

WASHBURN COUNTY, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019



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**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, 2019, 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, 2019, 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.

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

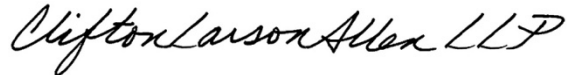
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. 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 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, 2018 which are not presented with the accompanying financial statements. In our report dated October 1, 2019, 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 2018 individual and combining fund statements are presented for purposes of additional analysis and are not

Honorable Members of the Board of Supervisors
Washburn County

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 2018 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 2018 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 6, 2020 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 6, 2020

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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, 2019. 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, 2019 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 \$80,650,748 (net position). Of this amount, \$49,672,407 represented the County's net investment in capital assets, \$3,730,389 was held for restricted purposes, and \$27,247,952 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position decreased by \$504,037.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$30,779,049, an increase of \$7,162,041 from the previous year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$3,848,435 or 30.6% of total general fund expenditures.
- The County had general obligation debt outstanding at December 31, 2019 totaling \$8,680,000 which is an increase of \$7,890,000 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, 2019**

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, the government center 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, 2019**

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 60 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 69 of this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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 \$80,650,748 at the close of the most recent fiscal year. The largest portion of Washburn County's net position (61.6%) 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, 2019 and 2018:

**Condensed Statement of Net Position
December 31, 2019 and 2018**

	Governmental Activities	
	2019	2018
Current Assets	\$ 48,739,924	\$ 42,726,022
Capital Assets	58,514,600	55,325,220
Other Noncurrent Assets	886,132	2,671,561
Total Assets	108,140,656	100,722,803
Deferred Outflows of Resources	5,828,468	5,166,448
Long-Term Debt Outstanding	8,907,395	2,555,135
Other Long-Term Obligations	6,914,255	2,563,481
Other Liabilities	3,526,964	3,479,925
Total Liabilities	19,348,614	8,598,541
Deferred Inflows of Resources	13,969,762	16,135,925
Net Position:		
Net Investment in Capital Assets	49,672,407	52,015,085
Restricted	3,730,389	5,595,733
Unrestricted	27,247,952	23,543,967
Total Net Position	\$ 80,650,748	\$ 81,154,785

An additional portion of Washburn County's net position (4.6%) represents resources that are subject to other restrictions on how they may be used. The remaining \$27,247,952 of total net position (33.8%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position decreased \$504,037 during the current fiscal year.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

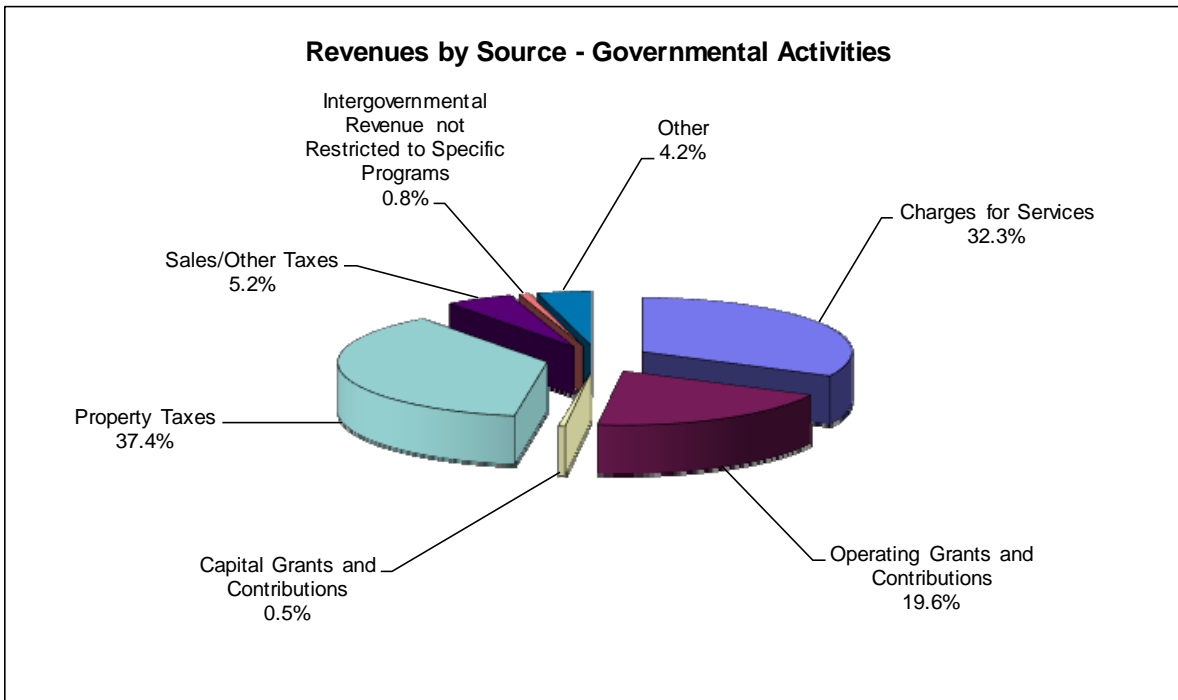
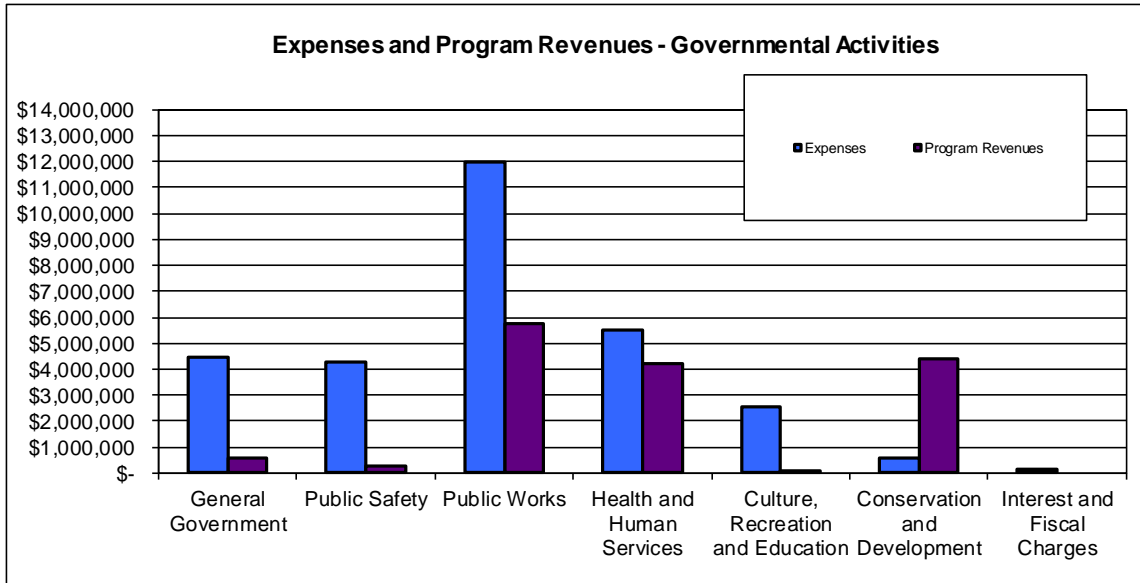
The following is a summary of the changes in the County's net position for the years ended December 31, 2019 and 2018:

**Condensed Statement of Changes in Net Position
December 31, 2019 and 2018**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
REVENUES		
<u>Program Revenues</u>		
Charges for Services	\$ 9,394,360	\$ 8,786,750
Operating Grants and Contributions	5,695,471	5,886,959
Capital Grants and Contributions	158,542	4,015
<u>General Revenues</u>		
Property Taxes	10,854,767	10,684,422
Other Taxes	1,514,296	1,535,693
Grants and Contributions not Restricted for a Particular Purpose	229,960	265,037
Other	1,233,516	1,327,375
Total Revenues	<u>29,080,912</u>	<u>28,490,251</u>
EXPENSES		
General Government	4,460,317	5,127,837
Public Safety	4,275,533	4,011,072
Public Works	11,956,227	8,909,915
Health and Human Services	5,531,343	6,212,019
Culture and Recreation	2,578,002	2,562,629
Conservation and Development	607,538	1,199,251
Interest and Fiscal Charges	175,989	82,807
Total Expenses	<u>29,584,949</u>	<u>28,105,530</u>
CHANGE IN NET POSITION	(504,037)	384,721
Net Position - Beginning of Year	81,154,785	80,770,064
NET POSITION - END OF YEAR	<u>\$ 80,650,748</u>	<u>\$ 81,154,785</u>

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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 (37.4%), operating grants/contributions (19.6%), and charges for services (32.3%).



**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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, 2019, the County's governmental funds reported combined ending fund balances of \$30,799,049, an increase of \$7,162,041 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2019					Total	Change During Year
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds							
General Fund	\$ 1,772,789	\$ 9,187	\$ -	\$ 2,612,293	\$ 3,848,435	\$ 8,242,704	\$ (52,418)
Human Services Fund	-	-	1,670,978	-	-	1,670,978	106,923
Debt Service Fund	-	-	-	1,651,424	-	1,651,424	151,557
Capital Improvement Program Fund	734,703	-	8,555,020	-	-	9,289,723	4,883,847
Government Center Capital Projects Fund	-	-	-	2,754,370	-	2,754,370	2,488,656
Forestry Fund	60,706	369,880	1,497,154	-	-	1,927,740	(379,394)
Nonmajor Funds	413	2,502,190	2,801,589	-	(42,082)	5,262,110	(37,130)
Total Fund Balances	<u>\$ 2,568,611</u>	<u>\$ 2,881,257</u>	<u>\$ 14,524,741</u>	<u>\$ 7,018,087</u>	<u>\$ 3,806,353</u>	<u>\$ 30,799,049</u>	<u>\$ 7,162,041</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 65.4% of total general fund expenditures reported on the statement of revenues, expenditures, and changes in fund balances while the unassigned balance represented 30.6% of the same amount.

The general fund's total fund balance decreased \$52,418 during the year; while the unassigned portion of the fund decreased \$306,263.

The County's human services fund increased \$106,923 in 2019. 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 \$1,651,424 at December 31, 2019 due to the timing of debt service payments and receipt of related tax levy funding and transfers between other funds as well as receipt of a bond premium in the current year.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

The capital improvements program fund had a year-end fund balance of \$9,289,723. 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 \$1,927,740, a decrease of \$397,394. The decrease can primarily be attributed to transfers out to the capital improvements program fund.

The government center capital projects fund issued debt of \$7,655,000 and incurred \$4,170,041 of expenditures during the year. The fund also transferred \$1,000,000 of the debt proceeds to the capital improvements program fund for additional capital funding.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds decreased \$37,130 during 2019 and had an accumulated fund balance of \$5,262,110 at year-end. These funds are individually detailed in the supplementary information section of this report.

