

ST. CROIX COUNTY
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

ST. CROIX COUNTY, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020

	SCHEDULES	
INDEPENDENT AUDITORS' REPORT	1	
MANAGEMENT'S DISCUSSION AND ANALYSIS	4	
BASIC FINANCIAL STATEMENTS		
GOVERNMENT-WIDE FINANCIAL STATEMENTS		
STATEMENT OF NET POSITION	15	
STATEMENT OF ACTIVITIES	16	
FUND FINANCIAL STATEMENTS		
BALANCE SHEET – GOVERNMENTAL FUNDS	17	
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO GOVERNMENTAL ACTIVITIES – NET POSITION	18	
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	19	
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES	20	
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	21	
RECONCILIATION OF TOTAL ENTERPRISE FUND NET POSITION TO THE NET POSITION OF BUSINESS-TYPE ACTIVITIES – PROPRIETARY FUNDS	22	
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	23	
RECONCILIATION OF ENTERPRISE FUND CHANGES IN NET POSITION TO THE BUSINESS-TYPE CHANGES IN NET POSITION – PROPRIETARY FUNDS	24	
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	25	
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	27	
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	28	
NOTES TO THE BASIC FINANCIAL STATEMENTS	29	
REQUIRED SUPPLEMENTARY INFORMATION		
BUDGETARY COMPARISON – GENERAL FUND	1	67
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND	2	68

**ST. CROIX COUNTY, WISCONSIN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY – LAST TEN FISCAL YEARS	3	69
SCHEDULE OF CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN – LAST TEN FISCAL YEARS	4	70
SCHEDULE OF CHANGES IN THE COUNTY'S OPEB LIABILITY AND RELATED RATIOS – LAST TEN FISCAL YEARS	5	71
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION		72
SUPPLEMENTARY INFORMATION		
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES		
NONMAJOR GOVERNMENTAL FUNDS		
COMBINING BALANCE SHEET	A-1	73
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	A-2	75
GENERAL FUND		
DETAILED BALANCE SHEET	B-1	77
STATEMENT OF CHANGES IN FUND BALANCE	B-2	78
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL	B-3	79
HIGHWAY DEPARTMENT ENTERPRISE FUND		
DETAILED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	C-1	85
INTERNAL SERVICE FUNDS		
COMBINING STATEMENT OF NET POSITION	D-1	87
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	D-2	88
COMBINING STATEMENT OF CASH FLOWS	D-3	89
CUSTODIAL FUNDS		
COMBINING STATEMENT OF FIDUCIARY NET POSITION	E-1	90
CUSTODIAL FUNDS		
COMBINING STATEMENT OF FIDUCIARY NET POSITION	E-2	91
OTHER REPORTS		
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER		

**ST. CROIX COUNTY, WISCONSIN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	93
SCHEDULE OF FINDINGS AND RESPONSES	95



INDEPENDENT AUDITORS' REPORT

Honorable Members
of the County Board of Supervisors
St. Croix County
Hudson, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Croix County, Wisconsin (County) as of and for the year ended December 31, 2020, 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 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 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.

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

Honorable Members
of the County Board of Supervisors
St. Croix County

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Croix County, Wisconsin as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

During the year ended December 31, 2020, the County adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, St. Croix County reported a restatement for the change in accounting principle (See Note 5). Our auditors' opinion was not modified with respect to the restatement.

Prior Period Adjustment

As discussed in Note 9, the beginning net position of governmental activities was restated to correct the reporting of deferred inflows of resources for unavailable revenues. Our opinion is not modified as a result of this matter.

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, other postemployment benefit and pension 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 St. Croix County's basic financial statements. The individual and combining fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The individual and combining fund statements and schedules 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

Honorable Members
of the County Board of Supervisors
St. Croix County

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 as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated July 30, 2021, on our consideration of the County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Hudson, Wisconsin
July 30, 2021

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

As management of St. Croix County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of St. Croix County for the fiscal year ended December 31, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the County's basic financial statements following this section.

Financial Highlights

- The assets and deferred outflows of resources of St. Croix County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$159,702,093 (net position). Of this amount, \$113,955,885 represented the County's net investment in capital assets, \$8,080,934 was held for restricted purposes, and \$37,665,274 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$9,453,409. Net position related to the business-type activities of the County increased \$691,013, while net position related to governmental activities increased \$8,762,396.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$34,990,003 which represents a decrease of \$3,084,979 from the previous year. This decrease was primarily due to operations of the capital projects fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,535,892 or 47.0% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to St. Croix 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 are designed to provide readers with a broad overview of St. Croix County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of St. Croix County's assets, liabilities and deferred inflows/outflows 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.

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).

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Both of the government-wide financial statements distinguish functions of St. Croix 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, transportation, sanitation, health and human services, conservation and development, and culture, recreation, and education. The business-type activities of the County include a nursing home and the highway department.

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

Fund Financial Statements.

These statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. St. Croix 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. These 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.

St. Croix County maintains four governmental fund types: 1) General, 2) Special Revenue, 3) Debt Service, and 4) Capital Projects. 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, health and human services special revenue fund, the debt service fund, the Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found beginning on page 17 of this report.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Proprietary Funds – St. Croix County maintains 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. The County uses enterprise funds to account for its Nursing Home and Highway department. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. St. Croix County uses internal service funds to account for its Self-funded Workers Compensation, Self-Funded Health Insurance, Self-Funded Liability Insurance, Retirement Health Savings Accounts, Health Retirement Liability Accounts and County Fleet. Because these services benefit both governmental and business-type functions, they have been allocated to both functions in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Nursing Home and Highway department, which are both considered major funds. Conversely, the five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found beginning on page 21 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 on page 27 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 on page 29 of this report.

Supplementary Information – In addition to the basic financial statements and accompanying notes, this report presents required supplementary information on the general fund and health and human services fund budgets, other postemployment benefits and pension schedules. Required supplementary information can be found beginning on page 67 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 on the general fund budget. Combining fund statements and schedules can be found beginning on page 73 of this report.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

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 St. Croix County, assets exceeded liabilities by \$159,702,093 at the close of the most recent fiscal year. The largest portion of St. Croix County's net position, \$113,955,885 (71.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); 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.

**Table A-1
St. Croix County's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets						
Capital Assets	\$ 93,600,971	\$ 88,612,740	\$ 11,486,052	\$ 11,294,747	\$ 105,087,023	\$ 99,907,487
Internal Balances	118,791,933	113,734,903	55,589,972	55,579,025	174,381,905	169,313,928
Total Assets	(979,346)	-	979,346	-	-	-
	211,413,558	202,347,643	68,055,370	66,873,772	279,468,928	269,221,415
Deferred Outflows of Resources	13,521,849	16,806,557	3,646,208	4,665,729	17,168,057	21,472,286
Long-Term Obligations	64,450,576	74,475,894	1,614,767	3,076,327	66,065,343	77,552,221
Other Liabilities	7,479,117	11,786,904	2,263,308	3,873,801	9,742,425	15,660,705
Total Liabilities	71,929,693	86,262,798	3,878,075	6,950,128	75,807,768	93,212,926
Deferred Inflows of Resources	55,923,057	45,874,465	5,204,067	2,660,950	61,127,124	48,535,415
Net Position:						
Net Investment in						
Capital Assets	58,365,913	50,554,470	55,589,972	55,579,025	113,955,885	106,133,495
Restricted	6,519,884	777,795	1,561,050	21,960	8,080,934	799,755
Unrestricted	32,196,860	35,684,672	5,468,414	6,327,438	37,665,274	42,012,110
Total Net Position	\$ 97,082,657	\$ 87,016,937	\$ 62,619,436	\$ 61,928,423	\$ 159,702,093	\$ 148,945,360

An additional portion of St. Croix County's net position, \$8,080,934 (5.1%) represents resources that are subject to other restrictions on how they may be used. The remaining \$37,665,274 of total net position (23.5%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$5,468,414 of the unrestricted net position is related to the County's business-type activities. Consequently, they generally may not be available to fund governmental activities.

The County's net position increased \$9,453,409 during the current fiscal year. The increase consisted of an increase in net position related to business-type activities in the amount of \$691,013 and a increase in net position related to governmental activities in the amount of \$8,762,396.

ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

The following is a summary of the changes in the County's net position for the year ending December 31:

Table A-2
St. Croix County's Changes in Net Position

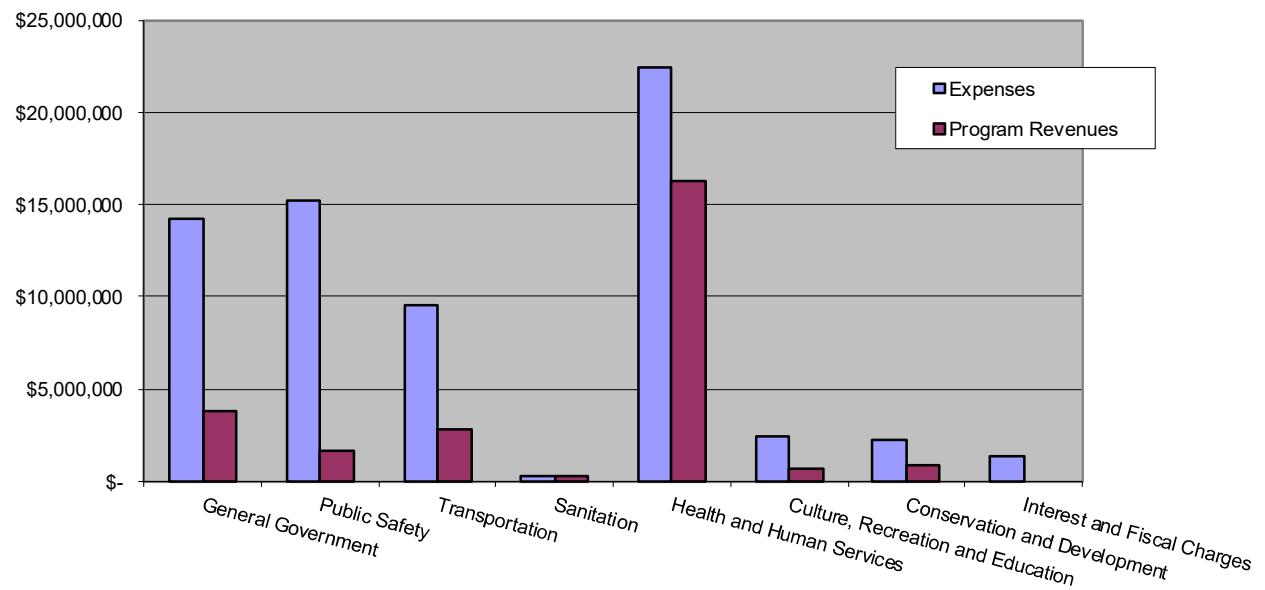
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for Services	\$ 10,192,039	\$ 10,261,216	\$ 24,109,763	\$ 24,944,034	\$ 34,301,802	\$ 35,205,250
Operating Grants and Contributions	16,167,131	11,197,986	1,039,182	681,079	17,206,313	11,879,065
Capital Grants and Contributions	-	1,350,649	316,031	-	316,031	1,350,649
General Revenues:						
Property Taxes	36,368,615	34,336,287	-	-	36,368,615	34,336,287
Sales and Other Taxes	10,305,317	9,211,785	-	-	10,305,317	9,211,785
State and Federal Aids not Restricted to Specific Programs	777,856	784,517	-	-	777,856	784,517
Other	2,070,492	2,038,801	1,293,881	967,094	3,364,373	3,005,895
Total Revenues	75,881,450	69,181,241	26,758,857	26,592,207	102,640,307	95,773,448
EXPENSES						
General Government	14,232,627	15,689,627	-	-	14,232,627	15,689,627
Public Safety	15,212,390	14,472,820	-	-	15,212,390	14,472,820
Transportation	9,575,218	10,971,226	-	-	9,575,218	10,971,226
Sanitation	323,539	293,666	-	-	323,539	293,666
Health and Human Services	22,418,039	23,392,817	-	-	22,418,039	23,392,817
Culture, Recreation and Education	2,403,575	2,405,946	-	-	2,403,575	2,405,946
Conservation and Development	2,246,654	2,294,979	-	-	2,246,654	2,294,979
Interest and Fiscal Charges	1,405,683	1,690,312	-	-	1,405,683	1,690,312
Nursing Home	-	-	6,864,596	7,183,572	6,864,596	7,183,572
Highway Department	-	-	18,504,577	19,004,149	18,504,577	19,004,149
Total Expenses	67,817,725	71,211,393	25,369,173	26,187,721	93,186,898	97,399,114
Change in Net Position before Transfers	8,063,725	(2,030,152)	1,389,684	404,486	9,453,409	(1,625,666)
Transfers	698,671	(25,610,701)	(698,671)	25,610,701	-	-
Change in Net Position	\$ 8,762,396	\$ (27,640,853)	\$ 691,013	\$ 26,015,187	\$ 9,453,409	\$ (1,625,666)

