel pits and quarries are subject to depletion.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

**Governmental Activities (Continued)**

Depreciation was charged to governmental functions as follows:

	General County Assets	Internal Service Funds	Total
General Government	\$ 254,422	\$ -	\$ 254,422
Public Safety	260,947	-	260,947
Transportation	2,102,923	979,592	3,082,515
Health and Human Services	51,550	-	51,550
Culture, Recreation and Education	23,906	-	23,906
Conservation and Development	186,351	-	186,351
Total	<u>\$ 2,880,099</u>	<u>\$ 979,592</u>	<u>\$ 3,859,691</u>

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of December 31, 2018 was as follows:

**Due to/from Other Funds**

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Animal Control Fund	\$ 23,771	Cash Flow
General Fund	Capital Improvement Program Fund	230,842	Gravel Pits
Highway Internal Service Fund	Capital Improvement Program Fund	804,184	2015 Expenses
Total		<u>\$ 1,058,797</u>	

**Advances from/to Other Funds**

As of December 31, 2018 the County's capital improvements capital projects fund had advanced the highway department internal service fund \$740,523 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, 2018**

**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	\$ 3,500	Projects
General Fund	Child Support Fund	17,868	Programming Costs
General Fund	Highway Department	501	Projects
Forestry Fund	General Fund	1,714	Benefits
Child Support Fund	General Fund	451	Benefits
Public Health Fund	General Fund	809	Benefits
Human Services Fund	General Fund	169,783	Benefits and Projects
Highway Department	General Fund	1,514	Benefits
Recycling Fund	Solid Waste Fund	32,549	Project Funding
Human Services Fund	Child Support Fund	27,119	Benefits
Capital Improvement Fund	Forestry Fund	1,564,531	Capital Projects
Capital Improvement Fund	Council on Aging Fund	6,500	Capital Projects
Capital Improvement Fund	County Land Sale Fund	148,007	Capital Projects
Capital Improvement Fund	Debt Service Fund	756,637	Capital Projects
Government Center Projects Fund	Capital Improvement Fund	1,000,000	Capital Projects
Highway Department	Forestry Fund	48,838	Capital Projects
		<u>\$ 3,780,321</u>	

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the County for the year ended December 31, 2018 were as follows:

	<u>Balances 1/1/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/18</u>	<u>Amounts Due Within One Year</u>
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 1,055,000	\$ -	\$ 265,000	\$ 790,000	\$ 265,000
Other Long-Term Obligations:					
(Governmental Activities):					
Governmental Funds:					
Forest Crop Loans Payable	-	74,617	74,617	-	-
Capital Lease Agreement - Grader	52,880	151,714	77,683	126,911	19,710
Compensated Absences	889,117	154,949	210,595	833,471	210,595
Highway Internal Service Fund:					
Capital Lease - 8 Trucks	962,346	-	191,619	770,727	770,727
Capital Lease - 5 Trucks	775,144	-	143,438	631,706	148,390
Capital Lease - 2 Tractors	110,224	-	54,338	55,886	55,886
Capital Lease - Paint Truck	221,693	-	41,788	179,905	43,027
Compensated Absences	297,867	114,380	91,449	320,798	99,191
Total Other Long-Term Liabilities	<u>3,309,271</u>	<u>495,660</u>	<u>885,527</u>	<u>2,919,404</u>	<u>1,347,526</u>
Total Long-Term Liabilities	<u>\$ 4,364,271</u>	<u>\$ 495,660</u>	<u>\$ 1,150,527</u>	<u>\$ 3,709,404</u>	<u>\$ 1,612,526</u>

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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 and forest crop loans are liquidated by the debt service fund and forestry fund, respectively. 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, 2018 and annual requirements for their retirement were as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Refunding Bonds, \$1,310,000, issued 10/11/16 due 3/1/21, interest at 2.00%	2019	\$ 265,000	\$ 13,150	\$ 278,150
	2020	265,000	7,850	272,850
	2021	260,000	2,600	262,600
	Total	<u>\$ 790,000</u>	<u>\$ 23,600</u>	<u>\$ 813,600</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, 2018, the County's debt limit amounted to \$126,224,150 and indebtedness subject to the limitation totaled \$790,000.

**Capital Lease Agreements**

On August 31, 2014, the County entered into a capital lease agreement for eight new trucks and related snow removal equipment. The trucks and related equipment are reported in the County's capital asset records at a cost of \$1,724,320 with accumulated depreciation at December 31, 2018 of \$728,033. The lease agreement is due on July 30, 2019 with an interest rate of 3.798%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - 8 Trucks \$1,724,320, issued 8/31/2014 due 7/30/2019, interest at 3.798%	2019	\$ 770,727	\$ 29,272	\$ 799,999
	Total	<u>\$ 770,727</u>	<u>\$ 29,272</u>	<u>\$ 799,999</u>

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Capital Lease Agreements (Continued)**

On October 15, 2015, the County entered into a capital lease agreement for five new trucks and related snow removal equipment. The trucks and related equipment are reported in the County's capital asset records at a cost of \$1,217,345 with accumulated depreciation at December 31, 2018 of \$327,696. The lease agreement is due on October 15, 2020 with an interest rate of 3.4521%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - 5 Trucks	2019	\$ 148,390	\$ 21,807	\$ 170,197
\$1,218,018, issued 10/15/15	2020	483,316	16,684	500,000
due 10/15/2020, interest at 3.4521%	Total	<u>\$ 631,706</u>	<u>\$ 38,491</u>	<u>\$ 670,197</u>

On November 19, 2015, the County entered into a capital lease agreement for two tractors and related mowing equipment. These assets are reported in the County's capital asset records at a cost of \$271,886 with accumulated depreciation at December 31, 2018 of \$71,261. The lease agreement is due on November 15, 2019 with an interest rate of 3.798%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - 2 Tractors	2019	\$ 55,886	\$ 1,592	\$ 57,478
\$271,886, issued 11/19/2015				
due 11/15/2019, interest at 2.849%	Total	<u>\$ 55,886</u>	<u>\$ 1,592</u>	<u>\$ 57,478</u>

On April 26, 2016, the County entered into a capital lease agreement for a paint truck. This asset is reported in the County's capital asset records at a cost of \$291,130 with accumulated depreciation at December 31, 2018 of \$65,991. The lease agreement is due on May 15, 2022 with an interest rate of 2.962%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - Paint Truck	2019	\$ 43,027	\$ 5,328	\$ 48,355
\$310,719, issued 4/24/2016	2020	44,301	4,054	48,355
due 4/15/22, interest at 2.962%	2021	45,613	2,742	48,355
	2022	46,964	1,391	48,355
	Total	<u>\$ 179,905</u>	<u>\$ 13,515</u>	<u>\$ 193,420</u>

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Capital Lease Agreements (Continued)**

On March 20, 2018, the County entered into a capital lease agreement for a grader with a plow. This asset is reported in the County's capital asset records at a cost of \$259,796 with accumulated depreciation at December 31, 2018 of \$1,837.86. The lease agreement is due on March 20, 2022 with an interest rate of 3.15%. The repayment schedule is as follows:

	Year	Principal	Interest	Total
Capital Lease - Grader	2019	\$ 19,710	\$ 5,092	\$ 24,802
\$151,714, issued 3/20/2018	2020	20,501	4,301	24,802
due 3/20/2022, interest at 3.94%	2021	21,323	3,478	24,801
	2022	65,377	2,623	68,000
	Total	<u>\$ 126,911</u>	<u>\$ 15,494</u>	<u>\$ 142,405</u>

**County Forest Loans**

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

The County had a liability under this program at December 31, 2018 of -\$0-.