Proprietary Funds

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

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

The County had two internal service funds during 2019. 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 \$10,967,978 at December 31, 2019, a decrease of \$1,066,954 from the previous year. Of that amount, \$7,816,298 was invested in capital assets. The remaining net position totaling \$3,151,680 was unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2019 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 2019 of \$814,098 while the actual amounts resulted in a decrease in the fund balance totaling \$52,418. The most significant expenditure budget variances were realized in the general government category which was \$74,965 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, 2019 amounted to \$58,514,600 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and infrastructure. The net increase in the governmental activities capital assets during 2019 was \$3,189,380.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2019 and 2018**

	Governmental Activities	
	2019	2018
Land and Land Rights	\$ 11,953,189	\$ 11,953,189
Gravel Pits and Quarries	405,884	420,085
Land Improvements	1,351,739	1,426,083
Buildings and Improvements	7,998,733	6,827,742
Machinery and Equipment	7,686,419	6,939,087
Highway Infrastructure	24,321,248	26,209,608
Construction Work in Progress	4,797,388	1,549,426
Total	<u>\$ 58,514,600</u>	<u>\$ 55,325,220</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, 2019, Washburn County had outstanding \$12,371,465 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, 2019 and 2018**

	Governmental Activities		Percent Change
	2019	2018	
Long-Term Debt:			
General Obligation Bonds	\$ 8,180,000	\$ 790,000	935.4%
General Obligation Notes	500,000	-	100.0
Subtotal	<u>8,680,000</u>	<u>790,000</u>	998.7
Other Long-Term Obligations:			
Capital Lease Agreements	2,348,022	1,765,135	33.0
Premium on Debt Issuance Cost	145,036	-	100.0
Compensated Absences	1,198,407	1,154,269	3.8
Total	<u>\$ 12,371,465</u>	<u>\$ 3,709,404</u>	233.5

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, 2019 totaled \$8,680,000 approximately 6.6% of the maximum legal limit of \$132,209,275. 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, 2019**

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, 2019**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Industrial Development Agency</u>
ASSETS		
Treasurer's Cash and Investments	\$ 31,877,631	\$ 1,041,943
Taxes Receivable	11,958,516	-
Accounts Receivable	756,608	-
Special Assessments Receivable	8,077	-
Due from Other Governments	2,238,439	-
Inventories	1,206,545	-
Prepaid Expenses	694,108	-
Long-Term Receivables	886,132	1,022,367
Capital Assets:		
Capital Assets Not Being Depreciated	16,750,577	-
Capital Assets Being Depreciated	121,015,743	-
Accumulated Depreciation	<u>(79,251,720)</u>	<u>-</u>
Total Assets	108,140,656	2,064,310
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	5,684,755	-
Single-Employer Other Postemployment Benefits Related	65,468	-
Multiple-Employer Other Postemployment Benefits Related	<u>78,245</u>	<u>-</u>
Total Deferred Outflows of Resources	5,828,468	-
LIABILITIES		
Vouchers and Accounts Payable	1,721,500	10,000
Accrued Liabilities	457,942	5,404
Payroll Deductions	621,696	-
Accrued Interest Payable	83,144	-
Due to Other Governments	46,789	-
Unearned Revenue	409,170	-
Special Deposits	186,723	-
Long-Term Liabilities:		
Amounts Due Within One Year	2,123,175	26,434
Amounts Due in More than One Year	10,248,290	513,937
Wisconsin Retirement System Pension Liability	2,091,294	-
Single-Employer Other Postemployment Benefits Liability	905,802	-
Multiple-Employer Other Postemployment Benefits Liability	<u>453,089</u>	<u>-</u>
Total Liabilities	19,348,614	555,775
DEFERRED INFLOWS OF RESOURCES		
Property Taxes for Subsequent Year	10,923,291	-
Wisconsin Retirement System Pension Related	2,880,905	-
Single-Employer Other Postemployment Benefits Related	41,135	-
Multiple-Employer Other Postemployment Benefits Related	<u>124,431</u>	<u>-</u>
	13,969,762	-
NET POSITION		
Net Investment in Capital Assets	49,672,407	-
Restricted for:		
Housing Loan Program	925,372	-
Other Purposes	2,805,017	1,508,535
Unrestricted	<u>27,247,952</u>	<u>-</u>
Total Net Position	<u>\$ 80,650,748</u>	<u>\$ 1,508,535</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

<u>Functions/Programs</u>					Net Revenue (Expense) and Changes in Net Position	
	Expenses	Program Revenues			Primary Government- Governmental Activities	Component Unit- Industrial Development Agency
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
Governmental Activities:						
General Government	\$ 4,460,317	\$ 314,581	\$ 137,316	\$ 157,129	\$ (3,851,291)	\$ -
Public Safety	4,275,533	189,750	91,116	1,413	(3,993,254)	-
Public Works	11,956,227	4,425,505	1,321,377	-	(6,209,345)	-
Health and Human Services	5,531,343	1,151,557	3,041,802	-	(1,337,984)	-
Culture, Recreation, and Education	2,578,002	1,612	-	-	(2,576,390)	-
Conservation and Development	607,538	3,311,355	1,103,860	-	3,807,677	-
Interest and Fiscal Charges	175,989	-	-	-	(175,989)	-
Total Primary Government	\$ 29,584,949	\$ 9,394,360	\$ 5,695,471	\$ 158,542	(14,336,576)	-
Component Unit:						
Industrial Development Agency	\$ 67,855	\$ 43,285	\$ -	\$ -	-	(24,570)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					10,854,767	-
County Sales Taxes					1,376,793	-
Other Taxes					137,503	-
State and Federal Aids Not Restricted to Specific Functions					229,960	-
Interest and Investment Earnings					988,385	23,434
Miscellaneous					245,131	-
Total General Revenues					13,832,539	23,434
CHANGE IN NET POSITION					(504,037)	(1,136)
Net Position - Beginning of Year					81,154,785	1,509,671
NET POSITION - END OF YEAR					\$ 80,650,748	\$ 1,508,535

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Government Center Capital Projects Fund	Other Governmental Funds	Totals
ASSETS								
Treasurer's Cash and Investments	\$ 6,455,870	\$ 1,377,141	\$ 1,651,424	\$ 8,801,840	\$ 2,227,896	\$ 3,430,501	\$ 5,185,011	\$ 29,129,683
Taxes Receivable	9,159,232	1,127,974	1,067,002	-	-	-	604,308	11,958,516
Accounts Receivable	170,704	292,827	-	13,246	136,651	-	140,815	754,243
Special Assessments Receivable	-	-	-	8,077	-	-	-	8,077
Due from Other Governmental Units	178,094	287,104	-	-	439,620	-	113,897	1,018,715
Due from Other Funds	284,232	-	-	-	-	-	-	284,232
Prepaid Expenses	693,275	-	-	-	420	-	413	694,108
Inventory	7,289	-	-	-	60,286	-	-	67,575
Long-Term Receivables	37,000	-	-	-	-	-	849,132	886,132
Advances to Other Funds	-	-	-	734,703	-	-	-	734,703
Total Assets	\$ 16,985,696	\$ 3,085,046	\$ 2,718,426	\$ 9,557,866	\$ 2,864,873	\$ 3,430,501	\$ 6,893,576	\$ 45,535,984
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
Liabilities:								
Vouchers and Accounts Payable	\$ 330,128	\$ 134,047	\$ -	\$ 15,655	\$ 98,388	\$ 676,131	\$ 100,121	\$ 1,354,470
Payroll Deductions	120,342	-	-	-	501,354	-	-	621,696
Accrued Liabilities	116,364	104,547	-	-	24,168	-	57,124	302,203
Due to Other Governmental Units	45,579	-	-	-	-	-	1,210	46,789
Due to Other Funds	-	-	-	244,411	-	-	57,071	301,482
Unearned Revenues	6,572	10,000	-	-	126,500	-	-	143,072
Special Deposits	-	-	-	-	186,723	-	-	186,723
Total Liabilities	618,985	248,594	-	260,066	937,133	676,131	215,526	2,956,435
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	8,124,007	1,165,474	1,067,002	-	-	-	566,808	10,923,291
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	849,132	849,132
Unavailable Revenue - Special Assessments	-	-	-	8,077	-	-	-	8,077
Total Deferred Inflows of Resources	8,124,007	1,165,474	1,067,002	8,077	-	-	1,415,940	11,780,500
Fund Balances:								
Nonspendable	1,772,789	-	-	734,703	60,706	-	413	2,568,611
Restricted	9,187	-	-	-	369,880	-	2,502,190	2,881,257
Committed	-	1,670,978	-	8,555,020	1,497,154	-	2,801,589	14,524,741
Assigned	2,612,293	-	1,651,424	-	-	2,754,370	-	7,018,087
Unassigned	3,848,435	-	-	-	-	-	(42,082)	3,806,353
Total Fund Balances	8,242,704	1,670,978	1,651,424	9,289,723	1,927,740	2,754,370	5,262,110	30,799,049
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,985,696	\$ 3,085,046	\$ 2,718,426	\$ 9,557,866	\$ 2,864,873	\$ 3,430,501	\$ 6,893,576	\$ 45,535,984

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019**

Total Fund Balance - Governmental Fund \$ 30,799,049

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		2,915,525	
Buildings and Improvements		10,117,312	
Machinery and Equipment		4,673,898	
Vehicles		1,526,243	
Infrastructure		80,957,030	
Construction Work in Progress		4,797,388	
Accumulated Depreciation		<u>(67,993,322)</u>	48,457,481

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

Wisconsin Retirement System Pension:			
Net Pension Liability		(1,665,367)	
Deferred Outflows of Resources - Pension Related		4,526,961	
Deferred Inflows of Resources - Pension Related		<u>(2,294,161)</u>	567,433
Single-Employer Other Postemployment Benefits:			
Net OPEB Liability		(734,012)	
Deferred Outflows of Resources - OPEB Related		53,052	
Deferred Inflows of Resources - OPEB Related		<u>(33,334)</u>	(714,294)
Multiple-Employer Other Postemployment Benefits:			
Net OPEB Liability		(371,533)	
Deferred Outflows of Resources - OPEB Related		64,160	
Deferred Inflows of Resources - OPEB Related		<u>(102,034)</u>	(409,407)

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		849,132	
Special Assessments		<u>8,077</u>	857,209

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

Promissory Notes Payable		500,000	
General Obligation Bonds Payable		8,180,000	
Capital Leases		107,201	
Accrued Interest Payable		64,697	
Unamortized Bond Premium		145,036	
Compensated Absences		<u>877,767</u>	(9,874,701)

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. 10,938,851

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. 29,127

Net Position of Governmental Activities \$ 80,650,748

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Government Center Capital Projects Fund	Other Governmental Funds	Totals
REVENUES:								
Taxes	\$ 9,781,201	\$ 1,170,606	\$ 1,058,142	\$ -	\$ -	\$ -	\$ 565,074	\$ 12,575,023
Intergovernmental	2,129,505	1,759,234	-	157,129	662,534	-	947,963	5,656,365
Licenses and Permits	180,221	-	-	-	-	-	46,217	226,438
Fines, Forfeits, and Penalties	79,328	11,941	-	-	-	-	14,900	106,169
Public Charges for Services	428,662	803,844	-	-	2,903,857	-	566,027	4,702,390
Intergovernmental Charges for Services	13,858	-	-	-	-	-	-	13,858
Miscellaneous	877,017	306,221	-	130,621	152,570	3,697	580,730	2,050,856
Total Revenues	<u>13,489,792</u>	<u>4,051,846</u>	<u>1,058,142</u>	<u>287,750</u>	<u>3,718,961</u>	<u>3,697</u>	<u>2,720,911</u>	<u>25,331,099</u>
EXPENDITURES:								
General Government	4,080,889	-	-	345,340	-	-	-	4,426,229
Public Safety	4,112,107	-	-	-	-	-	33,318	4,145,425
Public Works	2,877,977	-	-	666,601	-	4,170,041	189,695	7,904,314
Health and Human Services	230,018	3,956,848	-	-	-	-	1,777,979	5,964,845
Culture, Recreation, and Education	522,182	-	-	-	1,969,173	-	46,080	2,537,435
Conservation and Development	771,596	-	-	-	-	-	375,892	1,147,488
Debt Service:								
Principal	-	-	265,000	-	19,710	-	-	284,710
Interest and Fiscal Charges	-	-	13,150	16,565	5,092	-	-	34,807
Total Expenditures	<u>12,594,769</u>	<u>3,956,848</u>	<u>278,150</u>	<u>1,028,506</u>	<u>1,993,975</u>	<u>4,170,041</u>	<u>2,422,964</u>	<u>26,445,253</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	895,023	94,998	779,992	(740,756)	1,724,986	(4,166,344)	297,947	(1,114,154)
OTHER FINANCING SOURCES (USES):								
Proceeds of Long-Term Debt	-	-	-	-	500,000	7,655,000	-	8,155,000
Sale of Capital Assets	-	-	-	-	4,254	-	-	4,254
Premium on the Issuance of Debt	-	-	146,257	-	-	-	-	146,257
Transfers In	41,455	31,925	-	5,624,603	1,234	-	35,265	5,734,482
Transfers Out	(988,896)	(20,000)	(774,692)	-	(2,609,868)	(1,000,000)	(370,342)	(5,763,798)
Total Other Financing Sources (Uses)	<u>(947,441)</u>	<u>11,925</u>	<u>(628,435)</u>	<u>5,624,603</u>	<u>(2,104,380)</u>	<u>6,655,000</u>	<u>(335,077)</u>	<u>8,276,195</u>
NET CHANGE IN FUND BALANCES	(52,418)	106,923	151,557	4,883,847	(379,394)	2,488,656	(37,130)	7,162,041
Fund Balance - January 1	<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>265,714</u>	<u>5,299,240</u>	<u>23,637,008</u>
FUND BALANCE - DECEMBER 31	<u>\$ 8,242,704</u>	<u>\$ 1,670,978</u>	<u>\$ 1,651,424</u>	<u>\$ 9,289,723</u>	<u>\$ 1,927,740</u>	<u>\$ 2,754,370</u>	<u>\$ 5,262,110</u>	<u>\$ 30,799,049</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, 2019**