As noted above, the government activities net position increased and business-type activities net positions increased during the current fiscal year.

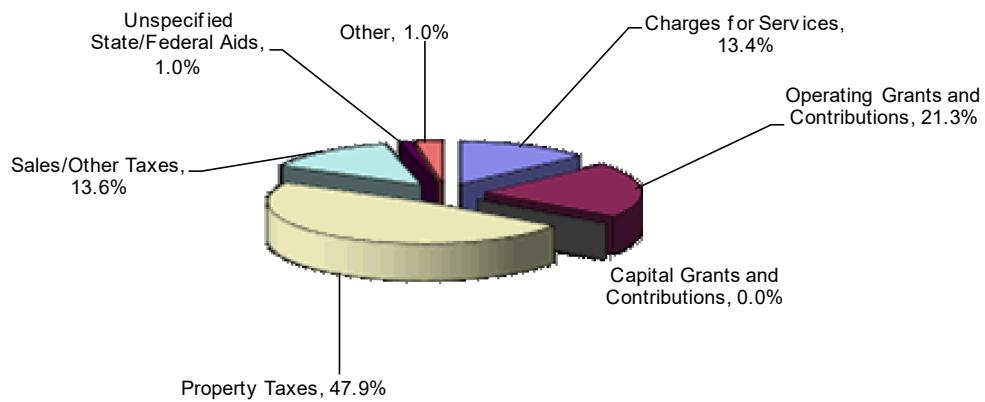
A review of the statement of activities can provide a concise picture of how the various functions/programs of St. Croix County are funded. The following charts draw data from the statement of activities. For governmental services the County is highly dependent on property taxes (47.9%) and operating grants/contributions (21.3%) for funding.

ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

2020 Expenses and Program Revenues – Governmental Activities

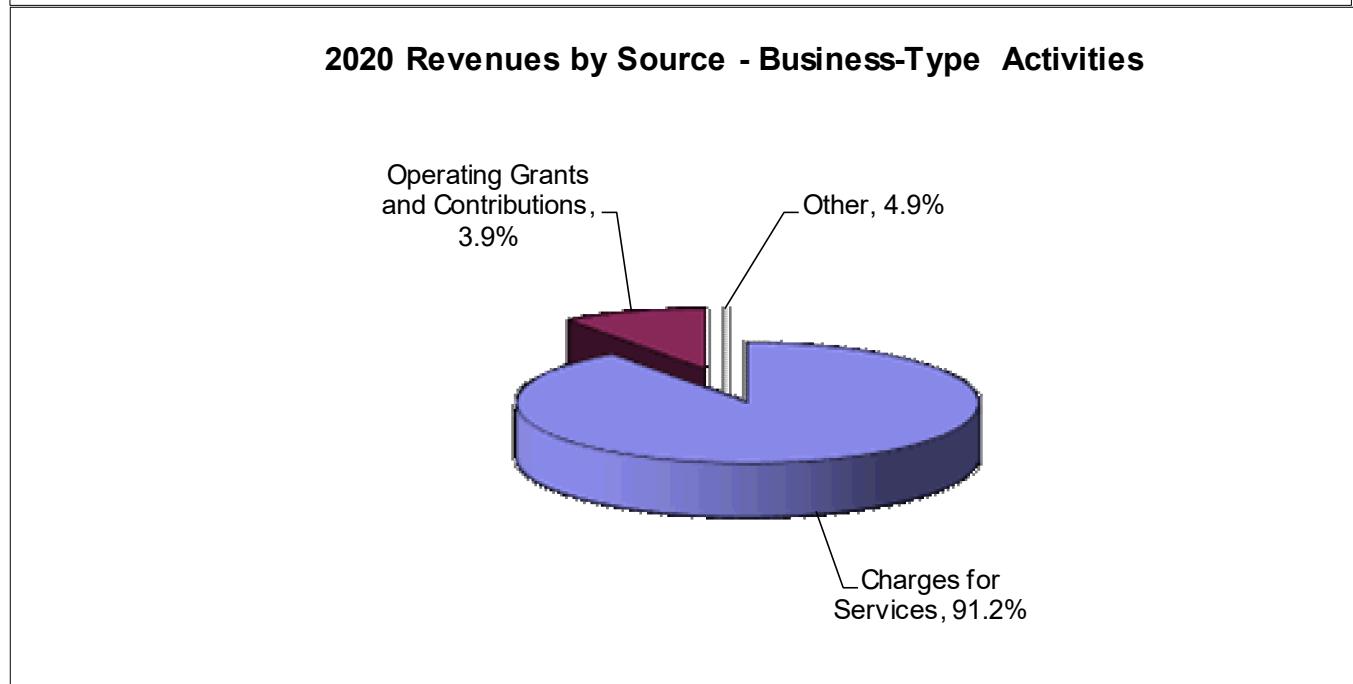
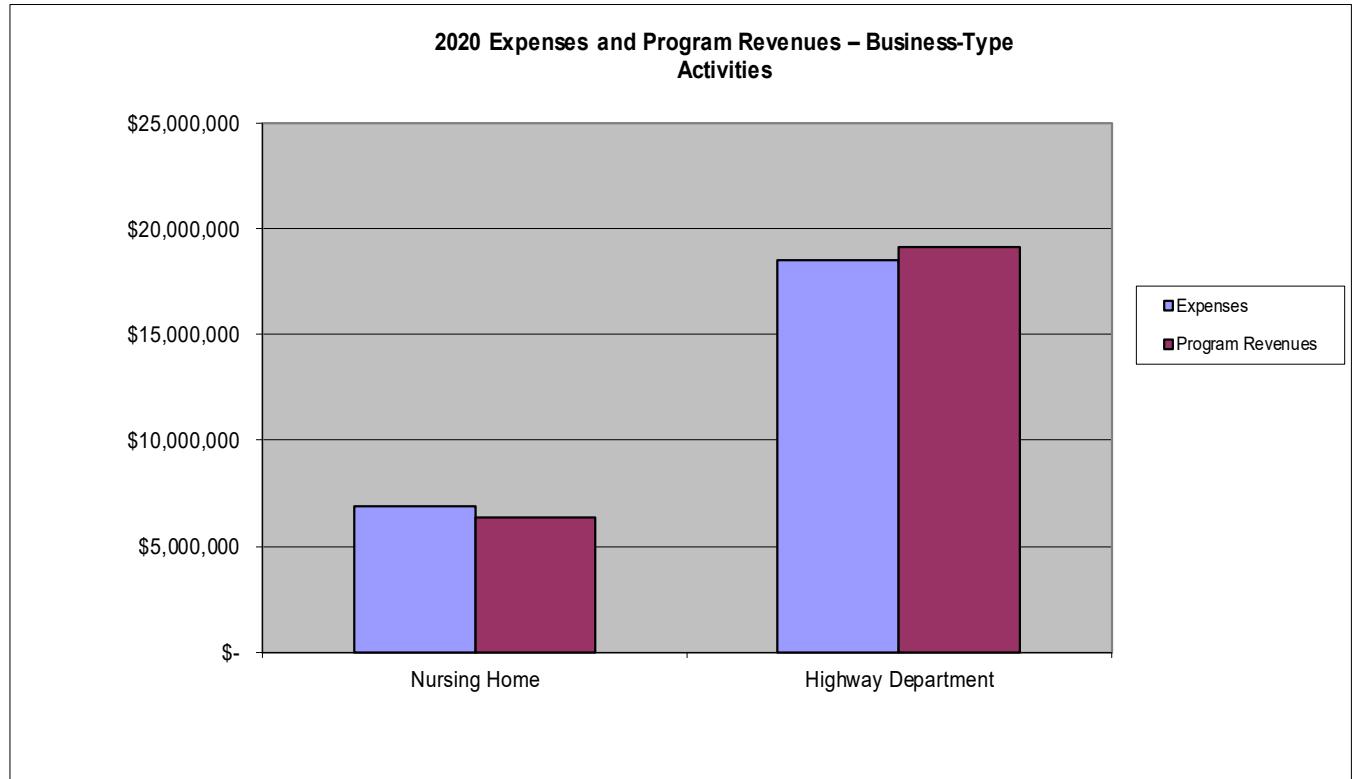


2020 Revenues by Source - Governmental Activities



**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

In the case of business-type activities, the data shows a considerably different picture. Charges for services (91.2%) replace property taxes as the primary revenue.



**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Financial Analysis of the County's Major Funds

As noted earlier, St. Croix 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 St. Croix County's financing requirements. In particular, the level of unrestricted 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, 2020, the County's governmental funds reported combined ending fund balances of \$34,990,003 a decrease of \$3,084,979 from the previous year. Of this total fund balance, \$3,210,335 is restricted or nonspendable for specific legal requirements and other outside requirements, leaving total \$31,779,668 available for spending at the discretion of the County. As the result of past actions and policy decisions and the nature of individual funds comprising the balances, \$12,248,650 of these unrestricted balances have been segregated or otherwise committed and assigned for specific uses, leaving an unassigned fund balance of \$19,531,018.

The general fund is the primary operating fund used to account for the governmental operations of St. Croix 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 expenditures or revenues. The total year-end general fund balance represented 56.4% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 47.0% of the same amount. The general fund's total fund balance increased \$2,748,529 during the year.

The health and human services fund's total fund balance increased \$854,808 during the year.

The debt service fund issued \$2,444,000 in general obligation promissory notes during the year to refinance existing debt and a fund balance of \$323,156 remains at year-end.

The capital projects fund has a fund balance of \$7,861,218 that remains at year-end.