**F. Temporary Notes Payable**

Changes in temporary notes payable of the County for the year ended December 31, 2018 were as follows:

Balance 01/01/18	Additions	Reductions	Balances 12/31/18	Accrued Interest	Interest Rate	Interest Expense
<u>\$ 739,000</u>	<u>\$ 755,000</u>	<u>\$ 739,000</u>	<u>\$ 755,000</u>	\$ 3,127	4.00%	\$ 30,820

The County's short-term notes payable consisted of a State Trust Fund Loan for \$755,000 used to finance capital projects in the current year. The loan was issued on July 20, 2018 with an original two year term but was repaid by the County on March 15, 2019.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2018 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund:						
Delinquent Taxes	\$ 1,030,090	\$ 1,030,090	\$ -	\$ -	\$ -	\$ -
Inventories/Prepayments	613,263	613,263	-	-	-	-
Long-Term Note Receivable	48,000	48,000	-	-	-	-
Register of Deeds - PEA/RET Funds	6,158	-	6,158	-	-	-
Sick Leave Liability	1,315,000	-	-	-	1,315,000	-
HSD Youth	105,157	-	-	-	105,157	-
Dam Maintenance	10,007	-	-	-	10,007	-
Memorials-Donations	6,675	-	-	-	6,675	-
Unclaimed Funds	299	-	-	-	299	-
Health Insurance Excess	640,468	-	-	-	640,468	-
IT Capital Equipment Fund	45,262	-	-	-	45,262	-
Property & Insurance-Deductibles	50,000	-	-	-	50,000	-
Maps & Plats	33,482	-	-	-	33,482	-
County Cars	227,275	-	-	-	227,275	-
Veterans-WW	9,288	-	-	-	9,288	-
Unassigned	4,154,698	-	-	-	-	4,154,698
Subtotal General Fund	8,295,122	1,691,353	6,158	-	2,442,913	4,154,698
Committed for Human Services Programs	1,564,055	-	-	1,564,055	-	-
Forestry Department Programs	2,307,134	21,860	369,880	1,915,394	-	-
Debt Service	1,499,867	-	-	-	1,499,867	-
Capital Improvements Program Fund:						
Committed for Capital Projects	3,665,353	-	-	3,665,353	-	-
Advances to Other Funds	740,523	740,523	-	-	-	-
Subtotal Major Funds	18,072,054	2,453,736	376,038	7,144,802	3,942,780	4,154,698



**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. 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:						
Inventories/Prepayments	\$ 5,018	\$ 5,018	\$ -	\$ -	\$ -	\$ -
Committed for Health Services Programs	219,911	-	-	219,911	-	-
Child Support Fund	142,496	-	-	142,496	-	-
Committed for ADRC Programs	16,842	-	-	16,842	-	-
Council on Aging Fund:						
Inventories/Prepayments	534	534	-	-	-	-
Restricted for the DOT Medical Escort Program	38,076	-	38,076	-	-	-
Committed for Aging Services	352,360	-	-	352,360	-	-
Wildlife Damage Program	3,625	-	-	3,625	-	-
Restricted for CDBG Revolving Loan Program	17,724	-	17,724	-	-	-
Development Fund:						
Impact Fees Restricted for Environmental and Capital Improvements	664,919	-	664,919	-	-	-
Committed for Building Project	805,151	-	-	805,151	-	-
Recycling Program	326,235	-	-	326,235	-	-
Animal Control Program	(24,625)	-	-	-	-	(24,625)
County Land Sales Fund:						
Committed for Dam Maintenance	840,037	-	-	840,037	-	-
Restricted for Jail Assessments Fee Funded Projects	61,879	-	61,879	-	-	-
Sheriff Special Activity Fund:						
Donor Restrictions for Sheriff Operations	45,079	-	45,079	-	-	-
Committed for Projects in the Sheriff's Department	15,522	-	-	15,522	-	-
Restricted for Environmental and Socioeconomic Impact Fund Projects						
Impact Fund Projects	1,033,231	-	1,033,231	-	-	-
Restricted for County Trunk D Project	523,696	-	523,696	-	-	-
Solid Waste Projects:						
Restricted by Contract Agreements for Solid Waste Improvements	211,530	-	211,530	-	-	-
Assigned to Government Center Capital Project	265,714	-	-	-	265,714	-
Subtotal Nonmajor Funds	<u>5,564,954</u>	<u>5,552</u>	<u>2,596,134</u>	<u>2,722,179</u>	<u>265,714</u>	<u>(24,625)</u>
 Total Governmental Fund Balance at December 31, 2018	 <u>\$ 23,637,008</u>	 <u>\$ 2,459,288</u>	 <u>\$ 2,972,172</u>	 <u>\$ 9,866,981</u>	 <u>\$ 4,208,494</u>	 <u>\$ 4,130,073</u>

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018 was \$833,471.

**Highway Department Employees.** Vacation and sick leave accrued to highway department employees totaled \$320,798 on December 31, 2018 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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

*Benefits Provided.* Employees who retire at or after age 65 (54 for protective 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, 2018**

**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, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the fiscal reporting period January 1, 2018 through December 31, 2018, the WRS recognized \$594,156 in contributions from the County.

Contribution rates as of December 31, 2018 are:

	<u>Employee</u>	<u>Employer</u>	<u>Duty Disability</u>
General	6.80%	6.80%	0.00%
Executives and Elected Officials	6.80%	6.80%	0.00%
Protective with Social Security	6.80%	10.60%	0.20%
Protective without Social Security	6.80%	14.90%	0.20%

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

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

<u>Year Ending December 31,</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0.0%
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0

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

At December 31, 2018, the County reported an asset of \$1,742,343 for its proportionate share of the net pension asset. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2017, the County's proportion was 0.05868219 percent, which was a decrease of 0.00008331 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized pension expense of \$765,782. At December 31, 2018, 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, 2018**

**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	\$ 2,213,692	\$ 1,035,491
Changes of Assumptions	344,253	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,864,813	4,259,503
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	22,819	2,357
County Contributions Subsequent to the Measurement Date	594,156	-
Total	<u>\$ 5,039,733</u>	<u>\$ 5,297,351</u>

\$594,156 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, 2018. 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>
2019	\$ 198,516
2020	(8,433)
2021	(593,586)
2022	(452,445)
2023	4,174
Thereafter	-
	<u>\$ (851,774)</u>

*Actuarial assumptions.* The total pension liability 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, 2018**

**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, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% to 5.6%
Post-Retirement Adjustments	2.1%
Mortality:	Wisconsin Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014.

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

Core Fund Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Global Equities	50.0 %	8.2%	5.3%
Fixed Income	25.0	4.2	1.4
Inflation Sensitive Assets	16.0	3.8	1.0
Real Estate	8.0	6.5	3.6
Private Equity/Debt	8.0	9.4	6.5
Multi-Asset	4.0	6.5	3.6
Total Core Fund	110.0	7.3	4.4
<b>Variable Fund Asset Class</b>			
US Equities	70.0 %	7.5%	4.6%
International Equities	30.0	7.8	4.9
Total Variable Fund	100.0	7.9	5.0

**WASHBURN COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018**

**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)**

*Discount rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,508,038	\$ (1,742,343)	\$ (6,492,827)

**WASHBURN COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan - Single Employer Plan**

**Description of the Plan**

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.

**Participants**

Employees participating in the OPEB benefit consisted of the following at December 31, 2018, the date of the latest actuarial valuation.

Retirees (Pre-65)	5
Total eligible active plan members	<u>169</u>
	<u><u>174</u></u>

***Total OPEB Liability***

The County does not accumulated assets in a trust for payment of OPEB benefits. Accordingly, the County must report its total OPEB liability. The County's total OPEB liability was determined by an actuarial valuation as of December 31, 2017. At December 31, 2018, the County reported a total OPEB liability of \$876,775. Changes in the County's total OPEB liability were as follows:

	Total OPEB Liability (a)
<b>Balance at December 31, 2017</b>	\$ 780,939
<b>Changes for the year:</b>	
Service Cost	84,164
Interest	31,914
Changes of Assumptions or Other Input	21,758
Benefit Payments	<u>(42,000)</u>
<b>Net Changes</b>	<u>95,836</u>
<b>Balance at December 31, 2018</b>	<u><u>\$ 876,775</u></u>



**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

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

***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 otherwise specified:

Valuation Date:	January 1, 2018
Measurement Date:	December 31, 2017
Actuary Cost Method:	Entry Age Normal
Discount Rate:	3.44% based on 20-year Bond Buyer GO Index
Health Care Trends:	8.8% year one to an ultimate rate of 3.9%
Salary Adjustment Factors	Merit and longevity increases plus an economic increase of 3.0% per year.
Plan Participation:	40% of future retirees
Mortality:	Rates are based on the Wisconsin 2018 Mortality table in connection with the 2015-2017 experience study performed by the actuary of the Wisconsin Retirement System (WRS).

***Discount rate***

The discount rate used to measure the total OPEB liability was 3.44 percent at December 31, 2018.