Net Change in Fund Balance - Total Governmental Fund \$ 7,162,041

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	\$ 5,621,310	
Depreciation expense reported in the statement of activities	<u>(2,946,933)</u>	2,674,377

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. (286,670)

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	(623,770)	
Single-Employer Other Postemployment Benefits:	(53,378)	
Multiple-Employer Other Postemployment Benefits:	<u>(25,145)</u>	(702,293)

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. (143,229)

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:

General Obligation Bonds	(7,655,000)	
General Obligation Notes	<u>(500,000)</u>	(8,155,000)

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	
Capital Lease Retirement	<u>19,710</u>	284,710

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 (1,066,954)

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	(81,687)	
Change in Compensated Absences at Year-End	(44,296)	
Change in Unamortized Bond Premium	<u>(145,036)</u>	<u>(271,019)</u>

Change in Net Position of Governmental Activities \$ (504,037)

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019**

	Governmental Activities- Internal Service Funds
ASSETS	
Current Assets:	
Treasurer's Cash and Investments	\$ 2,747,948
Accounts Receivable	2,365
Due from Other Governmental Units	1,219,724
Due from Other Funds	17,250
Inventories and Prepaid Expenses	1,138,970
Total Current Assets	5,126,257
Noncurrent Assets:	
Capital Assets:	
Not Being Depreciated/Depleted	489,782
Being Depreciated/Depleted	20,825,735
Accumulated Depreciation	(11,258,398)
Total Capital Assets	10,057,119
Total Assets	15,183,376
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	1,157,794
Single Employer Other Postemployment Benefits Related	12,416
Multi-Employer Other Postemployment Benefits Related	14,085
Total Deferred Outflows of Resources	1,184,295
LIABILITIES	
Current Liabilities:	
Accounts Payable	367,030
Accrued Liabilities	155,739
Accrued Interest Payable	18,447
Unearned Revenues	266,098
Accrued Vacation and Sick Leave - Current	99,190
Capital Leases Payable - Current	708,514
Total Current Liabilities	1,615,018
Long-Term Liabilities (Net of Current Portion):	
Advance from Capital Projects Fund	734,703
Wisconsin Retirement System Net Pension Liability	425,927
Single Employer Other Postemployment Benefits Payable	171,790
Multi-Employer Other Postemployment Benefits Payable	81,556
Accrued Vacation and Sick Leave	221,450
Capital Leases Payable	1,532,307
Total Long-Term Liabilities	3,167,733
Total Liabilities	4,782,751
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	586,744
Single Employer Other Postemployment Benefits Related	7,801
Multi-Employer Other Postemployment Benefits Related	22,397
Total Deferred Inflows of Resources	616,942
NET POSITION	
Net Investment in Capital Assets	7,816,298
Unrestricted	3,151,680
Total Net Position	\$ 10,967,978

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, 2019**

	<u>Governmental Activities- Internal Service Funds</u>
OPERATING REVENUES	\$ 8,208,066
OPERATING EXPENSES	<u>9,243,620</u>
OPERATING LOSS	(1,035,554)
NONOPERATING EXPENSES	<u>(60,716)</u>
LOSS BEFORE TRANSFERS	(1,096,270)
TRANSFERS	
Transfers from General Fund	32,842
Transfers to General Fund	<u>(3,526)</u>
Total Transfers and Capital Contributions	<u>29,316</u>
CHANGE IN NET POSITION	(1,066,954)
Net Position - January 1	<u>12,034,932</u>
NET POSITION - DECEMBER 31	<u><u>\$ 10,967,978</u></u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received for Services Provided	\$ 8,672,523
Cash Paid to Suppliers for Goods and Services	(3,590,039)
Cash Paid for Employee Services	(4,058,001)
Net Cash Provided by Operating Activities	<u>1,024,483</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from Forestry Fund	32,842
Transfers to General Fund	(3,526)
Total Cash Flows Provided (Used) by Noncapital Financing Activities	<u>29,316</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Paid for Acquisition of Capital Assets	(503,014)
Cash Received for Sale of Capital Assets	402,170
Cash Paid County on Advance for Gravel Pits	(5,820)
Principal Paid on Capital Leases	(1,240,739)
Interest Paid on Capital Leases	(63,365)
Net Cash Provided by Capital and Related Financing Activities	<u>(1,410,768)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(356,969)
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>3,104,917</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u><u>\$ 2,747,948</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (1,035,554)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	1,117,458
Depletion of Gravel Pits	14,201
Change in Pension Related Items	148,399
Change in Single-Employer OPEB Related Items	12,493
Change in Multi-Employer OPEB Related Items	(270)
(Gain) Loss on Disposal of Assets	10,848
(Increase) Decrease in Assets:	
Accounts Receivable	761
Due from Governmental Units	(410,710)
Inventories	(2,894)
Due from Other Funds	786,934
Increase (Decrease) in Liabilities:	
Vouchers Payable	280,047
Unearned Revenue	87,472
Accrued Liabilities	15,298
Net Cash Provided by Operating Activities	<u><u>\$ 1,024,483</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Acquisition of Assets Through Capital Lease	\$ 1,868,420

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION – FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2019**

	<u>Agency Funds</u>
ASSETS	
Treasurer's Cash and Investments	<u>\$ 209,777</u>
LIABILITIES	
Vouchers Payable	\$ 834
Special Deposits	<u>208,943</u>
Total Liabilities	<u>\$ 209,777</u>

See accompanying Notes to Basic Financial Statements.

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019 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, 2019**

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, 2019.

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, 2019**

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.

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

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

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

The County's fiduciary funds consist of 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, 2019**

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, 2019**

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, 2019

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, 2019**

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 governmental column in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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, 2019**

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, 2019**

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, 2019

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, 2019**

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, 2019 are reflected in the financial statements as follows:

Governmental Funds	\$ 29,129,683
Proprietary Funds	2,747,948
Fiduciary Funds	209,777
Total	<u><u>\$ 32,087,408</u></u>

The above cash and investments consisted of the following:

Deposits at Financial Institutions	\$ 25,857,690
Investment in State Local Government Pooled- Investment Fund	6,226,573
Petty Cash	3,145
Total	<u><u>\$ 32,087,408</u></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, 2019**

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, 2019, the County held \$681,319 of deposits that were not insured or collateralized.

Investments

The County's investments at December 31, 2019 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 2019 was 22 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, 2019**

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, 2019 totaling \$849,132. 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, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General County Assets:				
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	1,549,426	3,253,912	5,950	4,797,388
Total Capital Assets Not Being Depreciated	13,012,833	3,253,912	5,950	16,260,795
Capital Assets Being Depreciated:				
Land Improvements	2,817,525	98,000	-	2,915,525
Buildings and Improvements	8,557,371	1,675,224	115,283	10,117,312
Machinery and Equipment	4,686,274	239,588	251,964	4,673,898
Vehicles	1,739,076	113,160	325,993	1,526,243
Highway Infrastructure:				
Roadways	75,465,315	247,376	-	75,712,691
Bridges	1,408,186	-	-	1,408,186
Structures	3,836,153	-	-	3,836,153
Total Capital Assets Being Depreciated	98,509,900	2,373,348	693,240	100,190,008
Total Capital Assets	111,522,733	5,627,260	699,190	116,450,803
Accumulated Depreciation:				
Land Improvements	1,850,237	127,024	-	1,977,261
Buildings and Improvements	4,518,101	184,287	69,874	4,632,514
Equipment and Vehicles	4,584,575	499,886	336,696	4,747,765
Highway Infrastructure	54,500,046	2,135,736	-	56,635,782
Total Accumulated Depreciation	65,452,959	2,946,933	406,570	67,993,322
Net Capital Assets - General County Assets	<u>\$ 46,069,774</u>	<u>\$ 2,680,327</u>	<u>\$ 292,620</u>	<u>\$ 48,457,481</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Governmental Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Highway Department:				
Capital Assets Not Being Depreciated:				
Land	\$ 489,782	\$ -	\$ -	\$ 489,782
Capital Assets Being Depreciated:				
Land Improvements	1,132,983	-	-	1,132,983
Gravel Pits and Quarries*	420,085	-	14,201	405,884
Buildings and Improvements	6,863,479	-	-	6,863,479
Machinery and Equipment	11,918,540	2,839,643	2,361,713	12,396,470
Total Capital Assets Being Depreciated	<u>20,335,087</u>	<u>2,839,643</u>	<u>2,375,914</u>	<u>20,798,816</u>
Total Capital Assets	20,824,869	2,839,643	2,375,914	21,288,598
Accumulated Depreciation:				
Land Improvements	674,188	45,320	-	719,508
Buildings and Improvements	4,075,007	274,537	-	4,349,544
Machinery and Equipment	6,821,958	712,788	1,370,589	6,164,157
Total Accumulated Depreciation	<u>11,571,153</u>	<u>1,032,645</u>	<u>1,370,589</u>	<u>11,233,209</u>
Net Capital Assets - Highway Department	<u>\$ 9,253,716</u>	<u>\$ 1,806,998</u>	<u>\$ 1,005,325</u>	<u>\$ 10,055,389</u>
Copy Machine Fund:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 26,919	\$ -	\$ -	\$ 26,919
Accumulated Depreciation:				
Machinery and Equipment	<u>25,189</u>	<u>-</u>	<u>-</u>	<u>25,189</u>
Net Capital Assets - Copy Machine Fund	<u>\$ 1,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730</u>
Total County:				
Capital Assets Not Being Depreciated	\$ 13,502,615	\$ 3,253,912	\$ 5,950	\$ 16,750,577
Capital Assets Being Depreciated	<u>118,871,906</u>	<u>5,212,991</u>	<u>3,069,154</u>	<u>121,015,743</u>
Total Capital Assets	132,374,521	8,466,903	3,075,104	137,766,320
Accumulated Depreciation	<u>77,049,301</u>	<u>3,979,578</u>	<u>1,777,159</u>	<u>79,251,720</u>
Net Capital Assets - Governmental Activities	<u>\$ 55,325,220</u>	<u>\$ 4,487,325</u>	<u>\$ 1,297,945</u>	<u>\$ 58,514,600</u>