The aggregated other governmental funds column includes various special revenue funds and the capital projects fund. The accumulated fund balances of these funds decreased \$477,896 and are individually detailed in the supplementary information section of this report.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Proprietary Funds — St. Croix County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2020, the Nursing Home Fund operation reported net position of \$18,960,206, a decrease of \$440,094 from the previous year. The Highway Fund operation reported net position of \$42,479,876, an increase of \$1,675,801 over the previous year.

General Fund Budgetary Highlights

As shown in the Budgetary Comparison Schedule for the general fund (in required supplementary information), the final budget reflects a planned balanced budget in the general fund balance during 2020 and the County ended the year with positive budget variance for both revenues and expenditures. Revenues were \$4,188,418 more than the budgeted amounts while expenditures were \$1,013,998 less than budgeted amounts.

Capital Asset and Debt Administration

Capital Assets

St. Croix County's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$174,381,905 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net increase in the governmental activities capital assets was \$5,057,030. The business-type activities capital assets increased by \$10,947 (net of accumulated depreciation).

**Table A-3
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 5,861,033	\$ 5,495,101	\$ 1,191,357	\$ 1,218,049	\$ 7,052,390	\$ 6,713,150
Land Improvements	1,570,059	1,494,359	1,651,059	1,729,737	3,221,118	3,224,096
Gravel Pits and Quarries	-	-	248,612	255,842	248,612	255,842
Buildings and Improvements	15,839,785	17,023,436	43,036,440	43,860,845	58,876,225	60,884,281
Equipment and Vehicles	7,838,528	8,782,437	9,462,504	8,514,552	17,301,032	17,296,989
Highway Infrastructure	79,003,891	79,281,232	-	-	79,003,891	79,281,232
Other Infrastructure	(3,079,702)	(3,574,261)	-	-	(3,079,702)	(3,574,261)
Construction-in-Progress	11,758,339	5,232,599	-	-	11,758,339	5,232,599
Total	<u>\$ 118,791,933</u>	<u>\$ 113,734,903</u>	<u>\$ 55,589,972</u>	<u>\$ 55,579,025</u>	<u>\$ 174,381,905</u>	<u>\$ 169,313,928</u>

Additional information related to the County's capital assets is reported in Note 3.C following the financial statements.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Capital Asset and Debt Administration (Continued)

Long-Term Obligations

At December 31, 2020, St. Croix County had outstanding \$66,065,343 of long-term debt and other long-term obligations. A summary detail of this amount, together with the percent change from the previous year, is shown below:

**Table A-4
St. Croix County
Outstanding Long-Term Obligations**

	Governmental Activities		Business-Type Activities		Total Outstanding		% Change
	2020	2019	2020	2019	2020	2019	
General Obligation Debt:							
Bonds	\$ 51,205,000	\$ 53,005,000	-	\$	\$ 51,205,000	\$ 53,005,000	(3.4)%
Notes	8,104,000	10,753,078	-	-	8,104,000	10,753,078	(24.6)
Premium (Discount)	1,072,857	1,395,346	-	-	1,072,857	1,395,346	(23.1)
Other Long-Term Obligations:							
Employee Leave	3,070,087	3,134,139	1,316,473	1,357,649	4,386,560	4,491,788	(2.3)
Pension Liability	-	6,188,331	-	1,718,678	-	7,907,009	100.0
Other Postemployment Benefits Payable	998,632	4,397,527	298,294	1,313,548	1,296,926	5,711,075	(77.3)
Total Debt	<u>\$ 64,450,576</u>	<u>\$ 78,873,421</u>	<u>\$ 1,614,767</u>	<u>\$ 4,389,875</u>	<u>\$ 66,065,343</u>	<u>\$ 83,263,296</u>	

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 the County outstanding at December 31, 2020 totaled \$59,309,000, approximately 10.28% of the maximum legal limit of \$576,705,730. Additional information on St. Croix County's long-term debt is reported in Note 3.E following the financial statements.

Economic Factors and Next Year's Budget and Rates

The economic condition and outlook of the County continues to improve. Total equalized value of the County increased from \$10,620,318,200 in 2019 to \$11,534,114,600 in 2020. St. Croix County continues to be one of the fastest growing Counties in the State.

For 2020, all Wisconsin Counties were again mandated by state statute, to limit property tax increases to 0% or net new construction growth, whichever is greater. St. Croix County had 2.71% net new construction in 2020, as growth in the County continues to increase.

Transportation system improvements in the region and proximity the Minneapolis metro area continue to support strong growth and property value increases.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Requests for Information

This financial report is designed to provide a general overview of St. Croix 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 St. Croix County, Finance Director, 1101 Carmichael Road, Hudson, Wisconsin 54016.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 42,836,948	\$ 7,334,830	\$ 50,171,778
Deposit in Public Entity Risk Pool	720,214	-	720,214
Taxes Receivable	38,197,295	-	38,197,295
Accounts Receivable, Net	1,782,214	613,116	2,395,330
Due from Other Governments	4,306,907	1,034,250	5,341,157
Internal Balances	(979,346)	979,346	-
Other Assets and Prepaid Items	11,822	934,186	946,008
Restricted Assets:			
Cash and Investments	-	21,384	21,384
Wisconsin Retirement System Net Pension Asset	5,745,571	1,548,286	7,293,857
Capital Assets:			
Capital Assets Not Being Depreciated	17,619,372	1,439,969	19,059,341
Capital Assets Being Depreciated	197,720,141	72,826,293	270,546,434
Accumulated Depreciation	(96,547,580)	(18,676,290)	(115,223,870)
Total Assets	<u>211,413,558</u>	<u>68,055,370</u>	<u>279,468,928</u>
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	13,439,305	3,621,552	17,060,857
Other Postemployment Benefits Related	82,544	24,656	107,200
Total Deferred Inflows of Resources	<u>13,521,849</u>	<u>3,646,208</u>	<u>17,168,057</u>
LIABILITIES			
Vouchers and Accounts Payable	2,298,159	392,546	2,690,705
Accrued Payroll	1,721,106	414,841	2,135,947
Accrued Claims Payable	1,678,449	-	1,678,449
Payroll Deductions	542,051	-	542,051
Accrued Interest	436,136	-	436,136
Due to Other Governments	356,372	-	356,372
Unearned Revenues	351,590	1,400,975	1,752,565
Special Deposits	95,254	54,946	150,200
Long-Term Liabilities:			
Amount Due Within One Year	5,971,044	390,561	6,361,605
Amounts Due in More than One Year	57,480,900	925,912	58,406,812
Total Other Postemployment Benefit Liability	<u>998,632</u>	<u>298,294</u>	<u>1,296,926</u>
Total Liabilities	<u>71,929,693</u>	<u>3,878,075</u>	<u>75,807,768</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes for Subsequent Year	36,816,465	-	36,816,465
Wisconsin Retirement System Pension Related	17,213,690	4,638,653	21,852,343
Other Postemployment Benefits Related	1,892,902	565,414	2,458,316
Total Deferred Inflows of Resources	<u>55,923,057</u>	<u>5,204,067</u>	<u>61,127,124</u>
NET POSITION			
Net Investment in Capital Assets	58,365,913	55,589,972	113,955,885
Restricted for:			
WRS Net Pension Asset	5,745,571	1,548,286	7,293,857
Other Purposes	774,313	12,764	787,077
Unrestricted	<u>32,196,860</u>	<u>5,468,414</u>	<u>37,665,274</u>
Total Net Position	<u><u>\$ 97,082,657</u></u>	<u><u>\$ 62,619,436</u></u>	<u><u>\$ 159,702,093</u></u>

See accompanying Notes to Financial Statements.

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 14,232,627	\$ 2,337,277	\$ 1,430,553	\$ -	\$ (10,464,797)	\$ -	\$ (10,464,797)
Public Safety	15,212,390	520,370	1,143,798	-	(13,548,222)	-	(13,548,222)
Transportation	9,575,218	-	2,798,268	-	(6,776,950)	-	(6,776,950)
Sanitation	323,539	8,721	238,661	-	(76,157)	-	(76,157)
Health and Human Services	22,418,039	6,440,450	9,832,905	-	(6,144,684)	-	(6,144,684)
Culture, Recreation and Education	2,403,575	420,044	293,151	-	(1,690,380)	-	(1,690,380)
Conservation and Development	2,246,654	465,177	429,795	-	(1,351,682)	-	(1,351,682)
Interest and Fiscal Charges	1,405,683	-	-	-	(1,405,683)	-	(1,405,683)
Total Governmental Activities	67,817,725	10,192,039	16,167,131	-	(41,458,555)	-	(41,458,555)
Business-Type Activities:							
Nursing Home	6,864,596	5,307,971	1,039,182	-	-	(517,443)	(517,443)
Highway Department	18,504,577	18,801,792	-	316,031	-	613,246	613,246
Total Business-Type Activities	25,369,173	24,109,763	1,039,182	316,031	-	95,803	95,803
Total Primary Government	\$ 93,186,898	\$ 34,301,802	\$ 17,206,313	\$ 316,031	(41,458,555)	95,803	(41,362,752)
GENERAL REVENUES							
Taxes:							
Property Taxes				36,368,615	-	36,368,615	
Sales Taxes				9,843,957	-	9,843,957	
Other Taxes				461,360	-	461,360	
State and Federal Aids Not Restricted to Specific Programs				777,856	-	777,856	
Interest and Investment Earnings				1,022,317	9,786	1,032,103	
Miscellaneous				1,048,175	223,682	1,271,857	
Gain on Sale of Assets				-	1,060,413	1,060,413	
Transfers				698,671	(698,671)	-	
Total General Revenues				50,220,951	595,210	50,816,161	
CHANGE IN NET POSITION							
Net Position - Beginning of Year, As Previously Reported				8,762,396	691,013	9,453,409	
Prior Period Adjustment				87,016,937	61,928,423	148,945,360	
Net Position - Beginning of Year, As Restated				1,303,324	-	1,303,324	
NET POSITION - END OF YEAR				88,320,261	61,928,423	150,248,684	
				\$ 97,082,657	\$ 62,619,436	\$ 159,702,093	

See accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

ST. CROIX COUNTY, WISCONSIN
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Health and Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS						
Treasurer's Cash and Investments	\$ 21,239,739	\$ 1,839,881	\$ 323,156	\$ 8,238,251	\$ 649,338	\$ 32,290,365
Departmental Cash and Investments	61,152	877	-	-	-	62,029
Taxes Receivable	25,672,475	7,094,200	5,430,620	-	-	38,197,295
Accounts Receivable	680,146	1,099,256	-	-	792	1,780,194
Due from Other Governments	2,224,836	2,069,568	-	-	12,503	4,306,907
Due from Other Funds	200,008	-	-	-	-	200,008
Prepaid Items	11,822	-	-	-	-	11,822
Deposit in Public-Entity Risk Pool	720,214	-	-	-	-	720,214
Total Assets	\$ 50,810,392	\$ 12,103,782	\$ 5,753,776	\$ 8,238,251	\$ 662,633	\$ 77,568,834
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Vouchers and Accounts Payable	\$ 725,367	\$ 478,795	\$ -	\$ 377,033	\$ 15,542	\$ 1,596,737
Accrued Payroll	1,056,200	662,368	-	-	2,538	1,721,106
Payroll Deductions	542,051	-	-	-	-	542,051
Due to Other Governmental Units	355,239	-	-	-	1,133	356,372
Unearned Revenues	341,590	10,000	-	-	-	351,590
Special Deposits	11,740	83,514	-	-	-	95,254
Total Liabilities	3,032,187	1,234,677	-	377,033	19,213	4,663,110
DEFERRED INFLOWS OF RESOURCES:						
Succeeding Year's Property Taxes	24,291,645	7,094,200	5,430,620	-	-	36,816,465
Unavailable Revenue - Other	-	1,099,256	-	-	-	1,099,256
Total Deferred Inflows of Resources	24,291,645	8,193,456	5,430,620	-	-	37,915,721
FUND BALANCES						
Nonspendable	2,112,866	-	-	-	-	2,112,866
Restricted	43,167	82,852	323,156	-	648,294	1,097,469
Assigned	1,794,635	2,592,797	-	7,861,218	-	12,248,650
Unassigned	19,535,892	-	-	-	(4,874)	19,531,018
Total Fund Balances	23,486,560	2,675,649	323,156	7,861,218	643,420	34,990,003
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 50,810,392	\$ 12,103,782	\$ 5,753,776	\$ 8,238,251	\$ 662,633	\$ 77,568,834