***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 (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Net OPEB Liability (Asset) 12/31/18	<u>\$ 942,993</u>	<u>\$ 876,775</u>	<u>\$ 813,994</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 (7.8% in the first year, decreasing to 2.9%)	Healthcare Cost Trend Rates (8.8% in the first year, decreasing to 3.9%)	1% Increase (9.8% in the first year, decreasing to 4.9%)
Net OPEB Liability (Asset) 12/31/18	<u>\$ 776,062</u>	<u>\$ 876,775</u>	<u>\$ 996,475</u>

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

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

For the year ended December 31, 2018, the County recognized OPEB expense of \$118,659. At December 31, 2018, 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
Changes of Assumptions or Other Input County Contributions Subsequent to the Measurement Date	\$ 19,177	\$ -
Total	<u>\$ 61,177</u>	<u>\$ -</u>

Contributions subsequent to the measurement date of \$42,000 will be amortized to expense in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	OPEB Expense Amount
2019	\$ 2,581
2020	2,581
2021	2,581
2022	2,581
2023	2,581
Thereafter	6,272

**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 post-employment life insurance benefits for all eligible employees.

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

*Contributions.* The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

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

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 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, 2017 are:

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the County's fiscal year the LRLIF recognized \$3,360 in contributions from the County.

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

At December 31, 2018, the County reported a liability of \$532,437 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 and rolled forward to December 31, 2017. 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, 2017, the County's proportion was 0.176973000 percent, which was a decrease of 0.17478900 percent from its proportion measured as of December 31, 2016.

**WASHBURN COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018**

**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)**

For the year ended June 30, 2018, the County recognized OPEB expense of \$57,045. At December 31, 2018, 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	\$ -	\$ 7,501
Changes of Assumptions or Other Input	51,449	-
Net Difference Between Projected and Actual Earnings on OPEB Investments	6,131	-
Change in proportion and differences between employer contributions and proportionate share of contributions	4,598	-
County Contributions Subsequent to the Measurement Date	3,360	-
Total	<u>\$ 65,538</u>	<u>\$ 7,501</u>

\$3,360 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>OPEB Expense Amount</u>
2019	\$ 8,967
2020	8,967
2021	8,967
2022	8,966
2023	7,434
Thereafter	11,376

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.44%
Long-Term Expected Rate of Return	5.00%
Discount Rate	3.63%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table

The discount rate was based on the Bond Buyer Go 20-year AA municipal bond rate Index published by the Federal Reserve.

The actuarial assumptions used were based on an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012-2014.

*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.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Government Bonds	Barclays Government	1%	1.13%
U.S. Credit Bonds	Barclays Credit	65%	2.61%
U.S. Long Credit Bonds	Barclays Long Credit	3%	3.08%
U.S. Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**WASHBURN COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018**

**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 3.63% was used to measure the total OPEB liability. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient.

*Sensitivity of the County’s proportionate share of the net OPEB liability (asset) to changes in the discount rate.* The following presents the County’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.63 percent, as well as what the County’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
Proportionate share of the Net OPEB Liability (asset) 12/31/18	\$ 752,536	\$ 532,437	\$ 363,535

**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.

**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.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**E. Other Organizations (Continued)**

**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.

**WASHBURN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 CHANGE IN ACCOUNTING PRINCIPLE**

During the year ended December 31, 2018, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This pronouncement requires the restatement of net position as shown as follows:

	Governmental Activities	Internal Service Fund
Net Position, December 31, 2017, as Previously Reported	\$ 80,189,570	\$ 12,181,134
Cumulative Affect of Application of GASB 75, Multi-Employer Other Post-Employment Benefits	(424,364)	(80,629)
Cumulative Affect of Application of GASB 75, Single-Employer Other Post-Employment Benefits	1,004,858	184,836
Net Position, December 31, as Restated	\$ 80,770,064	\$ 12,285,341



**REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE 1

WASHBURN COUNTY, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 9,403,760	\$ 9,373,760	\$ 9,633,516	\$ 259,756
Intergovernmental	2,043,469	2,190,764	2,152,186	(38,578)
Licenses and Permits	163,780	163,780	177,307	13,527
Fines, Forfeits, and Penalties	79,000	79,000	71,941	(7,059)
Public Charges for Services	353,600	361,600	382,067	20,467
Intergovernmental Charges for Services	12,500	12,500	20,442	7,942
Miscellaneous	164,722	276,468	424,067	147,599
Total Revenues	12,220,831	12,457,872	12,861,526	403,654
<b>EXPENDITURES</b>				
General Government	4,424,832	4,426,637	4,416,569	10,068
Public Safety	4,016,329	4,057,236	4,110,252	(53,016)
Public Works	2,770,993	2,770,993	2,763,043	7,950
Health and Human Services	232,828	240,945	223,569	17,376
Culture, Recreation, and Education	392,966	493,499	488,501	4,998
Conservation and Development	753,406	759,778	745,226	14,552
Total Expenditures	12,591,354	12,749,088	12,747,160	1,928
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(370,523)	(291,216)	114,366	405,582
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	146,929	126,975	21,869	(105,106)
Transfers Out	-	(86,319)	(174,271)	(87,952)
Total Other Financing Sources (Uses)	146,929	40,656	(152,402)	(193,058)
<b>NET CHANGE IN FUND BALANCE</b>	(223,594)	(250,560)	(38,036)	212,524
Fund Balance - January 1	8,333,158	8,333,158	8,333,158	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 8,109,564</u>	<u>\$ 8,082,598</u>	<u>\$ 8,295,122</u>	<u>\$ 212,524</u>

See accompanying Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN**  
**BUDGETARY COMPARISON SCHEDULE – HUMAN SERVICES FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,173,524	\$ 1,203,524	\$ 1,203,524	\$ -
Intergovernmental	1,676,152	1,676,152	1,736,301	60,149
Fines, Forfeits, and Penalties	16,000	16,000	12,119	(3,881)
Public Charges for Services	905,962	905,962	879,403	(26,559)
Miscellaneous	328,215	473,058	232,876	(240,182)
Total Revenues	<u>4,099,853</u>	<u>4,274,696</u>	<u>4,064,223</u>	<u>(210,473)</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>4,149,820</u>	<u>4,349,603</u>	<u>3,858,320</u>	<u>491,283</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(49,967)	(74,907)	205,903	280,810
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>49,967</u>	<u>54,978</u>	<u>196,902</u>	<u>141,924</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(19,929)	402,805	422,734
Fund Balance - January 1	<u>1,161,250</u>	<u>1,161,250</u>	<u>1,161,250</u>	<u>-</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 1,161,250</u>	<u>\$ 1,141,321</u>	<u>\$ 1,564,055</u>	<u>\$ 422,734</u>

See accompanying Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN**  
**BUDGETARY COMPARISON SCHEDULE – FORESTRY FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 1,103,172	\$ 1,103,172	\$ 984,615	\$ (118,557)
Public Charges for Services	1,995,454	2,012,054	2,874,510	862,456
Other Revenues	382,532	382,532	40,055	(342,477)
Total Revenues	<u>3,481,158</u>	<u>3,497,758</u>	<u>3,899,180</u>	<u>401,422</u>
<b>EXPENDITURES</b>				
Culture, Recreation, and Education	2,413,513	2,431,827	1,999,783	432,044
Debt Service				
Principal	-	-	152,300	(152,300)
Total Expenditures	<u>2,413,513</u>	<u>2,431,827</u>	<u>2,152,083</u>	<u>279,744</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	1,067,645	1,065,931	1,747,097	681,166
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of Long-Term Debt	-	-	74,617	74,617
Capital Lease Proceeds	-	-	151,714	151,714
Transfers In	40,000	41,714	1,714	(40,000)
Transfers Out	(1,125,525)	(1,125,525)	(1,613,369)	(487,844)
Total Other Financing Sources (Uses)	<u>(1,085,525)</u>	<u>(1,083,811)</u>	<u>(1,385,324)</u>	<u>(301,513)</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	(17,880)	(17,880)	361,773	379,653
Fund Balance - January 1	<u>1,945,361</u>	<u>1,945,361</u>	<u>1,945,361</u>	<u>-</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u><u>\$ 1,927,481</u></u>	<u><u>\$ 1,927,481</u></u>	<u><u>\$ 2,307,134</u></u>	<u><u>\$ 379,653</u></u>

See accompanying Notes to Required Supplementary Information.