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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	\$ 264,198	\$ -	\$ 264,198
Public Safety	248,627	-	248,627
Transportation	2,143,659	1,032,645	3,176,304
Health and Human Services	57,233	-	57,233
Culture, Recreation and Education	23,906	-	23,906
Conservation and Development	209,310	-	209,310
Total	<u>\$ 2,946,933</u>	<u>\$ 1,032,645</u>	<u>\$ 3,979,578</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2019 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Aging & Disability Resource Center	\$ 15,264	Cash Flow
General Fund	Wildlife Damage Fund	14,450	Cash Flow
General Fund	Animal Control Fund	27,357	Cash Flow
General Fund	Capital Improvement Program Fund	227,161	Gravel Pits
Highway Internal Service Fund	Capital Improvement Program Fund	17,250	2015 Expenses
Total		<u>\$ 301,482</u>	

Advances from/to Other Funds

As of December 31, 2019 the County's capital improvements capital projects fund had advanced the highway department internal service fund \$734,703 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, 2019**

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	Human Services Fund	\$ 20,000	Criminal Justice Supplement
General Fund	Child Support Fund	17,929	Programming Costs
General Fund	Highway Department	3,526	Projects
Forestry Fund	General Fund	1,234	Benefits
Child Support Fund	General Fund	646	Benefits
Council on Aging Fund	General Fund	818	Benefits
Public Health Fund	General Fund	1,252	Benefits
Human Services Fund	General Fund	6,030	Benefits and Projects
Capital Improvement Fund	General Fund	946,074	Capital Projects
Highway Department	General Fund	32,842	Benefits
Recycling Fund	Solid Waste Fund	32,549	Project Funding
Human Services Fund	Child Support Fund	25,895	Benefits
Capital Improvement Fund	Forestry Fund	2,609,868	Capital Projects
Capital Improvement Fund	County Land Sale Fund	293,969	Capital Projects
Capital Improvement Fund	Debt Service Fund	774,692	Capital Projects
Capital Improvement Fund	Government Center Projects Fund	1,000,000	Capital Projects
		<u>\$ 5,767,324</u>	

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the County for the year ended December 31, 2019 were as follows:

	<u>Balances 1/1/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/19</u>	<u>Amounts Due Within One Year</u>
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 790,000	\$ 7,655,000	\$ 265,000	\$ 8,180,000	\$ 1,000,000
General Obligation Notes	-	500,000	-	500,000	49,155
Total Long-Term Debt	790,000	8,155,000	265,000	8,680,000	1,049,155
Other Long-Term Obligations:					
(Governmental Activities):					
Governmental Funds:					
Debt Premium	-	146,257	1,221	145,036	-
Capital Lease Agreement - Grader	126,911	-	19,710	107,201	20,501
Compensated Absences	833,471	273,593	229,297	877,767	245,815
Highway Internal Service Fund:					
Capital Lease - 8 Trucks	770,727	-	770,727	-	-
Capital Lease - 5 Trucks	631,706	-	148,390	483,316	483,316
Capital Lease - 2 Tractors	55,886	-	55,886	-	-
Capital Lease - Paint Truck	179,905	-	43,027	136,878	44,301
Capital Lease - 8 Trucks	-	1,843,336	222,709	1,620,627	180,897
Compensated Absences	320,798	99,032	99,190	320,640	99,190
Total Other Long-Term Liabilities	2,919,404	2,362,218	1,590,157	3,691,465	1,074,020
Total Long-Term Liabilities	<u>\$ 3,709,404</u>	<u>\$10,517,218</u>	<u>\$ 1,855,157</u>	<u>\$12,371,465</u>	<u>\$ 2,123,175</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Changes in Long-Term Obligations (Continued)

The County's estimated liability for employee leave is discussed in Note 3.A.

The County's general obligation bonds are liquidated by the debt service fund. Compensated absences and other postemployment benefits payable are generally liquidated by the general fund and highway department internal service fund.

General Obligation Debt

Annual Requirements for Retirement. Long-term debt issues outstanding at December 31, 2019 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%	2020	\$ 265,000	\$ 7,850	\$ 272,850
	2021	260,000	2,600	262,600
	Total	<u>\$ 525,000</u>	<u>\$ 10,450</u>	<u>\$ 535,450</u>

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds, \$7,655,000, issued 8/6/19, Due 3/1/39, interest between 2.0% and 3.0%	2020	\$ 735,000	\$ 194,808	\$ 929,808
	2021	270,000	171,631	441,631
	2022	280,000	166,131	446,131
	2023	290,000	160,431	450,431
	2024	300,000	154,531	454,531
	2025-2029	1,665,000	676,483	2,341,483
	2030-2034	1,985,000	466,706	2,451,706
	2035-2039	2,130,000	150,900	2,280,900
Total		<u>\$ 7,655,000</u>	<u>\$ 2,141,621</u>	<u>\$ 9,796,621</u>

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Notes, \$500,000, issued 8/1/19 due 3/1/29, interest at 2.54%	2020	\$ 49,155	\$ 7,505	\$ 56,660
	2021	45,223	11,437	56,660
	2022	46,369	10,289	56,658
	2023	47,546	9,114	56,660
	2024	48,752	7,907	56,659
	2025-2029	262,955	20,347	283,302
	Total		<u>\$ 500,000</u>	<u>\$ 66,599</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, 2019, the County's debt limit amounted to \$132,209,275 and indebtedness subject to the limitation totaled \$8,680,000.

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 lease accrued interest at 3.798% and was paid in full during 2019.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Capital Lease Agreements (Continued)

On August 26, 2019, 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 \$1,845,744 with accumulated depreciation at December 31, 2019 of \$59,580. The lease agreement is due on October 1, 2024 with an interest rate of 2.911%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - 8 Trucks	2020	\$ 180,897	\$ 47,178	\$ 228,075
\$1,843,336, issued 8/26/2019	2021	186,163	41,912	228,075
due 10/1/2024, interest at 2.911%	2022	191,583	36,492	228,075
	2023	197,160	30,915	228,075
	2024	864,824	25,176	890,000
	Total	<u>\$ 1,620,627</u>	<u>\$ 181,673</u>	<u>\$ 1,802,300</u>

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, 2019 of \$431,168. 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				
\$1,218,018, issued 10/15/15				
due 10/15/2020, interest at 3.4521%	2020	<u>\$ 483,316</u>	<u>\$ 16,684</u>	<u>\$ 500,000</u>

On November 19, 2015, the County entered into a capital lease agreement for two tractors and related mowing equipment. The lease accrued interest at 3.798% and was paid in full during 2019.

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, 2019 of \$90,737. 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	2020	\$ 44,301	\$ 4,054	\$ 48,355
\$310,719, issued 4/24/2016	2021	45,613	2,742	48,355
due 4/15/22, interest at 2.962%	2022	46,964	1,391	48,355
	Total	<u>\$ 136,878</u>	<u>\$ 8,187</u>	<u>\$ 145,065</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019 of \$23,921. The lease agreement is due on March 20, 2022 with an interest rate of 3.94%. The repayment schedule is as follows:

	Year	Principal	Interest	Total
Capital Lease - Grader	2020	\$ 20,501	\$ 4,301	\$ 24,802
\$151,714, issued 3/20/2018	2021	21,323	3,478	24,801
due 3/20/2022, interest at 3.94%	2022	65,377	2,623	68,000
	Total	<u>\$ 107,201</u>	<u>\$ 10,402</u>	<u>\$ 117,603</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 did not have a liability under this program at December 31, 2019.

F. Temporary Notes Payable

Changes in temporary notes payable of the County for the year ended December 31, 2019 were as follows:

Balance 01/01/19	Additions	Reductions	Balances 12/31/19	Accrued Interest	Interest Rate	Interest Expense
\$ 755,000	\$ -	\$ 755,000	\$ -	\$ -	4.00%	\$ 16,565

The County's short-term notes payable consisted of a State Trust Fund Loan for \$755,000 used to finance capital projects. 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, 2019**

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, 2019 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund:						
Delinquent Taxes	\$ 1,035,225	\$ 1,035,225	\$ -	\$ -	\$ -	\$ -
Inventories/Prepayments	700,564	700,564	-	-	-	-
Long-Term Note Receivable	37,000	37,000	-	-	-	-
Register of Deeds - PEA/RET Funds	9,187	-	9,187	-	-	-
Sick Leave Liability	1,315,000	-	-	-	1,315,000	-
HSD Youth	105,157	-	-	-	105,157	-
Dam Maintenance	10,007	-	-	-	10,007	-
Memorials-Donations	6,875	-	-	-	6,875	-
Unclaimed Funds	299	-	-	-	299	-
Health Insurance Excess	755,548	-	-	-	755,548	-
IT Capital Equipment Fund	47,823	-	-	-	47,823	-
Property & Insurance-Deductibles	50,000	-	-	-	50,000	-
Maps & Plats	35,495	-	-	-	35,495	-
County Cars	274,379	-	-	-	274,379	-
Veterans-WW	11,263	-	-	-	11,263	-
Wellness	447	-	-	-	447	-
Unassigned	3,848,435	-	-	-	-	3,848,435
Subtotal General Fund	8,242,704	1,772,789	9,187	-	2,612,293	3,848,435
Committed for Human Services Programs	1,670,978	-	-	1,670,978	-	-
Forestry Department Programs	1,927,740	60,706	369,880	1,497,154	-	-
Debt Service	1,651,424	-	-	-	1,651,424	-
Government Center Capital Projects Fund	2,754,370	-	-	-	2,754,370	-
Capital Improvements Program Fund:						
Committed for Capital Projects	8,555,020	-	-	8,555,020	-	-
Advances to Other Funds	734,703	734,703	-	-	-	-
Subtotal Major Funds	25,536,939	2,568,198	379,067	11,723,152	7,018,087	3,848,435

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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:						
Committed for Health Services Programs	\$ 284,411	\$ -	\$ -	\$ 284,411	\$ -	\$ -
Child Support Fund	151,253	-	-	151,253	-	-
Committed for ADRC Programs	5,581	-	-	5,581	-	-
Council on Aging Fund:						
Inventories/Prepayments	413	413	-	-	-	-
Restricted for the DOT Medical Escort Program	39,068	-	39,068	-	-	-
Committed for Aging Services	371,812	-	-	371,812	-	-
Wildlife Damage Program	(14,450)	-	-	-	-	(14,450)
Restricted for CDBG Revolving Loan Program	76,240	-	76,240	-	-	-
Development Fund:						
Impact Fees Restricted for Environmental and Capital Improvements	659,919	-	659,919	-	-	-
Committed for Building Project	835,887	-	-	835,887	-	-
Recycling Program	461,804	-	-	461,804	-	-
Animal Control Program	(27,632)	-	-	-	-	(27,632)
County Land Sales Fund:						
Committed for Dam Maintenance	675,319	-	-	675,319	-	-
Restricted for Jail Assessments Fee Funded Projects	69,637	-	69,637	-	-	-
Sheriff Special Activity Fund:						
Donor Restrictions for Sheriff Operations	42,311	-	42,311	-	-	-
Committed for Projects in the Sheriff's Department	15,522	-	-	15,522	-	-
Restricted for Environmental and Socioeconomic Impact Fund Projects						
Restricted for County Trunk D Project	1,057,195	-	1,057,195	-	-	-
Restricted for County Trunk D Project	346,290	-	346,290	-	-	-
Solid Waste Projects:						
Restricted by Contract Agreements for Solid Waste Improvements	211,530	-	211,530	-	-	-
Subtotal Nonmajor Funds	<u>5,262,110</u>	<u>413</u>	<u>2,502,190</u>	<u>2,801,589</u>	<u>-</u>	<u>(42,082)</u>
 Total Governmental Fund Balance at December 31, 2019	 <u>\$ 30,799,049</u>	 <u>\$ 2,568,611</u>	 <u>\$ 2,881,257</u>	 <u>\$ 14,524,741</u>	 <u>\$ 7,018,087</u>	 <u>\$ 3,806,353</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019 was \$877,767.