ST. CROIX COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES –
TO GOVERNMENTAL ACTIVITIES –
NET POSITION
DECEMBER 31, 2020

Total Fund Balance - Governmental Funds \$ 34,990,003

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	\$ 5,861,033
Land Improvements	3,751,767
Buildings and Improvements	34,254,801
Machinery and Equipment	18,187,070
Infrastructure	141,526,503
Construction Work-in-Progress	11,758,339
Accumulated Depreciation	<u>(96,547,580)</u> 118,791,933

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:

Health and Human Services Receivables	1,099,256
---------------------------------------	-----------

Pension and other postemployment benefits assets or liabilities and related deferred outflows and inflows of resources, as applicable, are recorded only on the Statement of Net Position.

Balances at year-end are:

Total Other Postemployment Benefits Liability	(998,632)
Other Postemployment Benefits Related Deferred Outflow of Resources	82,544
Other Postemployment Benefits Related Deferred Inflow of Resources	(1,892,902)
Net Pension Asset	5,745,571
Pension Related Deferred Inflow of Resources	(17,213,690)
Pension Related Deferred Outflow of Resources	<u>13,439,305</u> (837,804)

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

Bonds Payable	51,205,000
Notes Payable	8,104,000
Accrued Interest	436,136
Employee Leave Liability	<u>3,070,087</u> (62,815,223)

Refinancing costs and discounts and premiums are amortized over the lives of the related debt in the statement of net position.

In the governmental funds these costs are considered expenditures/other financing uses when incurred. (1,072,857)

The internal service funds are used by County management to charge the costs of the self-funded insurance programs to functions. The assets and liabilities of the self-funded insurance programs are reported as governmental activities.

6,927,349

Net Position of Governmental Activities \$ 97,082,657

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General Fund	Health and Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 34,156,919	\$ 6,673,880	\$ 5,843,133	\$ -	\$ -	\$ 46,673,932
Intergovernmental	7,484,530	9,253,319	-	-	378,943	17,116,792
Licenses and Permits	365,306	-	-	-	-	365,306
Fines and Forfeits	227,194	-	-	-	77,901	305,095
Public Charges for Services	2,854,277	6,371,758	-	-	221,249	9,447,284
Intergovernmental Charges for Services	37,925	68,692	-	-	-	106,617
Miscellaneous:						
Interest	982,808	-	-	-	-	982,808
Rent	80,707	-	-	-	-	80,707
Other	512,248	336,733	-	90,552	27,935	967,468
Total Revenues	46,701,914	22,704,382	5,843,133	90,552	706,028	76,046,009
EXPENDITURES						
General Government	12,380,882	-	-	-	179,879	12,560,761
Public Safety	14,282,520	-	-	-	505,011	14,787,531
Transportation	8,862,472	-	-	-	-	8,862,472
Sanitation	323,539	-	-	-	-	323,539
Health and Human Services	988,631	21,849,574	-	-	30,394	22,868,599
Culture, Recreation and Education	2,152,363	-	-	-	-	2,152,363
Conservation and Development	2,617,008	-	-	-	-	2,617,008
Capital Outlay	-	-	-	9,652,315	342,610	9,994,925
Debt Service:						
Principal Retirement	-	-	4,470,109	-	-	4,470,109
Interest and Fiscal Charges	-	-	1,799,272	-	-	1,799,272
Total Expenditures	41,607,415	21,849,574	6,269,381	9,652,315	1,057,894	80,436,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	5,094,499	854,808	(426,248)	(9,561,763)	(351,866)	(4,390,570)
OTHER FINANCING SOURCES (USES):						
Refunding Notes Issued	-	-	2,444,000	-	-	2,444,000
Payments to Refunded Escrow Agent	-	-	(2,422,969)	-	-	(2,422,969)
Proceeds from Sale of Assets	-	-	-	82,521	-	82,521
Transfers In	126,030	-	372,000	3,302,039	-	3,800,069
Transfers Out	(2,472,000)	-	-	-	(126,030)	(2,598,030)
Total Other Financing Sources (Uses)	(2,345,970)	-	393,031	3,384,560	(126,030)	1,305,591
NET CHANGE IN FUND BALANCES						
Fund Balances - Beginning of Year	20,738,031	1,820,841	356,373	14,038,421	1,121,316	38,074,982
FUND BALANCES - END OF YEAR	\$ 23,486,560	\$ 2,675,649	\$ 323,156	\$ 7,861,218	\$ 643,420	\$ 34,990,003

ST. CROIX COUNTY, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES –
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (3,084,979)

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	\$ 13,287,495
Capital Assets Contributed to the Highway Fund	(703,368)
Depreciation Expense Reported in the Statement of Activities	<u>(7,368,981)</u>
	5,215,146

In the statement of activities, only the gain (loss) on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase financial resources and trade-ins are not reflected in capital outlays. (158,116)

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. earned in the government-wide statements. (204,068)

Pension and other postemployment benefit expenditures in the governmental funds are measured by current year employee contributions. Pension and total other postemployment benefit expenses on the Statement of Activities are measured by the change in net pension and total other postemployment benefits assets or liabilities and related deferred outflows and inflows of resources. 2,448,987

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net assets and does not affect the statement of activities. Long-term debt incurred in the current year is:

General Obligation Notes	(2,444,000)
--------------------------	-------------

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 position. In the current year, these amounts consist of:

General Obligation Bond Principal Retirement	1,800,000
General Obligation Notes Principal Retirement	<u>5,093,078</u>
	6,893,078

The internal service fund is used by the County management to charge the costs of the various self-funded insurance program to functions. The change in net position of these internal service funds are allocated to governmental activities and business-type activities. (361,293)

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:

Net Change in Accrued Interest	71,100
Net Change in Employee Leave Liability	64,052
Net Change in Bond Discounts/Premiums	<u>322,489</u>
	457,641

Change in Net Position of Governmental Activities \$ 8,762,396

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds								
	Nursing Home	Highway Department	Totals	Internal Service Funds					
ASSETS									
CURRENT ASSETS									
Cash and Investments	\$ -	\$ 7,334,830	\$ 7,334,830	\$ 9,979,045					
Cash and Investments Held by Fiscal Agents	- -	- -	- -	505,509					
Accounts Receivable	157,166	57,126	214,292	2,020					
Resident Accounts Receivable, Net	398,824	- -	398,824	-					
Due from Other Governmental Units	- -	1,034,250	1,034,250	-					
Other Assets and Prepaid Items	- -	934,186	934,186	-					
Total Current Assets	<u>555,990</u>	<u>9,360,392</u>	<u>9,916,382</u>	<u>10,486,574</u>					
RESTRICTED ASSETS									
Cash and Investments:									
Resident Trust Agreement	8,620	- -	8,620	-					
Donation Funds	12,764	- -	12,764	-					
Wisconsin Retirement System Pension Asset	549,916	998,370	1,548,286	-					
Total Restricted Assets	<u>571,300</u>	<u>998,370</u>	<u>1,569,670</u>	<u>-</u>					
CAPITAL ASSETS									
Capital Assets	22,177,785	52,088,477	74,266,262	-					
Less Accumulated Depreciation	3,255,213	15,421,077	18,676,290	-					
Total Capital Assets	<u>18,922,572</u>	<u>36,667,400</u>	<u>55,589,972</u>	<u>-</u>					
Total Assets	<u>20,049,862</u>	<u>47,026,162</u>	<u>67,076,024</u>	<u>10,486,574</u>					
DEFERRED OUTFLOWS OF RESOURCES									
Wisconsin Retirement System Pension Related	1,286,293	2,335,259	3,621,552	-					
Other Postemployment Benefit Items	- -	24,656	24,656	-					
Total Deferred Outflows of Resources	<u>1,286,293</u>	<u>2,359,915</u>	<u>3,646,208</u>	<u>-</u>					
LIABILITIES									
CURRENT LIABILITIES									
Accounts Payable	45,077	347,469	392,546	701,422					
Accrued Payroll	28,566	386,275	414,841	-					
Accrued Claims Payable	- -	- -	- -	1,678,449					
Accrued Employee Leave	135,279	255,282	390,561	-					
Due to Other Funds	200,008	- -	200,008	-					
Unearned Revenues	- -	1,400,975	1,400,975	-					
Security Deposits Payable	47,024	- -	47,024	-					
Resident Trust Funds	7,922	- -	7,922	-					
Total Current Liabilities	<u>463,876</u>	<u>2,390,001</u>	<u>2,853,877</u>	<u>2,379,871</u>					
LONG-TERM LIABILITIES, Net of Current Portion									
Accrued Employee Leave	264,529	661,383	925,912	-					
Total Other Postemployment Benefits Liability	- -	298,294	298,294	-					
Total Long-Term Liabilities	<u>264,529</u>	<u>959,677</u>	<u>1,224,206</u>	<u>-</u>					
Total Liabilities	<u>728,405</u>	<u>3,349,678</u>	<u>4,078,083</u>	<u>2,379,871</u>					
DEFERRED INFLOWS OF RESOURCES									
Wisconsin Retirement System Pension Items	1,647,544	2,991,109	4,638,653	-					
Other Postemployment Benefit Items	- -	565,414	565,414	-					
Total Deferred Inflows of Resources	<u>1,647,544</u>	<u>3,556,523</u>	<u>5,204,067</u>	<u>-</u>					
NET POSITION									
Investment in Capital Assets	18,922,572	36,667,400	55,589,972	-					
Restricted for Donation Funds	12,764	- -	12,764	-					
Restricted for WRS Pension Asset	549,916	998,370	1,548,286	-					
Unrestricted	(525,046)	4,814,106	4,289,060	8,106,703					
Total Net Position	<u>\$ 18,960,206</u>	<u>\$ 42,479,876</u>	<u>\$ 61,440,082</u>	<u>\$ 8,106,703</u>					

ST. CROIX COUNTY, WISCONSIN
RECONCILIATION OF TOTAL ENTERPRISE FUND NET POSITION
TO THE NET POSITION OF BUSINESS-TYPE ACTIVITIES –
PROPRIETARY FUNDS
DECEMBER 31, 2020

Total Net Position - Enterprise Funds \$ 61,440,082

Amounts reported for business-type activities in the statement of net position are different because:

The internal service funds are used by County's management to charge the costs of the self-funded insurance programs to functions. The assets and liabilities of the self-funded insurance programs are allocated between governmental activities and business-type activities.