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

	2018
<b>Total OPEB Liability</b>	
Service Cost	\$ 84,164
Interest	31,914
Changes of Assumptions or Other Input	21,758
Benefit Payments	(42,000)
<b>Net Change in Total OPEB Liability</b>	95,836
<b>Total OPEB Liability - Beginning</b>	780,939
<b>Total OPEB Liability - Ending (a)</b>	\$ 876,775
 <b>Covered Payroll</b>	 \$ 7,442,221
 <b>County's Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</b>	 11.78%

Methods and assumptions used to determine contribution rates are as follows:

Valuation Date:	December 31, 2018
Measurement Date:	December 31, 2018
Actuary Cost Method:	Entry Age Normal
Amortization Method:	Level Percent of Salary
Discount Rate:	4.1%
Inflation:	2.7%
Average of Expected Remaining Service Lives	10 Years
Medical Trends:	8.0% year one, 7.50% year two, 7.0% year three decreasing 0.5% per year to 4.5% in year 8, and level thereafter.
 Payroll Growth	 3.2% plus merit/longevity increases which are based on the Wisconsin Retirement System actuarial valuation as of December 31, 2017.

See accompanying Notes to Required Supplementary Information.

**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 FISCAL YEARS  
 (SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

**Measurement Date:** December 31,

	2017
County's proportion of the net OPEB liability (asset)	0.17673000%
County's proportionate share of the net OPEB liability (asset)	\$ 532,437
County's covered payroll	\$ 7,442,221
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.15%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%

\*The amounts presented for each fiscal year were determined as of the 12/31 measurement date that occurred within the fiscal year.

*See accompanying Notes to Required Supplementary Information.*

**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)**

<b>County's Fiscal Year Ended:</b> December 31,	<u>2018</u>
Contractually Required Contributions	\$ 3,360
Contributions in Relation to the Contractually Required Contributions	<u>(3,360)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
 County's Covered Payroll	 \$ 7,442,221
 Contributions as a Percentage of Covered Payroll	 0.05%

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 FISCAL YEARS**

**Measurement Date:** December 31,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County's Proportion of the Net Pension Liability (Asset)	0.05976855%	0.05951674%	0.05859888%	0.05868219%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,468,079)	\$ 967,135	\$ 482,995	\$ (1,742,343)
County's Covered Payroll	\$ 7,500,743	\$ 7,793,876	\$ 7,671,986	\$ 8,065,845
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered	19.57%	12.41%	6.30%	-21.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%

\*The amounts presented are for a measurement date used 12 months prior to the County's year end.



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

Fiscal Year-End: December 31,	2015	2016	2017	2018
Contractually Required Contribution	\$ 575,869	\$ 549,046	\$ 560,748	\$ 594,156
Contributions in Relation to the Contractually Required Contributions	(575,869)	(549,046)	(560,748)	(594,156)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 7,793,876	\$ 7,671,986	\$ 8,065,845	\$ 8,490,958
Contributions as a Percentage of Covered Payroll	7.39%	7.16%	6.95%	7.00%

*Change of Benefit Terms:* There were no changes of benefit terms for any participating employer in WRS.

*Change in Assumptions:* There were no changes in assumptions.

See accompanying Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2018**

**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.

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**WASHBURN COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUND  
COMBINING BALANCE SHEET  
DECEMBER 31, 2018**

	Special Revenue Funds							
	Public Health	Child Support	Aging and Disability Resource Center	Council on Aging	CDBG Grant Fund	Wildlife Damage	Development Fund	
<b>ASSETS</b>								
Treasurer's Cash and Investments	\$ 213,444	\$ 129,328	\$ 35,206	\$ 395,432	\$ 21,523	\$ 3,625	\$ 1,470,070	\$ -
Taxes Receivable	272,984	-	6,977	291,813	-	-	-	30,800
Accounts Receivable	20,166	566	-	21,656	-	-	-	15
Due from Other Governmental Units	-	53,595	24,000	-	-	11,896	-	-
Loans Receivable	-	-	-	-	881,218	-	-	-
Prepaid Expenses	5,018	-	-	534	-	-	-	-
<b>Total Assets</b>	<b>\$ 511,612</b>	<b>\$ 183,489</b>	<b>\$ 66,183</b>	<b>\$ 709,435</b>	<b>\$ 902,741</b>	<b>\$ 15,521</b>	<b>\$ 1,470,070</b>	<b>\$ 30,815</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>								
Liabilities:								
Vouchers Payable	\$ 693	\$ 635	\$ 784	\$ 23,912	\$ 3,799	\$ 11,896	\$ -	\$ 324
Accrued Liabilities	49,820	40,358	41,580	2,740	-	-	-	-
Due to Other Governmental Units	686	-	-	-	-	-	-	545
Due to Other Funds	-	-	-	-	-	-	-	23,771
<b>Total Liabilities</b>	<b>51,199</b>	<b>40,993</b>	<b>42,364</b>	<b>26,652</b>	<b>3,799</b>	<b>11,896</b>	<b>-</b>	<b>24,640</b>
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	235,484	-	6,977	291,813	-	-	-	30,800
Loans Receivable	-	-	-	-	881,218	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>235,484</b>	<b>-</b>	<b>6,977</b>	<b>291,813</b>	<b>881,218</b>	<b>-</b>	<b>-</b>	<b>30,800</b>
Fund Balance:								
Nonspendable	5,018	-	-	534	-	-	-	-
Restricted	-	-	-	38,076	17,724	-	664,919	-
Committed	219,911	142,496	16,842	352,360	-	3,625	805,151	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(24,625)
<b>Total Fund Balance</b>	<b>224,929</b>	<b>142,496</b>	<b>16,842</b>	<b>390,970</b>	<b>17,724</b>	<b>3,625</b>	<b>1,470,070</b>	<b>(24,625)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 511,612</b>	<b>\$ 183,489</b>	<b>\$ 66,183</b>	<b>\$ 709,435</b>	<b>\$ 902,741</b>	<b>\$ 15,521</b>	<b>\$ 1,470,070</b>	<b>\$ 30,815</b>

**WASHBURN COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUND  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2018**

	Special Revenue Funds (Continued)							Government Center Capital Project Fund	Total
	County Land Sales	Jail Assessment Fees	Sheriff Special Activity	Environmental and Socioeconomic Impact	County Trunk D	Recycling Fund	Solid Waste Fund		
<b>ASSETS</b>									
Treasurer's Cash and Investments	\$ 846,317	\$ 61,066	\$ 68,022	\$ 1,033,231	\$ 523,696	\$ 304,025	\$ 190,280	\$ 296,660	\$ 5,591,925
Taxes Receivable	-	-	-	-	-	-	-	-	602,574
Accounts Receivable	-	813	1,442	23,460	-	22,210	21,250	-	111,578
Due from Other Governmental Units	-	-	-	-	-	-	-	-	89,491
Loans Receivable	-	-	-	-	-	-	-	-	881,218
Prepaid Expenses	-	-	-	-	-	-	-	-	5,552
<b>Total Assets</b>	<b>\$ 846,317</b>	<b>\$ 61,879</b>	<b>\$ 69,464</b>	<b>\$ 1,056,691</b>	<b>\$ 523,696</b>	<b>\$ 326,235</b>	<b>\$ 211,530</b>	<b>\$ 296,660</b>	<b>\$ 7,282,338</b>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Vouchers Payable	\$ 6,280	\$ -	\$ 8,863	\$ 23,460	\$ -	\$ -	\$ -	\$ 30,946	\$ 111,592
Accrued Liabilities	-	-	-	-	-	-	-	-	134,498
Due to Other Governmental Units	-	-	-	-	-	-	-	-	1,231
Due to Other Funds	-	-	-	-	-	-	-	-	23,771
<b>Total Liabilities</b>	<b>6,280</b>	<b>-</b>	<b>8,863</b>	<b>23,460</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,946</b>	<b>271,092</b>
Deferred Inflows of Resources:									
Succeeding Year's Property Taxes	-	-	-	-	-	-	-	-	565,074
Loans Receivable	-	-	-	-	-	-	-	-	881,218
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,446,292</b>
Fund Balance:									
Nonspendable	-	-	-	-	-	-	-	-	5,552
Restricted	-	61,879	45,079	1,033,231	523,696	-	211,530	-	2,596,134
Committed	840,037	-	15,522	-	-	326,235	-	-	2,722,179
Assigned	-	-	-	-	-	-	-	265,714	265,714
Unassigned	-	-	-	-	-	-	-	-	(24,625)
<b>Total Fund Balance</b>	<b>840,037</b>	<b>61,879</b>	<b>60,601</b>	<b>1,033,231</b>	<b>523,696</b>	<b>326,235</b>	<b>211,530</b>	<b>265,714</b>	<b>5,564,954</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 846,317</b>	<b>\$ 61,879</b>	<b>\$ 69,464</b>	<b>\$ 1,056,691</b>	<b>\$ 523,696</b>	<b>\$ 326,235</b>	<b>\$ 211,530</b>	<b>\$ 296,660</b>	<b>\$ 7,282,338</b>