Highway Department Employees. Vacation and sick leave accrued to highway department employees totaled \$320,640 on December 31, 2019 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, 2019**

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, 2019 through December 31, 2019, the WRS recognized \$631,990 in contributions from the County.

Contribution rates as of December 31, 2019 are:

	<u>Employee</u>	<u>Employer</u>	<u>Duty Disability</u>
General	6.55%	6.55%	0.00%
Executives and Elected Officials	6.55%	6.55%	0.00%
Protective with Social Security	6.55%	10.55%	0.17%
Protective without Social Security	6.55%	14.95%	0.17%

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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>
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
2018	2.4	17.0

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

At December 31, 2019, the County reported a liability of \$2,091,294 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. The County's proportion of the net pension liability 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, 2018, the County's proportion was 0.05878244 percent, which was an increase of 0.00010025 percent from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized pension expense of \$1,423,580. At December 31, 2019, 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, 2019**

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	\$ 1,628,799	\$ 2,879,135
Changes of Assumptions	352,516	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,054,193	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	17,257	1,770
County Contributions Subsequent to the Measurement Date	631,990	-
Total	<u>\$ 5,684,755</u>	<u>\$ 2,880,905</u>

\$631,990 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, 2020. 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	\$ 788,233
2020	202,086
2021	343,475
2022	838,066
2023	-
Thereafter	-
	<u>\$ 2,171,860</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, 2019**

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, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% to 5.6%
Post-Retirement Adjustments	1.9%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017.

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:

	Target Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
<u>Core Fund Asset Class</u>			
Global Equities	49.0 %	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9.0	6.5	3.9
Private Equity/Debt	8.0	9.4	6.7
Multi-Asset	4.0	6.7	4.1
Total Core Fund	110.0	7.3	4.7
<u>Variable Fund Asset Class</u>			
US Equities	70.0 %	7.6%	5.0%
International Equities	30.0	8.5	5.9
Total Variable Fund	100.0	8.0	5.4

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 7.00 percent was used to measure the total pension liability as opposed to a discount rate of 7.20 for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00 percent and a municipal bond rate of 3.71 percent. Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal 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 7.00 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) 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)	\$ 8,311,025	\$ 2,091,294	\$ (2,533,556)

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, the County reported a total OPEB liability of \$905,802. Changes in the County's total OPEB liability were as follows:

	Total OPEB Liability (a)
Balance at December 31, 2018	<u>\$ 876,775</u>
Changes for the year:	
Service Cost	92,075
Interest	32,495
Changes of Assumptions or Other Input	(46,671)
Benefit Payments	<u>(48,872)</u>
Net Changes	<u>29,027</u>
Balance at December 31, 2019	<u><u>\$ 905,802</u></u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2018
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 (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Net OPEB Liability (Asset) 12/31/19	<u>\$ 977,229</u>	<u>\$ 905,802</u>	<u>\$ 838,799</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) 12/31/19	<u>\$ 794,672</u>	<u>\$ 905,802</u>	<u>\$ 1,038,461</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$121,615. At December 31, 2019, 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	\$ 16,596	\$ 41,135
County Contributions Subsequent to the Measurement Date	48,872	-
Total	<u>\$ 65,468</u>	<u>\$ 41,135</u>

Contributions subsequent to the measurement date of \$48,872 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
2020	\$ (2,955)
2021	(2,955)
2022	(2,955)
2023	(2,955)
2024	(2,955)
Thereafter	(9,764)

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, 2019**

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, 2019 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 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, 2018 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 \$20,292 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, 2019, the County reported a liability of \$453,089 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 and rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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, 2018, the County's proportion was 0.17559300 percent, which was a decrease of 0.00113700 percent from its proportion measured as of December 31, 2017.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, the County recognized OPEB expense of \$45,191. At December 31, 2019, 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	\$ -	\$ 22,985
Changes of Assumptions or Other Input	43,231	98,211
Net Difference Between Projected and Actual Earnings on OPEB Investments	10,828	-
Change in proportion and differences between employer contributions and proportionate share of contributions	3,894	3,235
County Contributions Subsequent to the Measurement Date	20,292	-
Total	<u>\$ 78,245</u>	<u>\$ 124,431</u>

\$20,292 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, 2020. 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>
2020	\$ (8,739)
2021	(8,739)
2022	(8,739)
2023	(10,260)
2024	(11,826)
Thereafter	(18,175)

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return	5.00%
Discount Rate	4.22%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 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 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

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%	1.44%
U.S. Credit Bonds	Barclays Credit	40%	2.69%
U.S. Long Credit Bonds	Barclays Long Credit	4%	3.01%
U.S. Mortgages	Barclays MBS	54%	2.25%
U.S. Municipal Bonds	Bloomberg Barclays Muni	1	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

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

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

Single Discount rate. A single discount rate of 4.22% 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 4.22 percent, as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 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) 12/31/19	\$ 644,549	\$ 453,089	\$ 305,421

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, 2019**

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.

H. Subsequent Events

Subsequent to year-end, the County issued \$6,215,000 of general obligation county building bonds as part of the financing plan for the new government center project. The bonds are dated May 6, 2020, accrue interest between 1.25% and 2.0% and are payable semi-annually through March 1, 2030.

REQUIRED SUPPLEMENTARY INFORMATION

WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 9,516,065	\$ 9,516,065	\$ 9,781,201	\$ 265,136
Intergovernmental	2,044,344	2,218,063	2,129,505	(88,558)
Licenses and Permits	171,825	171,825	180,221	8,396
Fines, Forfeits, and Penalties	79,000	79,000	79,328	328
Public Charges for Services	355,100	355,100	428,662	73,562
Intergovernmental Charges for Services	11,000	11,000	13,858	2,858
Miscellaneous	271,504	272,029	877,017	604,988
Total Revenues	12,448,838	12,623,082	13,489,792	866,710
EXPENDITURES				
General Government	3,892,468	4,005,924	4,080,889	(74,965)
Public Safety	4,019,034	4,060,887	4,112,107	(51,220)
Public Works	2,892,385	2,892,385	2,877,977	14,408
Health and Human Services	247,130	247,655	230,018	17,637
Culture, Recreation, and Education	494,503	494,503	522,182	(27,679)
Conservation and Development	763,020	830,646	771,596	59,050
Total Expenditures	12,308,540	12,532,000	12,594,769	(62,769)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	140,298	91,082	895,023	803,941
OTHER FINANCING SOURCES (USES)				
Transfers In	352,929	382,145	41,455	(340,690)
Transfers Out	(348,251)	(1,287,325)	(988,896)	298,429
Total Other Financing Sources (Uses)	4,678	(905,180)	(947,441)	(42,261)
NET CHANGE IN FUND BALANCE	144,976	(814,098)	(52,418)	761,680
Fund Balance - January 1	8,295,122	8,295,122	8,295,122	-
FUND BALANCE - DECEMBER 31	\$ 8,440,098	\$ 7,481,024	\$ 8,242,704	\$ 761,680

See accompanying Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,170,606	\$ 1,170,606	\$ 1,170,606	\$ -
Intergovernmental	1,685,918	1,685,918	1,759,234	73,316
Fines, Forfeits, and Penalties	16,000	16,000	11,941	(4,059)
Public Charges for Services	1,136,140	1,136,140	803,844	(332,296)
Miscellaneous	<u>232,455</u>	<u>232,455</u>	<u>306,221</u>	<u>73,766</u>
Total Revenues	4,241,119	4,241,119	4,051,846	(189,273)
EXPENDITURES				
Health and Human Services	<u>4,266,915</u>	<u>4,272,945</u>	<u>3,956,848</u>	<u>316,097</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,796)	(31,826)	94,998	126,824
OTHER FINANCING SOURCES (USES)				
Transfers In	25,796	31,826	31,925	99
Transfers Out	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
Sch	<u>25,796</u>	<u>31,826</u>	<u>11,925</u>	<u>(19,901)</u>
NET CHANGE IN FUND BALANCE	-	-	106,923	106,923
Fund Balance - January 1	<u>1,564,055</u>	<u>1,564,055</u>	<u>1,564,055</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,564,055</u>	<u>\$ 1,564,055</u>	<u>\$ 1,670,978</u>	<u>\$ 106,923</u>

See accompanying Notes to Required Supplementary Information.

WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – FORESTRY FUND
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 566,362	\$ 566,362	\$ 662,534	\$ 96,172
Public Charges for Services	1,974,428	1,974,428	2,903,857	929,429
Other Revenues	845,483	845,483	152,570	(692,913)
Total Revenues	<u>3,386,273</u>	<u>3,386,273</u>	<u>3,718,961</u>	<u>332,688</u>
EXPENDITURES				
Culture, Recreation, and Education	2,799,051	2,800,285	1,969,173	831,112
Debt Service				
Principal	-	-	19,710	(19,710)
Interest	-	-	5,092	(5,092)
Total Expenditures	<u>2,799,051</u>	<u>2,800,285</u>	<u>1,993,975</u>	<u>806,310</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	587,222	585,988	1,724,986	1,138,998
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	500,000	500,000	500,000	-
Sale of Capital Assets	-	-	4,254	4,254
Transfers In	34,802	36,036	1,234	(34,802)
Transfers Out	(1,122,024)	(2,622,024)	(2,609,868)	12,156
Total Other Financing Sources (Uses)	<u>(587,222)</u>	<u>(2,085,988)</u>	<u>(2,104,380)</u>	<u>(18,392)</u>
NET CHANGE IN FUND BALANCE	-	(1,500,000)	(379,394)	1,120,606
Fund Balance - January 1	<u>2,307,134</u>	<u>2,307,134</u>	<u>2,307,134</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ 2,307,134</u></u>	<u><u>\$ 807,134</u></u>	<u><u>\$ 1,927,740</u></u>	<u><u>\$ 1,120,606</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)**

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service Cost	\$ 84,164	\$ 92,075
Interest	31,914	32,495
Changes of Assumptions or Other Input	21,758	(46,671)
Benefit Payments	<u>(42,000)</u>	<u>(48,872)</u>
Net Change in Total OPEB Liability	95,836	29,027
Total OPEB Liability - Beginning	<u>780,939</u>	<u>876,775</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 876,775</u></u>	<u><u>\$ 905,802</u></u>
Covered Payroll	\$ 7,442,221	\$ 7,556,000
County's Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	11.78%	11.99%

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	2018
County's proportion of the net OPEB liability (asset)	0.17673000%	0.17559300%
County's proportionate share of the net OPEB liability (asset)	\$ 532,437	\$ 453,089
County's covered payroll	\$ 7,442,221	\$ 7,442,221
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.15%	6.09%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%	48.69%

*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)**

County's Fiscal Year Ended: December 31,	<u>2018</u>	<u>2019</u>
Contractually Required Contributions	\$ 3,360	\$ 3,381
Contributions in Relation to the Contractually Required Contributions	(3,360)	(3,381)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 County's Covered Payroll	 \$ 7,442,221	 \$ 7,556,000
 Contributions as a Percentage of Covered Payroll	 0.05%	 0.04%

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,

	2014	2015	2016	2017	2018
County's Proportion of the Net Pension Liability (Asset)	0.05976855%	0.05951674%	0.05859888%	0.05868219%	0.05878244%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,468,079)	\$ 967,135	\$ 482,995	\$ (1,742,343)	\$ 2,091,294
County's Covered Payroll	\$ 7,500,743	\$ 7,793,876	\$ 7,671,986	\$ 8,065,845	\$ 8,490,958
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered	19.57%	12.41%	6.30%	-21.60%	24.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%	0.00%

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

See accompanying Notes to Required Supplementary Information.