1,179,354

Net Position of Business-Type Activities \$ 62,619,436

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds			
	Nursing Home	Highway Department	Totals	Internal Service Funds
	\$ 5,296,033	\$ 17,410,311	\$ 22,706,344	\$ 10,632,136
OPERATING REVENUES				
Charges for Services	11,938	1,601,767	1,613,705	358,023
Miscellaneous				
Total Operating Revenues	5,307,971	19,012,078	24,320,049	10,990,159
OPERATING EXPENSES:				
Daily Patient Services	2,907,229	-	2,907,229	-
Special Services	1,778,996	-	1,778,996	-
Transportation Services	-	16,262,829	16,262,829	155,273
Premiums and Claims	-	-	-	11,205,162
General and Administrative	1,479,629	1,751,221	3,230,850	785,006
Depreciation	594,789	-	594,789	-
Other	40,000	-	40,000	-
Total Operating Expenses	6,800,643	18,014,050	24,814,693	12,145,441
OPERATING INCOME (LOSS)	(1,492,672)	998,028	(494,644)	(1,155,282)
NONOPERATING REVENUES (EXPENSES):				
Interest Revenue	-	-	-	49,295
Supplemental Payment Revenue	437,501	-	437,501	-
Supplemental Payment Revenue - COVID 19	601,681	-	601,681	-
Insurance Reimbursement	13,396	-	13,396	-
Gain on Sale of Capital Assets	-	1,060,413	1,060,413	-
Total Nonoperating Revenues (Expenses)	1,052,578	1,060,413	2,112,991	49,295
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(440,094)	2,058,441	1,618,347	(1,105,987)
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Transfers In	-	-	-	1,338,713
Capital Contributions - County	-	703,368	703,368	-
Capital Contributions - State	-	316,031	316,031	-
Transfer To Other Funds	-	(1,402,039)	(1,402,039)	(1,138,713)
Total Transfers and Capital Contributions	-	(382,640)	(382,640)	200,000
CHANGE IN NET POSITION	(440,094)	1,675,801	1,235,707	(905,987)
Net Position - Beginning of Year	19,400,300	40,804,075	60,204,375	9,012,690
NET POSITION - END OF YEAR	\$ 18,960,206	\$ 42,479,876	\$ 61,440,082	\$ 8,106,703

ST. CROIX COUNTY, WISCONSIN
RECONCILIATION OF ENTERPRISE FUND CHANGES IN NET POSITION
TO THE BUSINESS-TYPE CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

Net Change in Net Position for Enterprise Funds \$ 1,235,707

Amounts reported for business-type activities in the statement of activities are different because:

The internal service fund is used by the County's management to charge the costs of the various self-funded insurance program to functions. The change in net position of these internal service funds are allocated to governmental activities business-type activities.

(544,694)

Change in Net Position of Business-Type Activities \$ 691,013

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds			Internal Service Funds
	Nursing Home	Highway Department	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received for Services Provided	\$ 5,094,398	\$ 19,367,922	\$ 24,462,320	\$ 11,019,913
Cash Paid to Suppliers for Goods and Services	(1,761,914)	(7,224,593)	(8,986,507)	-
Cash Paid for Employee Services	(4,582,036)	(9,283,357)	(13,865,393)	-
Cash Paid for Claims/Premiums/ Administrative Services	-	-	-	(11,951,624)
Net Cash Provided (Used) by Operating Activities	(1,249,552)	2,859,972	1,610,420	(931,711)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Advances from (Repayments to) County Transfers (to) from County	200,008	-	200,008	-
Other Non-Operating Income	-	(1,402,039)	(1,402,039)	200,000
Cash Received from Intermediary for Additional Financing of Prior Year Operations	13,396	-	13,396	-
Net Change in Restricted Funds	1,039,182	-	1,039,182	-
Net Cash Provided (Used) by Noncapital Financing Activities	(698)	-	(698)	-
	1,251,888	(1,402,039)	(150,151)	200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(43,868)	(1,597,444)	(1,641,312)	-
Cash Proceeds Received on Sale of Capital Assets	-	1,402,039	1,402,039	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(43,868)	(195,405)	(239,273)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	-	-	-	49,295
NET CHANGE IN CASH AND CASH EQUIVALENTS				
Cash and Cash Equivalents - Beginning of Year	(41,532)	1,262,528	1,220,996	(682,416)
	62,916	6,072,302	6,135,218	11,166,970
CASH AND CASH EQUIVALENTS - END OF YEAR				
	<u>\$ 21,384</u>	<u>\$ 7,334,830</u>	<u>\$ 7,356,214</u>	<u>\$ 10,484,554</u>

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED) –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds			Internal Service Funds	
	Nursing Home	Highway Department	Totals		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)					
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	\$ (1,492,672)	\$ 998,028	\$ (494,644)	\$ (1,155,282)	
Depreciation	594,789	1,713,349	2,308,138	-	
Net Change in WRS Pension Asset	(549,916)	(998,370)	(1,548,286)	-	
Net Change in WRS Pension Deferred Outflow	134,229	909,563	1,043,792		
Net Change in WRS Pension Liability	(523,460)	(1,195,218)	(1,718,678)		
Net Change in WRS Pension Deferred Inflow	925,783	1,343,109	2,268,892		
Net Change in Other Postemployment Benefits Deferred Outflows	-	(24,271)	(24,271)		
Net Change in Total Other Postemployment Benefits Liability	-	(1,015,254)	(1,015,254)	-	
Net Change in Other Postemployment Benefits Deferred Inflows	-	274,225	274,225		
(Increase) Decrease in:					
Accounts Receivable	(205,075)	(47,112)	(252,187)	29,754	
Due from Other Governmental Units	-	169,625	169,625	-	
Prepaid Items and Other Assets	-	149,605	149,605	-	
Increase (Decrease) in:					
Accounts Payable	(50,859)	346,501	295,642	110,876	
Accrued Claims/Losses Payable	-	-	-	82,941	
Accrued Liabilities	(129,579)	99,742	(29,837)	-	
Accrued Employee Leave	55,705	(96,881)	(41,176)	-	
Security Deposits Payable	(8,497)	-	(8,497)	-	
Unearned Revenue	-	233,331	233,331	-	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,249,552)	\$ 2,859,972	\$ 1,610,420	\$ (931,711)	
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS					
Cash and Investments per Statement of Net Position:					
Cash and Investments	\$ -	\$ 7,334,830	\$ 7,334,830	\$ 9,979,045	
Cash Held by Fiscal Agents	-	-	-	505,509	
Cash and Investments - Restricted	21,384	-	21,384	-	
CASH AND CASH EQUIVALENTS	\$ 21,384	\$ 7,334,830	\$ 7,356,214	\$ 10,484,554	
NONCASH ITEMS:					
Capital Contributions Received	\$ -	\$ 1,019,399	\$ 1,019,399	\$ -	

**ST. CROIX COUNTY, WISCONSIN
STATEMENT OF NET POSITION –
FIDUCIARY FUNDS
DECEMBER 31, 2020**

	<u>Custodial Funds</u>
ASSETS	
Treasurer's Cash and Investments	\$ 27,564,541
Departmental Cash and Investments	1,454,147
Special Assessments Receivable	<u>66,422</u>
 Total Assets	 29,085,110
LIABILITIES	
Due to Other Governments	70,073
Accounts Payable	228
Total Liabilities	<u>70,301</u>
DEFERRED INFLOWS OF RESOURCES	
Succeeding Year's Property Taxes	<u>27,411,475</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and	
Other Governments	<u>\$ 1,603,334</u>

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Individuals	\$ 544,814
Property Tax Collections for Other Governments	148,449,479
Fines and Forfeitures	239,137
License and Fees Collected for State	6,644,160
Total Additions	<u>155,877,590</u>
DEDUCTIONS	
Payments of Property Tax to Other Governments	149,009,291
Payments to Other Governments	596,479
Distribution to Participants	6,657,595
Total Deductions	<u>156,263,365</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(385,775)
Fiduciary Net Position - Beginning of Year	-
as Previously Reported	1,989,109
Change in Accounting Principle	<u>1,989,109</u>
Fiduciary Net Position - Beginning of Year, as Restated	<u>1,989,109</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 1,603,334</u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Croix County, Wisconsin, (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. Financial Reporting Entity

St. Croix County is governed by a board of supervisors consisting of nineteen 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. No other organizations were identified for inclusion in the financial reporting entity of the 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, deferred outflows of resources, liabilities, deferred inflows 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 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.

Health and Human Services Fund – The Health and Human Services Fund, a special revenue fund, is used to account for the County's health programs and human services programs. 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. These programs are funded primarily by intergovernmental revenues, and property taxes, committed through the Board approved levy.

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 costs of governmental funds, which are financed by property tax revenues restricted through bond documents.

Capital Projects Fund – The capital projects fund is used to account for all ongoing projects for the County.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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

The County reports the following major enterprise funds:

Nursing Home Fund – This fund accounts for the operations of the County's nursing home. This primary source of revenue is from the charges for the services provided

Highway Department Fund – This fund is used to account for the County's highway department operations, which provides services both to the County and to the State and other local districts. This fund is reported as an enterprise fund because the majority of its operating revenue is derived from charges to the state and local districts.

The County had no other enterprise funds to report as nonmajor funds, but does report the following internal service funds:

- Internal service funds are used to account for the County's various self-funded health, workers compensation, and liability insurance programs and the retiree health savings account. The primary source of revenue is from the premiums paid.

Additionally, the County reports the following fiduciary funds:

- Custodial funds (fiduciary funds) are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basic 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 sixty 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 County reports deferred inflows of resources on its statement of net position and fund balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the County before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflow of resources or the liability for unearned revenue is removed from the statement of net position and fund balance sheet and revenue is recognized.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between governmental activities and business-type activities for services provided.

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

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basic Accounting (Continued)

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.

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 Inflow/Outflows or Resources and Net Position of Equity

1. Cash 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;

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows or Resources and Net Position of Equity (Continued)

1. Cash and Investments (Continued)

- c) Bonds or securities of any County, city, drainage district, technical college district, village, 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 and amortized cost depending on type.

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 custodial fund statement of fiduciary net position. Since County property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows or Resources and Net Position of Equity (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 St. Croix County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year, except for delinquent special assessments and other special charges. All uncollected taxes returned to the County for collection are financed through the general fund, except for delinquent special assessments of the districts. A portion of the general fund's equity balance is nonspendable for the County's investment in delinquent taxes.

Accounts Receivable. Client accounts receivable in the health and human services fund are offset by an allowance for doubtful accounts of approximately \$793,452. All other accounts receivable are considered to be collectible in full.

Third-Party Reimbursement Agreements Medicaid - The Nursing Home (Home) participates in the Medicaid program that is administrated by the Wisconsin Department of Human Services (DHS). Revenues for provided services are recognized by the Home as services are provided. Rates for services provided to residents under the Title XIX Wisconsin Medical Assistance Program are based on cost reports submitted by the Home and a formula determined by the Wisconsin Department of Human Services. Average Title XIX rates cannot exceed private pay rates. Title XIX rates are subject to retroactive adjustment.