**WASHBURN COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 2018**

Special Revenue Funds

	Public Health	Child Support	Aging and Disability Resource Center	Council on Aging	CDBG Grant Fund	Wildlife Damage	Development Fund	Animal Control
<b>REVENUES</b>								
Taxes	\$ 232,386	\$ -	\$ 18,168	\$ 283,757	\$ -	\$ -	\$ -	\$ 26,500
Intergovernmental	169,070	239,018	169,111	231,944	-	39,593	-	-
Licenses and Permits	-	-	-	-	-	-	31,834	16,125
Fines, Forfeits, and Penalties	-	-	-	-	-	-	-	-
Public Charges for Services	72,289	1,942	86,013	109,726	-	-	-	-
Miscellaneous:								
Interest	-	-	-	327	51	-	-	-
Loan Repayments	-	-	-	-	22,000	-	-	-
Sale of County Property	-	-	-	-	-	-	-	-
Donations	49,006	32,145	30	36,761	-	-	-	-
Other	-	453	1,350	28,461	-	-	-	3,539
<b>Total Revenues</b>	<b>522,751</b>	<b>273,558</b>	<b>274,672</b>	<b>690,976</b>	<b>22,051</b>	<b>39,593</b>	<b>31,834</b>	<b>46,164</b>
<b>EXPENDITURES</b>								
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Human Services	488,068	221,684	298,913	691,870	-	-	-	69,523
Culture, Recreation, and Education	-	-	-	-	-	39,593	-	-
Conservation and Development	-	-	-	-	29,338	-	-	-
<b>Total Expenditures</b>	<b>488,068</b>	<b>221,684</b>	<b>298,913</b>	<b>691,870</b>	<b>29,338</b>	<b>39,593</b>	<b>-</b>	<b>69,523</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>34,683</b>	<b>51,874</b>	<b>(24,241)</b>	<b>(894)</b>	<b>(7,287)</b>	<b>-</b>	<b>31,834</b>	<b>(23,359)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	809	451	-	-	-	-	-	-
Transfers Out	-	(44,987)	-	(6,500)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>809</b>	<b>(44,536)</b>	<b>-</b>	<b>(6,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>35,492</b>	<b>7,338</b>	<b>(24,241)</b>	<b>(7,394)</b>	<b>(7,287)</b>	<b>-</b>	<b>31,834</b>	<b>(23,359)</b>
Fund Balance - January 1	189,437	135,158	41,083	398,364	25,011	3,625	1,438,236	(1,266)
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$ 224,929</b>	<b>\$ 142,496</b>	<b>\$ 16,842</b>	<b>\$ 390,970</b>	<b>\$ 17,724</b>	<b>\$ 3,625</b>	<b>\$ 1,470,070</b>	<b>\$ (24,625)</b>

**WASHBURN COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

	Special Revenue Funds (Continued)							Government Center Capital Project Fund	Total
	County Land Sales	Jail Assessment Fees	Sheriff Special Activity	Environmental and Socioeconomic Impact	County Trunk D	Recycling Fund	Solid Waste Fund		
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,811
Intergovernmental	-	-	-	-	-	83,355	-	-	932,091
Licenses and Permits	-	-	-	-	-	-	-	-	47,959
Fines, Forfeits, and Penalties	-	11,820	-	-	-	-	-	-	11,820
Public Charges for Services	15,934	-	-	-	-	92,992	85,000	-	463,896
Miscellaneous:									
Interest	-	-	-	21,252	11,100	-	-	-	32,730
Loan Repayments	-	-	-	-	-	-	-	-	22,000
Sale of County Property	75,618	-	-	-	-	-	-	-	75,618
Donations	-	-	38,148	-	-	-	-	-	156,090
Other	-	-	-	97,992	-	-	-	-	131,795
<b>Total Revenues</b>	<b>91,552</b>	<b>11,820</b>	<b>38,148</b>	<b>119,244</b>	<b>11,100</b>	<b>176,347</b>	<b>85,000</b>	<b>-</b>	<b>2,434,810</b>
<b>EXPENDITURES</b>									
Public Safety	-	10,771	25,090	-	-	-	-	-	35,861
Public Works	-	-	-	-	1,370	-	-	734,286	735,656
Health and Human Services	-	-	-	-	-	-	-	-	1,770,058
Culture, Recreation, and Education	-	-	-	-	-	-	-	-	39,593
Conservation and Development	33,884	-	-	97,992	-	116,850	52,451	-	330,515
<b>Total Expenditures</b>	<b>33,884</b>	<b>10,771</b>	<b>25,090</b>	<b>97,992</b>	<b>1,370</b>	<b>116,850</b>	<b>52,451</b>	<b>734,286</b>	<b>2,911,683</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>57,668</b>	<b>1,049</b>	<b>13,058</b>	<b>21,252</b>	<b>9,730</b>	<b>59,497</b>	<b>32,549</b>	<b>(734,286)</b>	<b>(476,873)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	32,549	-	1,000,000	1,033,809
Transfers Out	(148,007)	-	-	-	-	-	(32,549)	-	(232,043)
<b>Total Other Financing Sources (Uses)</b>	<b>(148,007)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,549</b>	<b>(32,549)</b>	<b>1,000,000</b>	<b>801,766</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(90,339)</b>	<b>1,049</b>	<b>13,058</b>	<b>21,252</b>	<b>9,730</b>	<b>92,046</b>	<b>-</b>	<b>265,714</b>	<b>324,893</b>
Fund Balance - January 1	930,376	60,830	47,543	1,011,979	513,966	234,189	211,530	-	5,240,061
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$ 840,037</b>	<b>\$ 61,879</b>	<b>\$ 60,601</b>	<b>\$ 1,033,231</b>	<b>\$ 523,696</b>	<b>\$ 326,235</b>	<b>\$ 211,530</b>	<b>\$ 265,714</b>	<b>\$ 5,564,954</b>



**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2018  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Treasurer's Cash and Investments	\$ 6,640,371	\$ 6,657,743
Current Taxes Receivable	8,067,251	7,984,640
Tax Certificates	1,030,090	1,029,259
Accounts Receivable	225,409	98,576
Due from Other Governments	98,185	159,827
Due from Other Funds	254,613	241,310
Inventory	8,396	4,578
Prepaid Items:		
Prepaid Expenses	9,961	5,805
Prepaid Insurance	594,906	402,366
Long-Term Note Receivable	<u>48,000</u>	<u>59,000</u>
 Total Assets	 <u>\$ 16,977,182</u>	 <u>\$ 16,643,104</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Vouchers and Accounts Payable	\$ 455,458	\$ 179,573
Payroll Deductions	3,213	25,984
Accrued Liabilities	96,842	79,410
Special Deposits	7,500	7,500
Due to Other Governments	46,527	28,091
Unearned Revenue	<u>5,269</u>	<u>4,748</u>
Total Liabilities	614,809	325,306
<b>Deferred Inflows of Resources:</b>		
Succeeding Year's Property Taxes	8,067,251	7,984,640
<b>Fund Balance:</b>		
Nonspendable	1,691,353	1,501,008
Restricted	6,158	1,559
Assigned	2,442,913	1,889,679
Unassigned	<u>4,154,698</u>	<u>4,940,912</u>
Total Fund Balance	<u>8,295,122</u>	<u>8,333,158</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 16,977,182</u>	 <u>\$ 16,643,104</u>