**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	2019
Contractually Required Contribution	\$ 575,869	\$ 549,046	\$ 560,748	\$ 594,156	\$ 631,990
Contributions in Relation to the Contractually Required Contributions	(575,869)	(549,046)	(560,748)	(594,156)	(631,990)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 7,793,876	\$ 7,671,986	\$ 8,065,845	\$ 8,490,958	\$ 8,981,520
Contributions as a Percentage of Covered Payroll	7.39%	7.16%	6.95%	7.00%	7.04%

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, 2019**

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, 2019**

	Special Revenue Funds							
	Public Health	Child Support	Aging and Disability Resource Center	Council on Aging	CDBG Grant Fund	Wildlife Damage	Development Fund	Animal Control
ASSETS								
Treasurer's Cash and Investments	\$ 239,272	\$ 110,350	\$ -	\$ 433,036	\$ 76,240	\$ -	\$ 1,495,806	\$ -
Taxes Receivable	247,936	-	7,085	297,362	-	-	-	51,925
Accounts Receivable	32,079	144	-	5,541	-	-	-	390
Due from Other Governmental Units	-	51,355	36,998	19,346	-	6,198	-	-
Loans Receivable	-	-	-	-	849,132	-	-	-
Prepaid Expenses	-	-	-	413	-	-	-	-
Total Assets	\$ 519,287	\$ 161,849	\$ 44,083	\$ 755,698	\$ 925,372	\$ 6,198	\$ 1,495,806	\$ 52,315
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
Liabilities:								
Vouchers Payable	\$ 3,956	\$ 1,199	\$ 1,274	\$ 33,993	\$ -	\$ 6,198	\$ -	\$ 141
Accrued Liabilities	19,798	9,397	14,879	13,050	-	-	-	-
Due to Other Governmental Units	686	-	-	-	-	-	-	524
Due to Other Funds	-	-	15,264	-	-	14,450	-	27,357
Total Liabilities	24,440	10,596	31,417	47,043	-	20,648	-	28,022
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	210,436	-	7,085	297,362	-	-	-	51,925
Loans Receivable	-	-	-	-	849,132	-	-	-
Total Deferred Inflows of Resources	210,436	-	7,085	297,362	849,132	-	-	51,925
Fund Balance:								
Nonspendable	-	-	-	413	-	-	-	-
Restricted	-	-	-	39,068	76,240	-	659,919	-
Committed	284,411	151,253	5,581	371,812	-	-	835,887	-
Unassigned	-	-	-	-	-	(14,450)	-	(27,632)
Total Fund Balance	284,411	151,253	5,581	411,293	76,240	(14,450)	1,495,806	(27,632)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 519,287	\$ 161,849	\$ 44,083	\$ 755,698	\$ 925,372	\$ 6,198	\$ 1,495,806	\$ 52,315

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2019**

Special Revenue Funds (Continued)								
	County Land Sales	Jail Assessment Fees	Sheriff Special Activity	Environmental and Socioeconomic Impact	County Trunk D	Recycling Fund	Solid Waste Fund	Total
ASSETS								
Treasurer's Cash and Investments	\$ 679,103	\$ 69,766	\$ 64,471	\$ 1,057,195	\$ 346,290	\$ 423,202	\$ 190,280	\$ 5,185,011
Taxes Receivable	-	-	-	-	-	-	-	604,308
Accounts Receivable	-	1,159	1,798	39,852	-	38,602	21,250	140,815
Due from Other Governmental Units	-	-	-	-	-	-	-	113,897
Loans Receivable	-	-	-	-	-	-	-	849,132
Prepaid Expenses	-	-	-	-	-	-	-	413
Total Assets	\$ 679,103	\$ 70,925	\$ 66,269	\$ 1,097,047	\$ 346,290	\$ 461,804	\$ 211,530	\$ 6,893,576
LIABILITIES AND FUND BALANCE								
Liabilities:								
Vouchers Payable	\$ 3,784	\$ 1,288	\$ 8,436	\$ 39,852	\$ -	\$ -	\$ -	\$ 100,121
Accrued Liabilities	-	-	-	-	-	-	-	57,124
Due to Other Governmental Units	-	-	-	-	-	-	-	1,210
Due to Other Funds	-	-	-	-	-	-	-	57,071
Total Liabilities	3,784	1,288	8,436	39,852	-	-	-	215,526
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	-	-	-	-	-	-	-	566,808
Loans Receivable	-	-	-	-	-	-	-	849,132
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	1,415,940
Fund Balance:								
Nonspendable	-	-	-	-	-	-	-	413
Restricted	-	69,637	42,311	1,057,195	346,290	-	211,530	2,502,190
Committed	675,319	-	15,522	-	-	461,804	-	2,801,589
Unassigned	-	-	-	-	-	-	-	(42,082)
Total Fund Balance	675,319	69,637	57,833	1,057,195	346,290	461,804	211,530	5,262,110
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 679,103	\$ 70,925	\$ 66,269	\$ 1,097,047	\$ 346,290	\$ 461,804	\$ 211,530	\$ 6,893,576

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2019**

	Special Revenue Funds							
	Public Health	Child Support	Aging and Disability Resource Center	Council on Aging	CDBG Grant Fund	Wildlife Damage	Development Fund	Animal Control
REVENUES								
Taxes	\$ 235,484	\$ -	\$ 11,977	\$ 286,813	\$ -	\$ -	\$ -	\$ 30,800
Intergovernmental	187,611	246,510	153,635	248,902	-	28,005	-	-
Licenses and Permits	-	-	-	-	-	-	30,736	15,481
Fines, Forfeits, and Penalties	-	-	-	-	-	-	-	-
Public Charges for Services	67,671	1,319	133,725	108,863	-	-	-	-
Miscellaneous:								
Interest	-	-	-	992	1,226	-	-	-
Loan Repayments	-	-	-	-	57,424	-	-	-
Sale of County Property	-	-	-	-	-	-	-	-
Donations	28,557	45,834	20	46,976	-	-	-	-
Other	-	144	-	39,542	-	-	-	2,525
Total Revenues	<u>519,323</u>	<u>293,807</u>	<u>299,357</u>	<u>732,088</u>	<u>58,650</u>	<u>28,005</u>	<u>30,736</u>	<u>48,806</u>
EXPENDITURES								
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Human Services	461,093	241,872	310,618	712,583	-	-	-	51,813
Culture, Recreation, and Education	-	-	-	-	-	46,080	-	-
Conservation and Development	-	-	-	-	134	-	5,000	-
Total Expenditures	<u>461,093</u>	<u>241,872</u>	<u>310,618</u>	<u>712,583</u>	<u>134</u>	<u>46,080</u>	<u>5,000</u>	<u>51,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	58,230	51,935	(11,261)	19,505	58,516	(18,075)	25,736	(3,007)
OTHER FINANCING SOURCES (USES)								
Transfers In	1,252	646	-	818	-	-	-	-
Transfers Out	-	(43,824)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,252</u>	<u>(43,178)</u>	<u>-</u>	<u>818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	59,482	8,757	(11,261)	20,323	58,516	(18,075)	25,736	(3,007)
Fund Balance - January 1	<u>224,929</u>	<u>142,496</u>	<u>16,842</u>	<u>390,970</u>	<u>17,724</u>	<u>3,625</u>	<u>1,470,070</u>	<u>(24,625)</u>
FUND BALANCE - DECEMBER 31	<u>\$ 284,411</u>	<u>\$ 151,253</u>	<u>\$ 5,581</u>	<u>\$ 411,293</u>	<u>\$ 76,240</u>	<u>\$ (14,450)</u>	<u>\$ 1,495,806</u>	<u>\$ (27,632)</u>

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

	Special Revenue Funds (Continued)							
	County Land Sales	Jail Assessment Fees	Sheriff Special Activity	Environmental and Socioeconomic Impact	County Trunk D	Recycling Fund	Solid Waste Fund	Total
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,074
Intergovernmental	-	-	-	-	-	83,300	-	947,963
Licenses and Permits	-	-	-	-	-	-	-	46,217
Fines, Forfeits, and Penalties	-	14,900	-	-	-	-	-	14,900
Public Charges for Services	21,761	-	-	-	-	147,688	85,000	566,027
Miscellaneous:								
Interest	-	-	-	24,092	12,289	-	-	38,599
Loan Repayments	-	-	-	-	-	-	-	57,424
Sale of County Property	145,013	-	-	-	-	-	-	145,013
Donations	-	-	23,408	-	-	-	-	144,795
Other	-	-	-	152,688	-	-	-	194,899
Total Revenues	166,774	14,900	23,408	176,780	12,289	230,988	85,000	2,720,911
EXPENDITURES								
Public Safety	-	7,142	26,176	-	-	-	-	33,318
Public Works	-	-	-	-	189,695	-	-	189,695
Health and Human Services	-	-	-	-	-	-	-	1,777,979
Culture, Recreation, and Education	-	-	-	-	-	-	-	46,080
Conservation and Development	37,523	-	-	152,816	-	127,968	52,451	375,892
Total Expenditures	37,523	7,142	26,176	152,816	189,695	127,968	52,451	2,422,964
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	129,251	7,758	(2,768)	23,964	(177,406)	103,020	32,549	297,947
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	32,549	-	35,265
Transfers Out	(293,969)	-	-	-	-	-	(32,549)	(370,342)
Total Other Financing Sources (Uses)	(293,969)	-	-	-	-	32,549	(32,549)	(335,077)
NET CHANGE IN FUND BALANCE	(164,718)	7,758	(2,768)	23,964	(177,406)	135,569	-	(37,130)
Fund Balance - January 1	840,037	61,879	60,601	1,033,231	523,696	326,235	211,530	5,299,240
FUND BALANCE - DECEMBER 31	\$ 675,319	\$ 69,637	\$ 57,833	\$ 1,057,195	\$ 346,290	\$ 461,804	\$ 211,530	\$ 5,262,110

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019	2018
ASSETS		
Treasurer's Cash and Investments	\$ 6,455,870	\$ 6,640,371
Current Taxes Receivable	8,124,007	8,067,251
Tax Certificates	1,035,225	1,030,090
Accounts Receivable	170,704	225,409
Due from Other Governments	178,094	98,185
Due from Other Funds	284,232	254,613
Inventory	7,289	8,396
Prepaid Items:		
Prepaid Expenses	5,480	9,961
Prepaid Insurance	687,795	594,906
Long-Term Note Receivable	37,000	48,000
Total Assets	\$ 16,985,696	\$ 16,977,182
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 330,128	\$ 455,458
Payroll Deductions	120,342	3,213
Accrued Liabilities	116,364	96,842
Special Deposits	-	7,500
Due to Other Governments	45,579	46,527
Unearned Revenue	6,572	5,269
Total Liabilities	618,985	614,809
Deferred Inflows of Resources:		
Succeeding Year's Property Taxes	8,124,007	8,067,251
Fund Balance:		
Nonspendable	1,772,789	1,691,353
Restricted	9,187	6,158
Assigned	2,612,293	2,442,913
Unassigned	3,848,435	4,154,698
Total Fund Balance	8,242,704	8,295,122
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 16,985,696	\$ 16,977,182