The State of Wisconsin Department of Human Services also provides additional reimbursement to county nursing facilities through the intergovernmental transfer program based on the shortfall between a facility's Medicaid reimbursement and the cost of providing the related care. These additional settlement amounts are reflected as non-operating gains. Amounts recognized was \$1,039,181 during the year ended December 31, 2020.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows or Resources and Net Position of Equity (Continued)

2. Receivables and Payables (Continued)

Third-Party Reimbursement Agreements (Continued)

Medicare – By state statute, a nursing home facility which participates in the Medicaid program must also participate in the Medicare program. This program is administered by the Centers for Medicare and Medicaid Services.

The Home is paid under the Medicare prospective payment system (PPS) for residents who are Medicare eligible. The PPS is a per diem price-based system.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Resident service revenues were \$5,296,033 and there were no contractual adjustments in the current year.

During the year ended December 31, 2020, the occupancy percentages and the percentages of residents covered under the Medicare and Medicaid programs were as follows:

Total Occupancy	74.1%
Medicaid	45.2%
Medicare	15.9%

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows or Resources and Net Position of Equity (Continued)

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”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as “internal balances”. Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Other Assets and Prepaid Items

Other assets of the County's highway fund are reflected at average cost. These items are consumed in the operation of the highway fund including culverts, repair parts, and various medical supplies on hand. Other assets of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements. Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. In the case of the initial capitalization of general infrastructure reported in governmental activities, the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (estimating the current replacement costs of the infrastructure to be capitalized and using an appropriate price-level index to deflate the costs to the acquisition year or estimated acquisition year).

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows or Resources and Net Position of Equity (Continued)

5. Capital Assets (Continued)

Government-Wide Statements (Continued). 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 and Land Improvements	\$ 5,000	Straight-Line	5-25 Years
Buildings and Improvements	5,000	Straight-Line	25-40 Years
Machinery and Equipment	5,000	Straight-Line	4-20 Years
Infrastructure	5,000	Straight-Line	25-60 Years

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 would report 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. Deferred outflows of resources are reported in these financial statements for Wisconsin Retirement System pension items and other post-employment benefit items.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows or Resources and Net Position of Equity (Continued)

7. Deferred Inflows of Resources

The County's governmental activities, business-type activities, governmental and enterprise 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 deferred inflows of resources for pension and other-post employment benefit 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 4.B.

9. Wisconsin Retirement System Pension Plan Benefits

For purposes of measuring the net pension asset, liability, 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. 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.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows or Resources and Net Position of Equity (Continued)

11. Equity Classifications

Fund equity, representing the difference between assets, liabilities and deferred inflows/outflows, 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 its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted. When both restricted and unrestricted net position are available for use, it is the County's policy to use restricted resources first and unrestricted resources next to the extent they are needed.

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 unassigned portions of the fund balance at a minimum of 35% of the general fund operating expenditures. Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year-end. Based on resolution of the County Board, the County Administrator 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.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of the fund equity and changes thereto in the fund financial statements to the net position and revenues/expenses shown in the government-wide financial statements are presented as referenced in the table of contents for the governmental funds and for the enterprise funds.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Generally accepted accounting principles require the disclosure of individual funds that have deficit balances at year-end. At December 31, 2020, the Stop Drugs Fund had a deficit fund balance of \$4,874. The County plans to eliminate this deficit through future donations and increased tax levy support if necessary.

Expenditures in excess of budget for fiscal year 2020 were as follows:

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Fund				
General Government	\$ 12,203,932	\$ 12,203,932	\$ 12,380,882	\$ (176,950)
Sanitation	298,764	298,764	323,539	(24,775)
Health and Human Services Fund	19,624,308	19,624,308	21,849,574	(2,225,266)

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2020 are shown in the financial statements as follows:

Governmental Activities	\$ 42,836,948
Business-Type Activities	7,356,214
Fiduciary Activity	29,018,688
<hr/>	

The above cash and investments balances consisted of the following:

Treasurer's Cash and Investments	
Deposits at Financial Institutions	\$ 20,989,107
Deposits in State Local Government:	
Pooled-Investment Fund	22,589,801
Money Market Savings Account	1,163,843
Investments in Federal Obligations	<u>32,484,712</u> \$ 77,227,463
Departmental Cash and Investments	
Deposits in Financial Institutions	1,454,147
Petty Cash	<u>3,347</u> 1,457,494
Cash and Investments Held by Fiscal Agents	
Deposits with WMMC	505,509
Restricted Cash and Investments	
Deposits in Financial Institutions:	
County Funds	21,384
Total Cash and Investments at December 31, 2020	<u>\$ 79,211,850</u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

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

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. At December 31, 2020, all of the County's deposits were insured or collateralized.

Investments

The County's investments at December 31, 2020 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool), U.S. government agencies and instrumentalities, obligations, and a money market fund associated with its investments in federal securities.

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 2020 was 30 days. LGIP is not registered with the SEC and the regulatory authority of the LGIP. The County's investment in LGIP is valued at amortized cost.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Certificates of Deposit and U.S. Government Agencies and Instrumentalities Obligations. The County's investments in these obligations at December 31, 2020 are as follows:

<u>Description</u>	<u>Totals</u>	<u>Investment Maturities (in years)</u>			
		<u>< 1</u>	<u>1 to 2</u>	<u>2 to 3</u>	<u>> 3</u>
Debt Instruments:					
U.S. Treasuries	\$ 2,785,263	\$ 2,785,263	\$ -	\$ -	\$ -
Fannie Mae	3,818,745	-	-	1,817,465	2,001,280
FHLB	7,695,097	1,106,473	2,784,035	-	3,804,589
Federal Farm CR	11,016,285	2,877,109	2,000,030	4,033,822	2,105,324
Freddie Mac	7,169,322	-	-	-	7,169,322
Money Market Funds	1,163,843	1,163,843	-	-	-
Total	<u>\$ 33,648,555</u>	<u>\$ 7,932,688</u>	<u>\$ 4,784,065</u>	<u>\$ 5,851,287</u>	<u>\$ 15,080,515</u>

Generally, the above obligations are subject to call prior to the stated maturity date. It is the County's general policy to hold the obligations until maturity or call. The listed obligations are guaranteed by the issuing agency/instrumentality.

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.

As of December 31, 2020, the County's investments were rated as follows:

<u>Type</u>	<u>Credit Quality Rating</u>	<u>Amount</u>
US Treasuries	AA+	\$ 2,785,263
Freddie Mac	AA+	7,169,322
Fannie Mae	AA+	3,818,745
FHLB	AA+	7,695,097
Federal Home LN	AA+	11,016,285
Money Market Funds	Not Rated	1,163,843
LGIP	Not Rated	22,589,801

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 further into the future are more sensitive to changes in market interest rates. The short weighted average maturity of the investments in the LGIP mitigates this risk to the County. Also, it is the County's policy to invest in securities that mature in seven years or less.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At December 31, 2020, the investment portfolio was concentrated as follows (investment holdings individually greater than 5% of the total investment portfolio):

Type	Amount	Percentage
Fannie Mae	\$ 3,818,745	11.4%
FHLB	7,695,097	22.9%
Federal Home LN	11,016,285	32.7%
Freddie Mac	7,169,322	21.3%

The County uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The County follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the County has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Assets of the County measured at fair value on a recurring basis:

Description	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ 2,785,263	\$ -	\$ -	\$ 2,785,263
Fannie Mae	3,818,745	-	-	3,818,745
FHLB	7,695,097	-	-	7,695,097
Federal Farm CR	11,016,285	-	-	11,016,285
Freddie Mac	7,169,322	-	-	7,169,322
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 32,484,712	\$ -	\$ -	32,484,712
Investments Measured at Amortized Cost - LGIP Funds				22,589,801
Total Investments				\$ 55,074,513

B. Receivables/Deferred Inflows of Resources

1. Taxes Receivable

Taxes receivable at December 31, 2020 is as detailed below:

	Governmental Funds	Enterprise Funds	Custodial Funds	Totals
Current Taxes Receivable				
2020 Apportionment:				
County Taxes	\$ 36,817,124	\$ -	\$ -	\$ 36,817,124
Delinquent Taxes Receivable				
Tax Certificates:				
2020 Sale (2019 Taxes)	817,432	-	-	817,432
2019 Sale	293,714	-	-	293,714
2018 Sale	134,292	-	-	134,292
2017 Sale and Prior Years	77,770	-	-	77,770
Special Assessments and Charges			66,422	66,422
Total	1,323,208	-	66,422	1,389,630
Tax Deeds Owned by County	56,963	-	-	56,963
Total Taxes Receivable	\$ 38,197,295	\$ -	\$ 66,422	\$ 38,263,717

Delinquent taxes receivable in the custodial fund consist of delinquent special assessments and other charges due local taxing districts. These amounts are remitted to the districts when collected by the County.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Inflows of Resources (Continued)

2. Resident Receivables

Resident receivables reported as current assets by the Home at December 31, 2020 consisted of the following:

Receivable from Residents and Their Insurance Carriers	\$ 153,184
Receivable from Medicare	107,679
Receivable from Medicaid	184,461
Total Resident Receivables	445,324
Less: Allowance for Doubtful Accounts	(46,500)
Resident Receivables, Net	\$ 398,824

3. Other Receivable

Other accounts receivable at December 31, 2020 are further detailed as follows:

	General Fund	Health and Human Services Fund	Other Governmental Funds	Nursing Home	Highway Department	T
Accounts Receivable:						
General	\$ 680,146	\$ 1,099,256	\$ 792	\$ 157,166	\$ 57,126	\$ 1,
Customers/Residents:						
Nursing Home	-	-	-	445,324	-	-
Allowance for Doubtful Accounts	-	-	-	(46,500)	-	-
	680,146	1,099,256	792	555,990	57,126	2,
Due From Other Governments	2,224,836	2,069,568	12,503	-	1,034,250	4,
Totals	\$ 2,904,982	\$ 3,168,824	\$ 13,295	\$ 555,990	\$ 1,091,376	\$ 6,

4. Deferred Inflows of Resources/Unearned Revenues

Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Governmental Funds:			
2020 Tax Levy	\$ -	\$ 36,816,465	\$ 36,816,465
General Fund Grant Advances	-	341,590	341,590
Health and Human Services Receivables	1,099,256	10,000	1,109,256
Total Governmental Activities	\$ 1,099,256	\$ 37,168,055	\$ 38,267,311