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)**

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Final Budget	Actual		
<b>REVENUES</b>				
Taxes:				
Property:				
General Property Taxes	\$ 7,954,640	\$ 7,887,715	\$ (66,925)	\$ 7,931,645
Forest Cropland Taxes From Districts	14,000	53,079	39,079	18,840
Sales and Use:				
County Sales Tax	1,100,000	1,407,650	307,650	1,160,753
Retained Sales Tax Applied	120	121	1	100
Real Estate Transfer Fees	55,000	74,843	19,843	71,409
Interest and Penalties on Taxes	250,000	210,108	(39,892)	246,598
Total Taxes	9,373,760	9,633,516	259,756	9,429,345
Intergovernmental:				
Federal Grants:				
Federal Highway Safety Grant	-	-	-	5,250
Aid in Lieu of Taxes	10,000	12,458	2,458	11,864
Emergency Government	30,980	33,189	2,209	40,598
Wireless 911 Grant	6,837	4,015	(2,822)	1,609
Jail Literacy Grant	13,911	6,341	(7,570)	13,872
State Shared Taxes:				
Shared Revenue	138,409	139,036	627	139,527
Tax Exempt Computer Aids	12,301	12,301	-	12,123
State Grants:				
Aid for Courts	52,275	52,275	-	52,573
Victim/Witness Program	37,940	37,302	(638)	37,289
Septic Systems	10,000	2,200	(7,800)	6,400
Veterans Service Officer	14,500	18,899	4,399	13,518
Probation and Parole	15,000	11,505	(3,495)	32,346
Guardian Ad Litem	17,305	17,435	130	17,305
Snowmobile and ATV Enforcement	15,000	5,773	(9,227)	7,015
County Trunk Highways	1,337,068	1,337,068	-	1,162,668

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)**

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Final Budget	Actual		
<b>REVENUES (CONTINUED)</b>				
Intergovernmental: (Continued)				
State Grants: (Continued)				
Soil and Water Resource Management	\$ 218,080	\$ 188,020	\$ (30,060)	\$ 179,120
Law Enforcement Training	54,700	35,023	(19,677)	24,484
Land Information Board Grants	55,170	85,776	30,606	213,592
Forest Crop/Managed Forest Aides	27,500	32,756	5,256	27,388
Severance and Withdrawal Taxes	18,000	32,817	14,817	39,322
Payment in Lieu of Taxes	27,000	35,669	8,669	41,788
Other State Aid	70,000	52,328	(17,672)	47,174
Total Intergovernmental	<u>2,190,764</u>	<u>2,152,186</u>	<u>(38,578)</u>	<u>2,126,825</u>
Licenses and Permits:				
Licenses:				
Conservation License Fees	250	231	(19)	65
Marriage License Revenue	5,000	5,640	640	5,420
Permits:				
Zoning Fees	<u>158,530</u>	<u>171,436</u>	<u>12,906</u>	<u>195,932</u>
Total Licenses and Permits	<u>163,780</u>	<u>177,307</u>	<u>13,527</u>	<u>201,417</u>
Fines, Forfeits, and Penalties:				
Law and Ordinance Violations:				
County Share of Fines and Forfeitures	79,000	71,941	(7,059)	79,182
Public Charge for Services:				
General Government:				
Treasurer's Fees	100	623	523	485
Register of Deeds Fees	117,000	124,728	7,728	119,794
Land Modernization Fees	31,000	27,492	(3,508)	27,522
Surveyor Fees	800	-	(800)	-
Court Fees and Costs	33,000	27,902	(5,098)	32,964
Register in Probate Fees	4,000	9,672	5,672	5,543
Assessment of Property Fees	1,000	867	(133)	862
Land Records	1,000	-	(1,000)	-

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)**

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Final Budget	Actual		
<b>REVENUES (CONTINUED)</b>				
Public Charges for Services: (Continued)				
General Government: (Continued)				
Family Counseling Fees	\$ 1,500	\$ 1,615	\$ 115	\$ 1,520
Guardian Ad Litem Reimbursement	60,000	57,626	(2,374)	72,681
District Attorney Fees	3,200	7,431	4,231	3,894
Coroner	12,000	12,400	400	13,400
Public Safety:				
Sheriff Fees	27,000	21,081	(5,919)	23,050
Inmate Phone	6,000	8,816	2,816	10,426
Electric Monitor Revenue	15,500	21,060	5,560	21,634
Board of Prisoners - Huber Law	3,000	5,347	2,347	4,183
County Numbering System	8,000	4,680	(3,320)	4,380
Prisoner Medical Reimbursements	12,000	21,890	9,890	12,156
Health and Human Services:				
Veteran Service Fees	11,500	11,266	(234)	15,950
Culture, Recreation, and Education:				
UWEX Extension Fees	3,000	1,487	(1,513)	2,507
Conservation and Development:				
Soil and Water Revenue	11,000	16,084	5,084	13,607
Total Public Charges for Services	<u>361,600</u>	<u>382,067</u>	<u>20,467</u>	<u>386,558</u>
Intergovernmental Charges for Services:				
Smart Growth Planning	12,500	20,442	7,942	14,407

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)**

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Final Budget	Actual		
<b>REVENUES (CONTINUED)</b>				
Miscellaneous:				
Interest:				
Temporary Investments	\$ 96,000	\$ 332,187	\$ 236,187	\$ 202,374
Rent:				
Buildings	12,204	12,192	(12)	13,005
Property Sales:				
Sale of General Capital Assets	-	20,688	20,688	11,100
Sale of Sheriff Department Cars	15,000	14,073	(927)	19,695
Sale of Maps and Plats	5,300	3,497	(1,803)	5,558
Sale of CSM's	3,847	7,654	3,807	5,735
Other:				
County Cars Revenue	29,871	48,745	18,874	30,044
Refund of Prior Year Expenditures	-	(22,178)	(22,178)	-
Donations	2,500	2,662	162	(1,300)
Miscellaneous	111,746	4,547	(107,199)	10,245
Total Miscellaneous Revenues	<u>276,468</u>	<u>424,067</u>	<u>147,599</u>	<u>296,456</u>
Total Revenues	12,457,872	12,861,526	403,654	12,534,190
<b>EXPENDITURES</b>				
General Government:				
Legislative:				
Board	86,471	78,141	8,330	76,781
Judicial:				
Judge	105,500	213,379	(107,879)	173,205
Juvenile Court				
Clerk of Courts	264,483	274,627	(10,144)	272,610
Register in Probate	19,023	1,124	17,899	12,480
Family Court Commissioner	30,783	31,427	(644)	30,641
Coroner	58,459	60,474	(2,015)	58,517
Legal:				
District Attorney	163,656	173,743	(10,087)	156,062
Family Counseling	3,500	4,968	(1,468)	3,354
Criminal Justice Coordinator	149,082	113,822	35,260	113,859
Corporation Counsel	196,562	197,839	(1,277)	156,841
Victim/Witness Coordinator	76,989	77,685	(696)	72,847

**WASHBURN COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2018**  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Final Budget	Actual		
<b>EXPENDITURES (CONTINUED)</b>				
General Government: (Continued)				
General Administration:				
Clerk	\$ 174,155	\$ 175,304	\$ (1,149)	\$ 160,768
Administration	199,338	430,850	(231,512)	241,109
Contracted Services	115,334	12,920	102,414	66,407
Elections	30,600	52,852	(22,252)	15,065
Information Technology	608,341	581,939	26,402	566,031
Information Technology Capital Equipment	28,370	28,791	(421)	41,728
Central Postage	29,950	28,020	1,930	24,976
Financial Administration:				
Accounting and Auditing	185,101	185,611	(510)	262,674
Treasurer	225,491	223,297	2,194	212,458
Assessment of Property	4,050	3,503	547	4,033
Purchasing	188,287	168,689	19,598	154,823
General Building and Plant:				
Annex - Spooner	51,483	52,671	(1,188)	51,378
Annex - Shell Lake	67,191	66,591	600	65,383
Annex - City of Spooner	42,665	39,911	2,754	37,265
Dunbar Building Maintenance	19,929	17,844	2,085	19,632
Courthouse	352,782	365,566	(12,784)	343,599
Building Repair	21,399	12,648	8,751	19,203
Wayside	29,362	27,632	1,730	30,273
Memorials	2,500	-	2,500	2,370
Property Records and Control:				
Register of Deeds	202,582	196,138	6,444	215,178
Surveyor	433,682	391,832	41,850	506,705
Land Record's Office	-	-	-	1,449
Maps and Plats	-	26,961	(26,961)	-
Other General Government:				
County Owned Cars Expense	34,871	27,708	7,163	4,894
Property and Liability Insurance	54,500	72,062	(17,562)	52,340
Contingency:				
Other	170,166	-	170,166	-
Total General Government	<u>4,426,637</u>	<u>4,416,569</u>	<u>10,068</u>	<u>4,226,938</u>