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Final Budget	Actual		
REVENUES				
Taxes:				
Property:				
General Property Taxes	\$ 8,060,945	\$ 8,060,945	\$ -	\$ 7,887,715
Forest Cropland Taxes From Districts	50,000	55,809	5,809	53,079
Sales and Use:				
County Sales Tax	1,100,000	1,376,793	276,793	1,407,650
Retained Sales Tax Applied	120	115	(5)	121
Real Estate Transfer Fees	55,000	81,579	26,579	74,843
Interest and Penalties on Taxes	250,000	205,960	(44,040)	210,108
Total Taxes	<u>9,516,065</u>	<u>9,781,201</u>	<u>265,136</u>	<u>9,633,516</u>
Intergovernmental:				
Federal Grants:				
Homeland Security Equipment Grant	38,185	-	(38,185)	-
Aid in Lieu of Taxes	10,000	12,368	2,368	12,458
Emergency Government	30,980	35,995	5,015	33,189
Federal Aids Secondary	4,258	-	(4,258)	-
Wireless 911 Grant	6,837	1,413	(5,424)	4,015
Jail Literacy Grant	22,750	22,193	(557)	6,341
State Shared Taxes:				
Shared Revenue	138,741	132,449	(6,292)	139,036
Tax Exempt Computer Aids	12,482	12,599	117	12,301
State Grants:				
Aid for Courts	52,275	55,177	2,902	52,275
Victim/Witness Program	37,940	36,443	(1,497)	37,302
Septic Systems	10,000	-	(10,000)	2,200
Veterans Service Officer	14,500	18,302	3,802	18,899
Probation and Parole	15,000	22,110	7,110	11,505
Guardian Ad Litem	17,305	23,586	6,281	17,435
Snowmobile and ATV Enforcement	15,000	-	(15,000)	5,773
County Trunk Highways	1,321,377	1,321,377	-	1,337,068

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Intergovernmental: (Continued)				
State Grants: (Continued)				
Soil and Water Resource Management	\$ 247,633	\$ 216,421	\$ (31,212)	\$ 188,020
Law Enforcement Training	54,700	32,928	(21,772)	35,023
Land Information Board Grants	113,600	113,600	-	85,776
Forest Crop/Managed Forest Aides	25,000	29,374	4,374	32,756
Severance and Withdrawal Taxes	2,500	27,549	25,049	32,817
Payment in Lieu of Taxes	27,000	15,621	(11,379)	35,669
Other State Aid	-	-	-	52,328
Total Intergovernmental	<u>2,218,063</u>	<u>2,129,505</u>	<u>(88,558)</u>	<u>2,152,186</u>
Licenses and Permits:				
Licenses:				
Conservation License Fees	250	116	(134)	231
Marriage License Revenue	5,000	3,750	(1,250)	5,640
Permits:				
Zoning Fees	<u>166,575</u>	<u>176,355</u>	<u>9,780</u>	<u>171,436</u>
Total Licenses and Permits	<u>171,825</u>	<u>180,221</u>	<u>8,396</u>	<u>177,307</u>
Fines, Forfeits, and Penalties:				
Law and Ordinance Violations:				
County Share of Fines and Forfeitures	79,000	79,328	328	71,941
Public Charge for Services:				
General Government:				
Treasurer's Fees	100	647	547	623
Register of Deeds Fees	117,000	128,967	11,967	124,728
Land Modernization Fees	28,000	28,164	164	27,492
Surveyor Fees	800	-	(800)	-
Court Fees and Costs	33,000	33,391	391	27,902
Register in Probate Fees	4,000	3,862	(138)	9,672
Assessment of Property Fees	1,000	855	(145)	867

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Public Charges for Services: (Continued)				
General Government: (Continued)				
Family Counseling Fees	\$ 1,500	\$ 1,375	\$ (125)	\$ 1,615
Guardian Ad Litem Reimbursement	60,000	97,432	37,432	57,626
District Attorney Fees	4,200	1,172	(3,028)	7,431
Coroner	12,000	14,850	2,850	12,400
Public Safety:				
Sheriff Fees	15,000	20,684	5,684	21,081
Inmate Phone	10,000	8,839	(1,161)	8,816
Electric Monitor Revenue	17,000	22,796	5,796	21,060
Board of Prisoners - Huber Law	3,000	10,903	7,903	5,347
County Numbering System	8,000	8,063	63	4,680
Prisoner Medical Reimbursements	15,000	24,237	9,237	21,890
Health and Human Services:				
Veteran Service Fees	11,500	8,713	(2,787)	11,266
Culture, Recreation, and Education:				
UWEX Extension Fees	3,000	1,612	(1,388)	1,487
Conservation and Development:				
Soil and Water Revenue	11,000	12,100	1,100	16,084
Total Public Charges for Services	<u>355,100</u>	<u>428,662</u>	<u>73,562</u>	<u>382,067</u>
Intergovernmental Charges for Services:				
Smart Growth Planning	11,000	13,858	2,858	20,442

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Miscellaneous:				
Interest:				
Temporary Investments	\$ 200,000	\$ 737,687	\$ 537,687	\$ 332,187
Rent:				
Buildings	12,204	12,203	(1)	12,192
Property Sales:				
Sale of General Capital Assets	4,000	2,555	(1,445)	20,688
Sale of Sheriff Department Cars	15,000	16,773	1,773	14,073
Sale of Maps and Plats	4,200	2,492	(1,708)	3,497
Sale of CSM's	5,800	7,227	1,427	7,654
Other:				
County Cars Revenue	30,000	49,583	19,583	48,745
Insurance Recoveries	-	35,000	35,000	-
Refund of Prior Year Expenditures	-	-	-	(22,178)
Donations	525	2,175	1,650	2,662
Miscellaneous	300	11,322	11,022	4,547
Total Miscellaneous Revenues	<u>272,029</u>	<u>877,017</u>	<u>604,988</u>	<u>424,067</u>
 Total Revenues	 12,623,082	 13,489,792	 866,710	 12,861,526
EXPENDITURES				
General Government:				
Legislative:				
Board	86,471	84,758	1,713	78,141
Judicial:				
Judge	105,100	244,129	(139,029)	213,379
Juvenile Court				
Clerk of Courts	294,422	304,075	(9,653)	274,627
Register in Probate	3,100	1,852	1,248	1,124
Family Court Commissioner	31,117	32,655	(1,538)	31,427
Coroner	57,880	79,069	(21,189)	60,474
Legal:				
District Attorney	192,842	202,533	(9,691)	173,743
Family Counseling	3,500	6,056	(2,556)	4,968
Criminal Justice Coordinator	123,223	131,231	(8,008)	113,822
Corporation Counsel	158,785	153,882	4,903	197,839
Victim/Witness Coordinator	80,433	79,080	1,353	77,685

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
General Government: (Continued)				
General Administration:				
Clerk	\$ 189,279	\$ 188,111	\$ 1,168	\$ 175,304
Administration	226,437	212,086	14,351	430,850
Contracted Services	100	-	100	12,920
Elections	16,800	10,831	5,969	52,852
Information Technology	595,534	616,149	(20,615)	581,939
Information Technology Capital Equipment	26,630	24,069	2,561	28,791
Central Postage	27,159	23,870	3,289	28,020
Financial Administration:				
Accounting and Auditing	209,936	210,490	(554)	185,611
Treasurer	234,123	231,777	2,346	223,297
Assessment of Property	4,000	3,855	145	3,503
Purchasing	30,752	30,861	(109)	168,689
General Building and Plant:				
Annex - Spooner	52,230	51,543	687	52,671
Annex - Shell Lake	67,906	66,881	1,025	66,591
Annex - City of Spooner	42,637	39,853	2,784	39,911
Dunbar Building Maintenance	17,929	18,019	(90)	17,844
Courthouse	374,053	376,996	(2,943)	365,566
Building Repair	21,399	15,743	5,656	12,648
Wayside	29,327	28,705	622	27,632
Property Records and Control:				
Register of Deeds	143,026	135,630	7,396	196,138
Surveyor	444,794	430,841	13,953	391,832
Maps and Plats	-	-	-	26,961
Other General Government:				
County Owned Cars Expense	34,000	2,479	31,521	27,708
Property and Liability Insurance	81,000	42,780	38,220	72,062
Total General Government	<u>4,005,924</u>	<u>4,080,889</u>	<u>(74,965)</u>	<u>4,416,569</u>

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Public Safety:				
Sheriff	\$ 2,051,669	\$ 1,988,506	\$ 63,163	\$ 1,988,969
Fire Suppression	100	-	100	266
Jail Expenses	1,845,129	1,991,198	(146,069)	1,993,257
Special Response Team	19,485	27,648	(8,163)	42,762
Highway Safety	1,000	385	615	-
County Numbering System	8,000	2,551	5,449	4,849
Emergency Government	130,608	97,772	32,836	76,646
Emergency Communications	4,896	4,047	849	3,503
Total Public Safety	<u>4,060,887</u>	<u>4,112,107</u>	<u>(51,220)</u>	<u>4,110,252</u>
Public Works:				
Transportation Facilities:				
Appropriations to Highway Department [1]	2,872,535	2,868,277	4,258	2,752,143
Other Transportation:				
Transit Commission	150	-	150	-
Airport	9,700	9,700	-	8,700
Total Transportation Facilities	<u>2,882,385</u>	<u>2,877,977</u>	<u>4,408</u>	<u>2,760,843</u>
Sanitation:				
Wisconsin Fund Grant	10,000	-	10,000	2,200
Total Public Works	<u>2,892,385</u>	<u>2,877,977</u>	<u>14,408</u>	<u>2,763,043</u>
Health and Human Services:				
Health:				
Wellness Program	15,000	11,094	3,906	2,627
Human Services:				
AODA Program	7,600	7,600	-	7,500
Veterans:				
Veterans Service	165,852	163,293	2,559	157,113
Veterans Commission	47,953	37,268	10,685	46,284
Deceased Veterans Affairs	11,250	10,763	487	10,045
Total Health and Human Services	<u>247,655</u>	<u>230,018</u>	<u>17,637</u>	<u>223,569</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, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Culture, Recreation, and Education:				
Culture:				
Library	\$ 224,295	\$ 224,296	\$ (1)	\$ 228,307
Historical Society	17,200	28,200	(11,000)	28,200
Recreation:				
Fairs	43,975	43,975	-	43,975
Education:				
University Extension	209,033	225,711	(16,678)	188,019
Total Culture, Recreation, and Education	494,503	522,182	(27,679)	488,501
Conservation and Development:				
Resource Conservation:				
Soil and Water Conservation	266,045	225,994	40,051	242,483
Aquatic Invasive Species	22,136	24,106	(1,970)	20,792
Farm Land Preservation Grant	50,669	43,354	7,315	-
Planning:				
Regional Planning Commission	25,351	25,351	-	24,754
Zoning:				
Zoning	236,011	222,310	13,701	232,563
Economic Development:				
Economic Development Corporation and Tourism	227,434	227,481	(47)	221,634
ITBEC Contribution	3,000	3,000	-	3,000
Total Conservation and Development	830,646	771,596	59,050	745,226
Total Expenditures	12,532,000	12,594,769	(62,769)	12,747,160
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	91,082	895,023	803,941	114,366

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Final Budget	Actual		
OTHER FINANCING SOURCES (USES)				
Transfers In:				
Human Services Fund	\$ -	\$ 20,000	\$ 20,000	\$ -
Child Support Fund	-	17,929	17,929	17,868
Highway Department Internal Service Fund	-	3,526	3,526	501
Capital Projects Fund	-	-	-	3,500
Transfers from Other Funds	382,145	-	(382,145)	-
Total Transfers In	<u>382,145</u>	<u>41,455</u>	<u>(340,690)</u>	<u>21,869</u>
Transfers Out:				
Human Services Fund	-	(6,030)	(6,030)	(169,783)
Child Support Fund	-	(646)	(646)	(451)
Forestry Fund	-	(1,234)	(1,234)	(1,714)
Council on Aging Fund	-	(818)	(818)	-
Highway Department Fund	-	(32,842)	(32,842)	(1,514)
Public Health Fund	-	(1,252)	(1,252)	(809)
Capital Improvement Plan Fund	-	(946,074)	(946,074)	-
Transfers to Other Funds	(1,287,325)	-	1,287,325	-
Total Transfers Out	<u>(1,287,325)</u>	<u>(988,896)</u>	<u>298,429</u>	<u>(174,271)</u>
Total Other Financing Sources (Uses)	<u>(905,180)</u>	<u>(947,441)</u>	<u>(42,261)</u>	<u>(152,402)</u>
NET CHANGE IN FUND BALANCE	(814,098)	(52,418)	761,680	(38,036)
Fund Balance - January 1	<u>8,295,122</u>	<u>8,295,122</u>	<u>-</u>	<u>8,333,158</u>
FUND BALANCE - DECEMBER 31	<u>\$ 7,481,024</u>	<u>\$ 8,242,704</u>	<u>\$ 761,680</u>	<u>\$ 8,295,122</u>