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 5,495,101	\$ 370,309	\$ 4,377	\$ 5,861,033
Construction Work-in-Progress	5,232,599	13,300,206	6,774,466	11,758,339
Total Capital Assets Not Being Depreciated	10,727,700	13,670,515	6,778,843	17,619,372
Capital Assets Being Depreciated:				
Land Improvements	3,546,422	205,345	-	3,751,767
Buildings and Improvements	34,038,085	300,772	84,056	34,254,801
Equipment and Vehicles	18,242,848	1,084,278	1,140,056	18,187,070
Highway Infrastructure	135,845,530	3,657,944	-	139,503,474
Other Infrastructure	1,500,769	522,260	-	2,023,029
Total Capital Assets Being Depreciated	193,173,654	5,770,599	1,224,112	197,720,141
Total Capital Assets	203,901,354	19,441,114	8,002,955	215,339,513
Accumulated Depreciation:				
Land Improvements	2,052,063	129,645	-	2,181,708
Buildings and Improvements	17,014,649	1,409,264	8,897	18,415,016
Equipment and Vehicles	9,460,411	1,867,086	978,955	10,348,542
Highway Infrastructure	56,564,298	3,935,285	-	60,499,583
Other Infrastructure	5,075,030	27,701	-	5,102,731
Total Accumulated Depreciation	90,166,451	7,368,981	987,852	96,547,580
Net Capital Assets - Governmental Activities	<u>\$ 113,734,903</u>	<u>\$ 12,072,133</u>	<u>\$ 7,015,103</u>	<u>\$ 118,791,933</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,719,223
Public Safety	1,186,260
Transportation	3,935,285
Health and Human Services	299,836
Culture, Recreation, and Education	228,377
	<u>\$ 7,368,981</u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Transfers and Decreases	Ending Balance
Nursing Home:				
Capital Assets Being Depreciated:				
Land Improvements	\$ 22,262	\$ -	\$ -	\$ 22,262
Buildings	21,076,488	78,885	-	21,155,373
Equipment	1,075,125	36,173	111,148	1,000,150
Total Capital Assets Being Depreciated	22,173,875	115,058	111,148	22,177,785
Accumulated Depreciation:				
Land Improvements	10,784	678	-	11,462
Buildings	1,739,250	530,341	39,958	2,229,633
Equipment	950,348	63,770		1,014,118
Total Accumulated Depreciation	2,700,382	594,789	39,958	3,255,213
Net Capital Assets - Nursing Home	19,473,493	(479,731)	71,190	18,922,572
Highway Department:				
Capital Assets Not Being Depreciated:				
Land	1,218,049	-	26,692	1,191,357
Gravel Pits and Quarries	255,842		7,230	248,612
Total Capital Assets Not Being Depreciated	1,473,891		33,922	1,439,969
Capital Assets Being Depreciated:				
Land Improvements	2,166,772		71,771	2,095,001
Buildings and Improvements	27,423,224	641,273	1,676,816	26,387,681
Machinery and Equipment	20,658,186	2,186,918	679,278	22,165,826
Total Capital Assets Being Depreciated	50,248,182	2,828,191	2,427,865	50,648,508
Total Capital Assets	51,722,073	2,828,191	2,461,787	52,088,477

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Highway Department: (Continued)				
Accumulated Depreciation:				
Land Improvements	\$ 448,513	\$ 78,000	\$ 71,771	\$ 454,742
Buildings and Improvements	2,899,617	688,287	1,310,923	2,276,981
Machinery and Equipment	12,268,411	947,062	526,119	12,689,354
Total Accumulated Depreciation	<u>15,616,541</u>	<u>1,713,349</u>	<u>1,908,813</u>	<u>15,421,077</u>
Net Capital Assets -				
Highway Dept.	<u>36,105,532</u>	<u>1,114,842</u>	<u>552,974</u>	<u>36,667,400</u>
Total Capital Assets	73,895,948	2,943,249	2,572,935	74,266,262
Less Accumulated Depreciation	<u>18,316,923</u>	<u>2,308,138</u>	<u>1,948,771</u>	<u>18,676,290</u>
Net Capital Assets -				
Business-Type Activities	<u>\$ 55,579,025</u>	<u>\$ 635,111</u>	<u>\$ 624,164</u>	<u>\$ 55,589,972</u>

Depreciation was charged to the following business-type activities:

Nursing Home	\$ 594,789
Highway Department	1,713,349
Total	<u>\$ 2,308,138</u>

D. Interfund Receivable, Payables, and Transfers

The composition of interfund balances as of December 31, 2020 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nursing Home Fund	\$ 200,008 <u>\$ 200,008</u>	Cover deficit cash

The above interfund balances was for temporary financing of operating expenses and is expected to be repaid in 2021. Interfund balances owed within the governmental activities are eliminated in the statement of net position.

Interfund Transfers

Fund Transferred To	Fund Transferred From	Amount	Purpose
General Fund	St. Croix River Crossing Capital Projects Fund	\$ 126,030	Close Fund
Debt Service Fund	General Fund	372,000	Debt Service
Internal Service Fund - Retirement Health			
Savings Account	General Fund	200,000	Paid time off contribution to RHS
Internal Service Fund - Retirement Health	Internal Service Fund - Retirement		
Savings Account	Liability Account	1,138,713	Fund Close out
Capital Projects Fund	Highway Department Fund	1,402,039	Project financing
Capital Projects Fund	General Fund	1,900,000	Project financing
Total		<u>\$ 5,138,782</u>	

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the County for the year ended December 31, 2020 were as follows:

	Balances 1/1/20	Additions	Reductions	Balances 12/31/20	Amounts Due Within One Year
Long-Term Debt					
Governmental Activities					
General Obligation Bonds, dated 09/01/15, from Direct Placements	\$ 8,750,000	\$ -	\$ 445,000	\$ 8,305,000	\$ 455,000
General Obligation Bonds, dated 03/02/16, from Direct Placements	9,745,000	-	130,000	9,615,000	135,000
General Obligation Bonds, dated 2/14/18, from Direct Placements	26,485,000	-	995,000	25,490,000	1,035,000
General Obligation Bonds, dated 12/04/19, from Direct Placements	8,025,000	-	230,000	7,795,000	1,055,000
General Obligation Notes, dated 9/1/14, from Direct Borrowing	7,000,000	-	1,340,000	5,660,000	1,365,000
General Obligation Notes, dated 6/1/16, from Direct Borrowing	2,698,210	-	2,698,210	-	-
General Obligation Notes, dated 7/29/16, from Direct Borrowing	85,060	-	85,060	-	-
General Obligation Notes, dated 7/10/17, from Direct Borrowing	969,808	-	969,808	-	-
General Obligation Notes, dated 3/11/20, from Direct Borrowing		2,444,000	-	2,444,000	391,000
Net Bond Premium (Discount)	1,395,346	-	322,489	1,072,857	-
Total Long-Term Debt	\$ 65,153,424	\$ 2,444,000	\$ 7,215,567	\$ 60,381,857	\$ 4,436,000
Other Long-Term Obligations					
Governmental Activities					
Employee Leave Liability	\$ 3,134,139	\$ 188,900	\$ 252,952	\$ 3,070,087	\$ 1,535,044
Total Other Long-Term Obligations	\$ 3,134,139	\$ 188,900	\$ 252,952	\$ 3,070,087	\$ 1,535,044
Business-Type Activities					
Employee Leave Liability					
Employee Leave Liability	\$ 1,357,649	\$ -	\$ 41,176	\$ 1,316,473	\$ 390,561
Total	\$ 1,357,649	\$ -	\$ 41,176	\$ 1,316,473	\$ 390,561

The County's estimated liability for employee leave and other postemployment benefits are discussed in Note 4.B and Note 5, respectively. The Employee Leave Liability and Other Postemployment Benefits are paid from the General, Health and Human Services, Highway, and Nursing Home Funds.

Security and Default. The outstanding long-term debt obligations of the County contain the following provisions:

All general obligation bonds, notes and other long-term obligations are backed by the full faith and credit of the County. General obligation long-term debt will be retired by future tax levies accumulated by the debt service fund. The County's outstanding notes from direct borrowings related to governmental activities of \$8,104,000 contain provisions that in the event of default, outstanding amounts become immediately due if the County is unable to make payment.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Changes in Long-Term Obligations (Continued)

Annual Requirements for Retirement. Long-term general obligation debt issues outstanding at December 31, 2020 and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
General Obligation Bonds				
Corporate Purpose Bonds, Series 2015A, \$10,000,000, Issued 9/01/15, Due 4/1/35, Interest at 2.00%-3.20% (Nursing and Dementia Crisis Facility Project)	2021 2022 2023 2024 2025 2026-2030 2031-2035	\$ 455,000 465,000 475,000 485,000 500,000 2,735,000 3,190,000	\$ 222,905 213,705 204,305 193,493 181,180 700,863 261,160	\$ 677,905 678,705 679,305 678,493 681,180 3,435,863 3,451,160
	8,305,000	1,977,611		10,282,611
Corporate Purpose Bonds, Series 2016A, \$10,000,000, Issued 3/02/16, Due 4/1/35, Interest at 2.7%-3.00%	2021 2022 2023 2024 2025 2026-2030 2031-2035	135,000 140,000 140,000 145,000 715,000 3,885,000 4,455,000	226,370 222,245 218,045 213,770 200,870 760,160 294,298	\$ 361,370 362,245 358,045 358,770 915,870 4,645,160 4,749,298
	9,615,000	2,135,758		11,750,758
Highway Maintenance Facility Bonds, Series 2018A, \$27,000,000, Issued 2/14/18, Due 3/1/38, Interest at 2.5%-5.00%	2021 2022 2023 2024 2025 2026-2030 2031-2035 2036-2038	1,035,000 1,075,000 1,120,000 1,165,000 1,215,000 6,685,000 7,820,000 5,375,000	838,846 804,708 768,870 723,170 669,495 2,623,030 1,527,236 269,211	\$ 1,873,846 1,879,708 1,888,870 1,888,170 1,884,495 9,308,030 9,347,236 5,644,211
	25,490,000	8,224,566		33,714,566
General Obligation Capital Improvement Bonds, Series 2019A, \$8,025,000, Issued 12/4/19, Due 4/1/39, Interest at 2.45%-3.00%	2021 2022 2023 2024 2025 2026-2030 2031-2035 2036-2039	1,055,000 725,000 700,000 380,000 385,000 1,710,000 1,430,000 1,410,000	193,638 166,938 145,563 129,363 117,888 427,163 244,474 63,718	\$ 1,248,638 891,938 845,563 509,363 502,888 2,137,163 1,674,474 1,473,718
	7,795,000	1,488,745		9,283,745
General Obligation Notes				
General Obligation Promissory Notes, Series 2014A, \$10,000,000 6/12/06, Final Installment Due 4/01/2024, Interest 1.00%-2.25% (HHS Relocation to SCCSC, Jail Renovation)	2021 2022 2023 2024	\$ 1,365,000 1,395,000 1,430,000 1,470,000	\$ 110,050 75,626 47,375 16,538	\$ 1,475,050 1,470,626 1,477,375 1,486,538
	5,660,000	249,589		\$ 5,909,589
General Obligation Promissory Notes, Series 2020A, \$2,444,000 6/12/06, Final Installment Due 4/01/2024, Interest 1.00%-2.25%	2021 2022 2023 2024 2025 2026	391,000 397,000 404,000 411,000 417,000 424,000	56,313 29,858 23,410 16,849 10,183 3,413	\$ 447,313 426,858 427,410 427,849 427,183 427,413
	2,444,000	140,026		\$ 2,584,026
Total General Obligation Debt		\$ 59,309,000	\$ 14,216,295	\$ 73,525,295

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt

During 2020, the County issued \$2,444,000 in general obligation promissory notes to refinance existing debt. The loan accrues interest of 1.61% and is payable through 2026. The actual and present value savings realized on the refunding were \$122,541 and \$115,547, respectively.

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, 2020, the County's debt limit amounted to \$576,705,730 and indebtedness subject to the limitation totaled \$59,309,000.

NOTE 5 OTHER INFORMATION

A. 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 1200 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, 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.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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.

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

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

The WRS also provides death and disability benefits for employees.

Contributions – Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the fiscal reporting period January 1, 2020 through December 31, 2020, the WRS recognized \$2,621,770 in contributions from the employer.