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)**

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Final Budget	Actual		
<b>EXPENDITURES (CONTINUED)</b>				
Public Safety:				
Sheriff	\$ 2,036,976	\$ 1,988,969	\$ 48,007	\$ 1,909,234
Fire Suppression	100	266	(166)	-
Jail Expenses	1,909,552	1,993,257	(83,705)	1,850,552
Special Response Team	12,794	42,762	(29,968)	-
Highway Safety	1,000	-	1,000	-
County Numbering System	7,700	4,849	2,851	4,036
Emergency Government	84,218	76,646	7,572	94,655
Emergency Communications	4,896	3,503	1,393	5,853
Total Public Safety	<u>4,057,236</u>	<u>4,110,252</u>	<u>(53,016)</u>	<u>3,864,330</u>
Public Works:				
Transportation Facilities:				
Appropriations to Highway Department [1]	2,752,143	2,752,143	-	2,644,668
Other Transportation:				
Transit Commission	150	-	150	-
Airport	8,700	8,700	-	7,700
Total Transportation Facilities	<u>2,760,993</u>	<u>2,760,843</u>	<u>150</u>	<u>2,652,368</u>
Sanitation:				
Wisconsin Fund Grant	10,000	2,200	7,800	6,400
Total Sanitation	<u>10,000</u>	<u>2,200</u>	<u>7,800</u>	<u>6,400</u>
Total Public Works	2,770,993	2,763,043	7,950	2,658,768
Health and Human Services:				
Health:				
Wellness Program	13,900	2,627	11,273	8,461
Human Services:				
AODA Program	7,560	7,500	60	7,602
Veterans:				
Veterans Service	159,079	157,113	1,966	147,324
Veterans Commission	49,156	46,284	2,872	39,481
Deceased Veterans Affairs	11,250	10,045	1,205	9,490
Total Health and Human Services	<u>240,945</u>	<u>223,569</u>	<u>17,376</u>	<u>212,358</u>

[1] See Schedule C-4

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)**

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Final Budget	Actual		
<b>EXPENDITURES (CONTINUED)</b>				
Culture, Recreation, and Education:				
Culture:				
Library	\$ 228,258	\$ 228,307	\$ (49)	\$ 227,710
Historical Society	17,200	28,200	(11,000)	28,200
Recreation:				
Fairs	43,975	43,975	-	43,975
Education:				
University Extension	204,066	188,019	16,047	136,051
Total Culture, Recreation, and Education	493,499	488,501	4,998	435,936
Conservation and Development:				
Resource Conservation:				
Dam Maintenance	-	-	-	10,960
Soil and Water Conservation	250,641	242,483	8,158	218,418
Aquatic Invasive Species	21,450	20,792	658	19,235
Power Line Related Expenditures	300	-	300	-
Planning:				
Regional Planning Commission	24,754	24,754	-	24,526
Zoning:				
Zoning	237,999	232,563	5,436	217,263
Economic Development:				
Economic Development Corporation and Tourism	221,634	221,634	-	214,133
ITBEC Contribution	3,000	3,000	-	3,000
Total Conservation and Development	759,778	745,226	14,552	707,535
Total Expenditures	12,749,088	12,747,160	1,928	12,105,865
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(291,216)	114,366	405,582	428,325



**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2017)**

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Final Budget	Actual		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In:				
Child Support Fund	\$ -	\$ 17,868	\$ 17,868	\$ -
Highway Department Internal Service Fund	-	501	501	39,050
Capital Projects Fund	-	3,500	3,500	35,400
Transfers from Other Funds	126,975	-	(126,975)	-
Total Transfers In	<u>126,975</u>	<u>21,869</u>	<u>(122,974)</u>	<u>74,450</u>
Transfers Out:				
Human Services Fund	-	(169,783)	(169,783)	(1,420)
Child Support Fund	-	(451)	(451)	-
Forestry Fund	-	(1,714)	(1,714)	(3,212)
Highway Department Fund	-	(1,514)	(1,514)	-
Public Health Fund	-	(809)	(809)	(18,659)
Transfers to Other Funds	(86,319)	-	86,319	-
Total Transfers Out	<u>(86,319)</u>	<u>(174,271)</u>	<u>(87,952)</u>	<u>(23,291)</u>
Total Other Financing Sources (Uses)	<u>40,656</u>	<u>(152,402)</u>	<u>(193,058)</u>	<u>51,159</u>
<b>NET CHANGE IN FUND BALANCE</b>	(250,560)	(38,036)	212,524	479,484
Fund Balance - January 1	<u>8,333,158</u>	<u>8,333,158</u>	-	<u>7,853,674</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 8,082,598</u>	<u>\$ 8,295,122</u>	<u>\$ 212,524</u>	<u>\$ 8,333,158</u>

**WASHBURN COUNTY, WISCONSIN  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2018  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2017)**

	Highway	Copy	Total	
	Department	Machine	2018	2017
<b>ASSETS</b>				
Current Assets:				
Treasurer's Cash and Investments	\$ 3,078,390	\$ 26,527	\$ 3,104,917	\$ 2,216,689
Accounts Receivable	3,126	-	3,126	2,459
Due from Other Governments	809,014	-	809,014	926,503
Due from Other Funds	804,184	-	804,184	1,815,979
Prepaid Expenses	-	-	-	8,510
Inventories	1,136,076	-	1,136,076	1,147,915
Total Current Assets	5,830,790	26,527	5,857,317	6,118,055
Restricted Assets:				
Wisconsin Retirement System Net Pension Asset	344,452	-	344,452	-
Total Restricted Assets	344,452	-	344,452	-
Noncurrent Assets:				
Capital Assets:				
Not Being Depreciated/Depleted	489,782	-	489,782	489,782
Being Depreciated/Depleted	20,335,087	26,919	20,362,006	20,112,228
Accumulated Depreciation	(11,571,153)	(25,189)	(11,596,342)	(10,880,207)
Total Capital Assets	9,253,716	1,730	9,255,446	9,721,803
Total Noncurrent Assets	9,253,716	1,730	9,255,446	9,721,803
Total Assets	15,428,958	28,257	15,457,215	15,839,858
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Related	996,329	-	996,329	737,522
Single Employer Other Postemployment Benefits Related	11,603	-	11,603	-
Multi-Employer Other Postemployment Benefits Related	12,450	-	12,450	-
Total Deferred Outflows of Resources	1,020,382	-	1,020,382	737,522

**WASHBURN COUNTY, WISCONSIN  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
DECEMBER 31, 2018  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2017)**

	Highway Department	Copy Machine	Total	
			2018	2017
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 86,983	\$ -	\$ 86,983	\$ 69,186
Accrued Liabilities	140,283	-	140,283	119,231
Accrued Interest Payable	21,096	-	21,096	26,322
Unearned Revenues	178,626	-	178,626	337,676
Accrued Vacation and Sick Leave - Current	99,191	-	99,191	91,449
Capital Leases Payable - Current	1,018,030	-	1,018,030	431,183
Total Current Liabilities	1,544,209	-	1,544,209	1,075,047
Long-Term Liabilities:				
Advance from Capital Projects Fund	740,523	-	740,523	743,209
Wisconsin Retirement System Net Pension Liability	-	-	-	96,601
Single Employer Other Postemployment Benefits Payable	166,285	-	166,285	332,945
Multi-Employer Other Postemployment Benefits Payable	101,163	-	101,163	-
Accrued Vacation and Sick Leave	221,607	-	221,607	206,418
Capital Leases Payable	620,194	-	620,194	1,638,224
Total Long-Term Liabilities	1,849,772	-	1,849,772	3,017,397
Total Liabilities	3,393,981	-	3,393,981	4,092,444
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Related	1,047,259	-	1,047,259	303,802
Multi-Employer Other Postemployment Benefits Related	1,425	-	1,425	-
Total Deferred Inflows of Resources	1,048,684	-	1,048,684	303,802
<b>NET POSITION</b>				
Net Investment in Capital Assets	7,615,492	1,730	7,617,222	7,652,396
Restricted for Wisconsin Retirement Net Pension Asset	344,452	-	344,452	-
Unrestricted	4,046,731	26,527	4,073,258	4,528,738
Total Net Position	\$ 12,006,675	\$ 28,257	\$ 12,034,932	\$ 12,181,134