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2018)**

	Highway Department	Copy Machine	Total	
			2019	2018
ASSETS				
Current Assets:				
Treasurer's Cash and Investments	\$ 2,720,551	\$ 27,397	\$ 2,747,948	\$ 3,104,917
Accounts Receivable	2,365	-	2,365	3,126
Due from Other Governments	1,219,724	-	1,219,724	809,014
Due from Other Funds	17,250	-	17,250	804,184
Inventories	1,138,970	-	1,138,970	1,136,076
Total Current Assets	<u>5,098,860</u>	<u>27,397</u>	<u>5,126,257</u>	<u>5,857,317</u>
Restricted Assets:				
Wisconsin Retirement System Net Pension Asset	-	-	-	344,452
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,452</u>
Noncurrent Assets:				
Capital Assets:				
Not Being Depreciated/Depleted	489,782	-	489,782	489,782
Being Depreciated/Depleted	20,798,816	26,919	20,825,735	20,362,006
Accumulated Depreciation	(11,233,209)	(25,189)	(11,258,398)	(11,596,342)
Total Capital Assets	<u>10,055,389</u>	<u>1,730</u>	<u>10,057,119</u>	<u>9,255,446</u>
Total Noncurrent Assets	<u>10,055,389</u>	<u>1,730</u>	<u>10,057,119</u>	<u>9,255,446</u>
 Total Assets	 15,154,249	 29,127	 15,183,376	 15,457,215
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	1,157,794	-	1,157,794	996,329
Single Employer Other Postemployment Benefits Related	12,416	-	12,416	11,603
Multi-Employer Other Postemployment Benefits Related	14,085	-	14,085	12,450
Total Deferred Outflows of Resources	<u>1,184,295</u>	<u>-</u>	<u>1,184,295</u>	<u>1,020,382</u>

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2018)**

	Highway Department	Copy Machine	Total	
			2019	2018
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 367,030	\$ -	\$ 367,030	\$ 86,983
Accrued Liabilities	155,739	-	155,739	140,283
Accrued Interest Payable	18,447	-	18,447	21,096
Unearned Revenues	266,098	-	266,098	178,626
Accrued Vacation and Sick Leave - Current	99,190	-	99,190	99,191
Capital Leases Payable - Current	708,514	-	708,514	1,018,030
Total Current Liabilities	<u>1,615,018</u>	<u>-</u>	<u>1,615,018</u>	<u>1,544,209</u>
Long-Term Liabilities:				
Advance from Capital Projects Fund	734,703	-	734,703	740,523
Wisconsin Retirement System Net Pension Liability	425,927	-	425,927	-
Single Employer Other Postemployment Benefits Payable	171,790	-	171,790	166,285
Multi-Employer Other Postemployment Benefits Payable	81,556	-	81,556	101,163
Accrued Vacation and Sick Leave	221,450	-	221,450	221,607
Capital Leases Payable	1,532,307	-	1,532,307	620,194
Total Long-Term Liabilities	<u>3,167,733</u>	<u>-</u>	<u>3,167,733</u>	<u>1,849,772</u>
Total Liabilities	4,782,751	-	4,782,751	3,393,981
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	586,744	-	586,744	1,047,259
Single Employer Other Postemployment Benefits Related	7,801	-	7,801	-
Multi-Employer Other Postemployment Benefits Related	22,397	-	22,397	1,425
Total Deferred Inflows of Resources	<u>616,942</u>	<u>-</u>	<u>616,942</u>	<u>1,048,684</u>
NET POSITION				
Net Investment in Capital Assets	7,814,568	1,730	7,816,298	7,617,222
Restricted for Wisconsin Retirement Net Pension Asset	-	-	-	344,452
Unrestricted	3,124,283	27,397	3,151,680	4,073,258
Total Net Position	<u>\$ 10,938,851</u>	<u>\$ 29,127</u>	<u>\$ 10,967,978</u>	<u>\$ 12,034,932</u>

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2018)

	Highway	Copy	Total	
	Department	Machine	2019	2018
OPERATING REVENUES	\$ 8,205,757	\$ 2,309	\$ 8,208,066	\$ 8,121,111
OPERATING EXPENSES	9,242,181	1,439	9,243,620	8,353,582
OPERATING INCOME (LOSS)	(1,036,424)	870	(1,035,554)	(232,471)
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	(60,716)	-	(60,716)	(67,789)
Total Nonoperating Revenues (Expenses)	(60,716)	-	(60,716)	(67,789)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,097,140)	870	(1,096,270)	(300,260)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Transfers from Forestry Fund	-	-	-	48,838
Transfers from General Fund	32,842	-	32,842	1,514
Transfers to General Fund	(3,526)	-	(3,526)	(501)
Total Capital Contributions and Transfers	29,316	-	29,316	49,851
CHANGE IN NET POSITION	(1,067,824)	870	(1,066,954)	(250,409)
Net Position - January 1	12,006,675	28,257	12,034,932	12,285,341
NET POSITION - DECEMBER 31	<u>\$ 10,938,851</u>	<u>\$ 29,127</u>	<u>\$ 10,967,978</u>	<u>\$ 12,034,932</u>

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2018)

	Highway	Copy	Total	
	Department	Machine	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received for Services Provided	\$ 8,670,214	\$ 2,309	\$ 8,672,523	\$ 9,086,727
Cash Paid to Suppliers for Goods and Services	(3,588,600)	(1,439)	(3,590,039)	(3,488,879)
Cash Paid for Employee Services	(4,058,001)	-	(4,058,001)	(3,689,415)
Net Cash Provided by Operating Activities	1,023,613	870	1,024,483	1,908,433
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from Forestry Fund	32,842	-	32,842	50,352
Transfer to General Fund	(3,526)	-	(3,526)	(501)
Net Cash Provided (Used) by Noncapital Financing Activities	29,316	-	29,316	49,851
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash Paid for Acquisition of Capital Assets	(503,014)	-	(503,014)	(567,123)
Cash Received for Sale of Capital Assets	402,170	-	402,170	3,951
Cash Paid County on Advance for Gravel Pits	(5,820)	-	(5,820)	(2,686)
Principal Paid on Capital Leases	(1,240,739)	-	(1,240,739)	(431,183)
Interest Paid on Capital Leases	(63,365)	-	(63,365)	(73,015)
Net Cash Used by Capital and Related Financing Activities	(1,410,768)	-	(1,410,768)	(1,070,056)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(357,839)	870	(356,969)	888,228
CASH AND CASH EQUIVALENTS - JANUARY 1	3,078,390	26,527	3,104,917	2,216,689
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u>\$ 2,720,551</u>	<u>\$ 27,397</u>	<u>\$ 2,747,948</u>	<u>\$ 3,104,917</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (1,036,424)	\$ 870	\$ (1,035,554)	\$ (232,471)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,117,458	-	1,117,458	979,592
Depletion of Gravel Pits	14,201	-	14,201	19,826
Change in Pension Related Items	148,399	-	148,399	43,597
Change in Single-Employer OPEB Related Items	12,493	-	12,493	6,573
Change in Multi-Employer OPEB Related Items	(270)	-	(270)	9,509
Loss on Disposal of Assets	10,848	-	10,848	30,111
(Increase) Decrease in Assets:				
Accounts Receivable	761	-	761	(667)
Due from Governmental Units	(410,710)	-	(410,710)	117,489
Prepaid Expenses	-	-	-	8,510
Inventories	(2,894)	-	(2,894)	11,839
Due from Other Funds	786,934	-	786,934	1,011,795
Increase (Decrease) in Liabilities:				
Vouchers Payable	280,047	-	280,047	17,797
Unearned Revenue	87,472	-	87,472	(159,050)
Accrued Liabilities	15,298	-	15,298	43,983
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,023,613</u>	<u>\$ 870</u>	<u>\$ 1,024,483</u>	<u>\$ 1,908,433</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Acquisition of Assets Through Capital Lease	\$ 1,868,420	\$ -	\$ 1,868,420	\$ -

**WASHBURN COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2018)**

	2019	2018
OPERATING REVENUES		
Charges for Services:		
County Highway [1]	\$ 3,996,155	\$ 4,266,874
State Highway	1,932,688	1,872,269
Other Local Highways	1,316,159	1,110,991
County Departments	256,097	222,335
Non-Governmental Customers	427,053	287,570
Other Services	254,911	247,002
Rental Income	3,600	3,600
Miscellaneous Revenue	19,094	106,943
Total Operating Revenues	8,205,757	8,117,584
OPERATING EXPENSES		
Administration and General:		
Administration	447,343	373,008
Patrol Superintendent	186,863	53,431
Radio Expense	7,101	4,603
Public Liability Insurance	410,992	466,768
Transportation Cost Pools:		
Machinery Operations	81,856	153,554
Services Provided:		
County:		
General Maintenance	2,873,006	2,427,670
Reconstruction and Betterments	1,181,858	1,473,003
Winter Maintenance	869,560	553,632
Bridge Maintenance	30,875	38,649
State:		
Highway Maintenance and Construction	1,463,380	1,299,619
Equipment and Salt Storage	138,812	143,977
County Aid Bridge Paid Districts	-	22,369
Local Districts	1,277,392	1,111,619
Local Departments	256,097	222,335
Non-Governmental Customers	4,553	2,195
Other Postemployment Benefits	12,493	6,573
Total Operating Expenses	9,242,181	8,353,005
OPERATING INCOME (LOSS)	(1,036,424)	(235,421)
NONOPERATING REVENUES (EXPENSES)		
Interest Expense	(60,716)	(67,789)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,097,140)	(303,210)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Transfers from Forestry Fund	-	48,838
Transfers from General Fund	32,842	1,514
Transfers to General Fund	(3,526)	(501)
Total Capital Contributions and Transfers	29,316	49,851
CHANGE IN NET POSITION	(1,067,824)	(253,359)
Net Position - January 1	12,006,675	12,260,034
NET POSITION - DECEMBER 31	\$ 10,938,851	\$ 12,006,675
[1] Charges to County for Highway Maintenance and Construction Consisted of the Following Payments from the General Fund:		
County Appropriations	\$ 1,546,900	\$ 1,482,000
State Transportation Aids	1,321,377	1,337,068
Federal and State Project Revenues	4,258	8,788
Total General Fund	2,872,535	2,827,856
Charges to Capital Projects Fund and Other Funds	1,123,620	1,439,018
Total County Highway Charges for Services	\$ 3,996,155	\$ 4,266,874

**WASHBURN COUNTY, WISCONSIN
AGENCY FUND
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	<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>
ASSETS							
Treasurer's Cash and Investments	<u>\$ 96</u>	<u>\$ 834</u>	<u>\$ 187,410</u>	<u>\$ 20,156</u>	<u>\$ 1,213</u>	<u>\$ 68</u>	<u>\$ 209,777</u>
LIABILITIES							
Vouchers Payable	\$ -	\$ 834	\$ -	\$ -	\$ -	\$ -	\$ 834
Special Deposits	<u>96</u>	<u>-</u>	<u>187,410</u>	<u>20,156</u>	<u>1,213</u>	<u>68</u>	<u>208,943</u>
Total Liabilities	<u>\$ 96</u>	<u>\$ 834</u>	<u>\$ 187,410</u>	<u>\$ 20,156</u>	<u>\$ 1,213</u>	<u>\$ 68</u>	<u>\$ 209,777</u>

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