**WASHBURN COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2017)

	Highway Department	Copy Machine	Total	
			2018	2017
<b>OPERATING REVENUES</b>	\$ 8,117,584	\$ 3,527	\$ 8,121,111	\$ 9,265,219
<b>OPERATING EXPENSES</b>	8,353,005	577	8,353,582	9,186,441
<b>OPERATING INCOME (LOSS)</b>	(235,421)	2,950	(232,471)	78,778
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Expense	(67,789)	-	(67,789)	(82,647)
Total Nonoperating Revenues (Expenses)	(67,789)	-	(67,789)	(82,647)
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	(303,210)	2,950	(300,260)	(3,869)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Transfers from Forestry Fund	48,838	-	48,838	25,000
Transfers from General Fund	1,514	-	1,514	-
Transfers to General Fund	(501)	-	(501)	(39,050)
Total Capital Contributions and Transfers	49,851	-	49,851	(14,050)
<b>CHANGE IN NET POSITION</b>	(253,359)	2,950	(250,409)	(17,919)
Net Position - January 1	12,155,827	25,307	12,181,134	12,199,053
Change in Accounting Principle	104,207	-	104,207	-
Net Position, January 1 - As Restated	12,260,034	25,307	12,285,341	12,199,053
<b>NET POSITION - DECEMBER 31</b>	<u>\$ 12,006,675</u>	<u>\$ 28,257</u>	<u>\$ 12,034,932</u>	<u>\$ 12,181,134</u>

**WASHBURN COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2017)**

	Highway	Copy	Total	
	Department	Machine	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received for Services Provided	\$ 9,083,200	\$ 3,527	\$ 9,086,727	\$ 9,607,531
Cash Paid to Suppliers for Goods and Services	(3,488,302)	(577)	(3,488,879)	(4,941,430)
Cash Paid for Employee Services	(3,689,415)	-	(3,689,415)	(3,453,730)
Net Cash Provided by Operating Activities	1,905,483	2,950	1,908,433	1,212,371
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from Forestry Fund	50,352	-	50,352	25,000
Transfer to General Fund	(501)	-	(501)	(39,050)
Net Cash Provided (Used) by Noncapital Financing Activities	49,851	-	49,851	(14,050)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Cash Paid for Acquisition of Capital Assets	(567,123)	-	(567,123)	(84,057)
Cash Received for Sale of Capital Assets	3,951	-	3,951	21,898
Cash Paid County on Advance for Gravel Pits	(2,686)	-	(2,686)	(7,703)
Principal Paid on Capital Leases	(431,183)	-	(431,183)	(416,762)
Interest Paid on Capital Leases	(73,015)	-	(73,015)	(87,436)
Net Cash Used by Capital and Related Financing Activities	(1,070,056)	-	(1,070,056)	(574,060)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	885,278	2,950	888,228	624,261
<b>CASH AND CASH EQUIVALENTS - JANUARY 1</b>	2,193,112	23,577	2,216,689	1,592,428
<b>CASH AND CASH EQUIVALENTS - DECEMBER 31</b>	<u>\$ 3,078,390</u>	<u>\$ 26,527</u>	<u>\$ 3,104,917</u>	<u>\$ 2,216,689</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (235,421)	\$ 2,950	\$ (232,471)	\$ 78,778
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	979,592	-	979,592	983,799
Depletion of Gravel Pits	19,826	-	19,826	16,092
Change in Pension Related Items	43,597	-	43,597	80,794
Change in Single-Employer OPEB Related Items	6,573	-	6,573	10,901
Change in Multi-Employer OPEB Related Items	9,509	-	9,509	-
Loss on Disposal of Assets	30,111	-	30,111	4,094
(Increase) Decrease in Assets:				
Accounts Receivable	(667)	-	(667)	3,981
Due from Governmental Units	117,489	-	117,489	828,932
Prepaid Expenses	8,510	-	8,510	(8,510)
Inventories	11,839	-	11,839	(149,884)
Due from Other Funds	1,011,795	-	1,011,795	(623,515)
Increase (Decrease) in Liabilities:				
Vouchers Payable	17,797	-	17,797	(158,337)
Unearned Revenue	(159,050)	-	(159,050)	132,914
Accrued Liabilities	43,983	-	43,983	12,332
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,905,483</u>	<u>\$ 2,950</u>	<u>\$ 1,908,433</u>	<u>\$ 1,212,371</u>

**WASHBURN COUNTY, WISCONSIN**  
**HIGHWAY DEPARTMENT INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2018**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2017)**

	2018	2017
<b>OPERATING REVENUES</b>		
Charges for Services:		
County Highway [1]	\$ 4,266,874	\$ 4,941,516
State Highway	1,872,269	2,583,448
Other Local Highways	1,110,991	1,044,170
County Departments	222,335	308,371
Non-Governmental Customers	287,570	3,359
Other Services	247,002	297,176
Rental Income	3,600	1,800
Miscellaneous Revenue	106,943	82,430
Total Operating Revenues	8,117,584	9,262,270
<b>OPERATING EXPENSES</b>		
Administration and General:		
Administration	373,008	356,288
Patrol Superintendent	53,431	118,649
Radio Expense	4,603	1,027
Public Liability Insurance	466,768	343,890
Transportation Cost Pools:		
Machinery Operations	153,554	112,582
Services Provided:		
County:		
General Maintenance	2,427,670	2,646,434
Reconstruction and Betterments	1,473,003	2,340,699
Winter Maintenance	553,632	490,101
Bridge Maintenance	38,649	7,185
State:		
Highway Maintenance and Construction	1,299,619	1,219,191
Equipment and Salt Storage	143,977	133,915
County Aid Bridge Paid Districts	22,369	66,693
Local Districts	1,111,619	1,026,195
Local Departments	222,335	308,371
Non-Governmental Customers	2,195	3,359
Other Postemployment Benefits	6,573	10,901
Total Operating Expenses	8,353,005	9,185,480
<b>OPERATING INCOME (LOSS)</b>	(235,421)	76,790
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Expense	(67,789)	(82,647)
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(303,210)	(5,857)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>		
Transfers from Forestry Fund	48,838	25,000
Transfers from General Fund	1,514	-
Transfers to General Fund	(501)	-
Total Capital Contributions and Transfers	49,851	(14,050)
<b>CHANGE IN NET POSITION</b>	(253,359)	(19,907)
Net Position - January 1	12,155,827	12,175,734
Change in Accounting Principle	104,207	-
Net Position, January 1 - As Restated	12,260,034	12,175,734
<b>NET POSITION - DECEMBER 31</b>	\$ 12,006,675	\$ 12,155,827
[1] Charges to County for Highway Maintenance and Construction Consisted of the Following Payments from the General Fund:		
County Appropriations	\$ 1,482,000	\$ 1,482,000
State Transportation Aids	1,337,068	1,162,668
Federal and State Project Revenues	8,788	-
Total General Fund	2,827,856	2,644,668
Charges to Capital Projects Fund and Other Funds	1,439,018	2,296,848
Total County Highway Charges for Services	\$ 4,266,874	\$ 4,941,516

**WASHBURN COUNTY, WISCONSIN  
AGENCY FUND  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Juvenile Restitution</u>	<u>Representative Payee</u>	<u>Clerk of Courts</u>	<u>Sheriff</u>	<u>District Attorney</u>	<u>DNR Licenses</u>	<u>Total</u>
<b>ASSETS</b>							
Treasurer's Cash and Investments	<u>\$ 117</u>	<u>\$ 951</u>	<u>\$ 126,718</u>	<u>\$ 6,929</u>	<u>\$ 520</u>	<u>\$ 74</u>	<u>\$ 135,309</u>
<b>LIABILITIES</b>							
Vouchers Payable	\$ -	\$ 951	\$ -	\$ -	\$ -	\$ -	\$ 951
Special Deposits	<u>117</u>	<u>-</u>	<u>126,718</u>	<u>6,929</u>	<u>520</u>	<u>74</u>	<u>134,358</u>
Total Liabilities	<u>\$ 117</u>	<u>\$ 951</u>	<u>\$ 126,718</u>	<u>\$ 6,929</u>	<u>\$ 520</u>	<u>\$ 74</u>	<u>\$ 135,309</u>