Contribution rates as of December 31, 2020 are:

	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.75 %	6.55 %
Executives and Elected Officials	6.75	6.75
Protective with Social Security	6.75	11.74
Protective without Social Security	6.75	16.34

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

A. 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</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
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
2019	0.0	(10.0)

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

At December 31, 2020, the County reported an asset of \$7,293,857 for its proportionate share of the net pension asset. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2019, the County's proportion was 0.22620425 percent, which was an increase of 0.00395280 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized pension expense of \$2,785,059. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources on the next page:

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets, Liabilities, 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>
Difference Between Expected and Actual Experience	\$ 13,845,408	\$ 6,928,700
Changes of Assumptions	568,384	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	14,911,238
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	25,295	12,405
County Contributions Subsequent to the Measurement Date	2,621,770	-
Total	<u>\$ 17,060,857</u>	<u>\$ 21,852,343</u>

\$2,621,770 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 asset in the year ended December 31, 2021. 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>
2021	\$ (2,192,751)
2022	(1,640,234)
2023	254,830
2024	(3,835,101)
2025	-
Thereafter	-

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
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% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

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

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Core Fund Asset Class	Target Allocation	Long-Term Expected Nominal Rate	Long-Term Expected Real Rate of Return
Global Equities	49.0%	8.0%	5.1%
Fixed Income	24.5%	4.9%	2.1%
Inflation Sensitive Assets	15.5%	4.0%	1.2%
Real Estate	9.0%	6.3%	3.5%
Private Equity/Debt	8.0%	10.6%	7.6%
Multi-Asset	4.0%	6.9%	4.0%
Total Core Fund	110%	7.5%	
<hr/>			
Variable Fund Asset Class			
U.S. Equities	70%	7.5%	4.6%
International Equities	30%	8.2%	5.3%
Total	100%	7.8%	4.9%

New England Pension Consultants Long Term US CPI (Inflation) Forecast:
 2.75% Asset Allocations are managed within established ranges, target
 percentages may differ from actual monthly allocations.

Discount Rate. A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 18,782,987	\$ (7,293,857)	\$ (26,789,298)

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://eft.wi.gov/publications/cafr.htm>.

B. Employee Leave Liability

All regular employees are granted personal time off (PTO) based on number of regular hours paid in a pay period and length of service. Earned time off is placed in a personal "PTO" account which is subject to current use by the employee. Amounts recorded in the PTO accounts are subject to maximum accumulations. Employees may annually, at December 31, transfer up to 96 hours of their unused earned time off out of their PTO account into a "personal sick bank" account and/or receive a payment for up to 48 hours out of their account.

Time placed in the personal sick bank account may be used for sick leave in excess of three days. Accumulated time in the personal sick bank accounts is not subject to payout unless termination is by retirement. Retirement is defined as being eligible to receive immediate pension from the Wisconsin Retirement System. When an employee retires from the County, the personal sick leave bank accrued time will be converted into a cash-equivalent to be deposited into a Retirement Health Savings Plan. The money can be used to pay for qualified medical expenses as defined under Section 213 (d) of the Internal Revenue Code on a tax-free basis. There is no cash-out of the personal sick leave bank available to qualified employees at retirement.

The County's liability for accumulated personal time off, vacation and vested sick leave (sick leave based on retirement eligible conversion values) was \$3,070,087 in the governmental funds, totaled \$1,316,473 in the nursing home and highway department enterprise funds. The County accrues its liability for employee leave in the enterprise funds, but expenses these costs when paid in the governmental funds.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

C. 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 a combination of commercial insurance coverage and self-insurance programs to cover each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County.

Healthcare Risk Management. The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violation of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed. Management of the Home and the County believe that all material commitments and contingencies have been disclosed.

Health Insurance Funds. The County has an established health insurance program. This program is funded through "premiums" charged monthly to the participants in the plan. The County portion of the monthly premium is charged to various departments based on actual participation by employees. PreferredOne currently administers the plan for a monthly fee based on the number of participating individuals. Claims are paid by PreferredOne and reimbursed by the County on a weekly basis. Reinsurance for specific and stop-loss covers individual claims in excess of \$90,000 per year (for renewal period ending October 31, 2020), and aggregate stop-loss is set at 120 percent of anticipated claims.

During 2020, the County offered a high deductible plan. The net position in the fund at December 31, 2020 was \$3,700,880.

Worker's Compensation Fund. The County is self-insured for workers compensation coverage. This program is funded through "premiums" charged to various County departments. Claims are paid by the County, through a TPA, Wisconsin Municipal Insurance. Stop-loss insurance is carried through Safety National and covers individual claims in excess of \$550,000 each to a maximum of \$1,000,000. In addition to in-house administrative staff, the County retains outside legal and medical expertise for assistance in settling claims. The balance in this fund at December 31, 2020 was \$438,444.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

Changes in the claims liabilities for 2020 and 2019 for the health insurance fund and worker's compensation fund were as follows:

	Health Insurance		Worker's Compensation	
	2020	2019	2020	2019
Estimated Claims Outstanding				
January 1	\$ 1,115,537	\$ 1,376,711	\$ 479,077	\$ 479,077
Current Year Claims and Charges	9,447,430	8,868,224	219,592	538,487
Claim Payments	(9,328,712)	(9,129,398)	(125,923)	(538,487)
Estimated Claims Outstanding				
December 31	<u>\$ 1,234,255</u>	<u>\$ 1,115,537</u>	<u>\$ 572,746</u>	<u>\$ 479,077</u>

Liability Insurance Fund. The County has established an internal service fund to account for transactions associated with its insurance coverage through WMMIC (see below) and to account for funds set aside for financing other liability insurance claims against the County. Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was formed pursuant to an intergovernmental charter-contract in 1987 by municipal members. WMMIC was organized to provide property and liability insurance and risk management services to participant municipalities. As of December 31, 2020, WMMIC was owned by seventeen municipalities (2 cities, 15 counties). Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

WMMIC issued tax-exempt revenue bonds totaling \$13,935,000 in 1987 to provide capital for its operations. Each member, in turn, severally issued general obligation promissory notes at an aggregate amount equal to the revenue bonds and invested the proceeds in WMMIC. The County's initial deposit in WMMIC was \$720,214 which is reflected in the balance sheet of the County's general fund. The debt issued by the County to finance this deposit was fully retired in 1997. The County's allocated share of WMMIC's member equity at December 31, 2020 was \$1,040,692 and represented 3.47% of the total member equity at that date.

Liability insurance provided to the members through WMMIC is to provide coverage in excess of prescribed self-insured amounts. WMMIC has contracted with a reinsurance company to cover losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to a maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the excess over the self-insurance retention. The members incur all losses greater than \$10,000,000 per occurrence or greater than \$15,000,000 of aggregate losses in a policy year. Losses paid by WMMIC plus administrative costs are to be recovered through premiums of the participating pool of municipalities. The County's share of such losses was 3.47% for 2020. A list of other members and their share of participation is in WMMIC's financial report which is available from: Wisconsin Municipal Mutual Insurance Company, 4785 Hayes Road, Madison, WI 53704-7364.

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

Liability Insurance Fund (Continued). WMMIC contracts with Safety National to provide 100% reinsurance coverage for amounts in excess of the County's self-insurance limits, which are \$500,000 for all but one member that has a retention of \$650,000. Each member is required to maintain a segregated fund on deposit with WMMIC. This fund is used by WMMIC to pay claims charged to the member and is subject to replenishment by the member on a quarterly basis (or more frequently, if necessary). The amount of the deposit has been currently set at \$350,000 for the County. WMMIC has also set a policy that each member should maintain, in a segregated fund, cash reserves equal to one year's SIR plus incurred but not reported claims (IBNRs) less SIR funds on deposit with WMMIC.

The self-funded liability insurance fund had a net position balance of \$3,107,720 at December 31, 2020.

The liability recorded for unpaid losses at December 31, 2020 was determined by WMMIC based on claim adjusters evaluations and other estimates. The liability includes those for incurred but not reported (IBNRs) losses. The liability represents the present value of the expected level of unpaid losses for the years of operations under WMMIC. Changes in claim liabilities for 2020 and 2019 are:

	<u>2020</u>	<u>2019</u>
Estimated Claims Outstanding January 1	\$ 475,835	\$ 481,875
Current Year Claims and Changes	696,193	470,030
Claim Payments	(607,098)	(476,070)
Estimated Claims Outstanding December 31	<u>\$ 564,930</u>	<u>\$ 475,835</u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Change in Accounting Principle

During the year ended December 31, 2020, the County adopted GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by including accruals and net position in custodial funds not previously required. This pronouncement requires a restatement of December 31, 2019, net position of the fiduciary activities as follows:

	Custodial Funds
Fiduciary Net Position - Beginning of Year	\$ -
Change in Accounting Principle as Previously Reported	1,989,109
Fiduciary Net Position - Beginning of Year, as Restated	\$ 1,989,109

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN

The County adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. The County engaged an actuary to determine the County's liability for postemployment healthcare benefits other than pensions.

Single-Employer Plan Description

Plan description

The County's plan is a single-employer defined benefit plan used to provide postemployment benefits other than pensions (OPEB). The County's OPEB consists of several interdependent pieces arising from the rules of the plan. The amounts paid by the County for continued health care for all classifications that are entitled to a benefit are briefly outlined below. The County Board of St. Croix County is designated as the administrator of the OPEB plan and it reserves the right to alter, amend or terminate the OPEB at any time for any reason, without consent.

Benefits provided

The County offers an early retirement program for eligible employees who elect to retire and are considered retirement age in accordance with Wisconsin Retirement System rules. The program provides for participation in the County's health insurance program indefinitely, with the retiree responsible for the full COBRA rate for the health plan in place at the retiree's date of retirement from active status, adjusted year to year.

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	41
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>495</u>
	<u>536</u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Single-Employer Plan Description (Continued)

Total OPEB Liability

The County does not accumulate assets in a trust for payment of OPEB benefits. Accordingly, the County must report its total OPEB liability. The County's total OPEB liability was determined by an actuarial valuation as of December 31, 2020. At December 31, 2020, the County reported a total OPEB liability of \$1,296,926. There has been one substantive plan provision change since the last full valuation, which was for the fiscal year ending December 31, 2018. The retiree health plan will be closed effective July 1, 2021. Only active employees who retire by this date will be eligible for retiree health care coverage. Based on data provided by the County, 20% of the actives eligible to retire are expected to enroll in the retiree health plan by July 1, 2021. Retirees already enrolled in the retiree health plan are able to continue coverage until age 65. This change caused a significant decrease in liabilities.

Changes in the County's total OPEB liability were as follows:

	Total OPEB Liability (a)
Balances at December 31, 2019	\$ 5,711,075
Changes for the year:	
Service Cost	490,167
Interest	199,270
Change of Benefit Terms	(3,446,018)
Differences Between Expected and Actual Experience	(1,581,587)
Assumption Changes	102,760
Contributions - Employer	-
Contributions - Employee	-
Net Investment Income	-
Benefit Payments	(178,741)
Administrative Expense	-
Net Changes	(4,414,149)
Balances at December 31, 2020	\$ 1,296,926

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (Continued)

Single-Employer Plan Description (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:

Actuarial Valuation Date	January 1, 2020
Discount Rate	2.12%
20-Year Municipal Bond Yield	2.12%
Inflation Rate	2.5%
Salary Increases	3.0%
Medical Trend Rate	8.0% decreasing to 4.5% in 2028
	General Employees: SOA Pub-2010 General Headcount
Mortality	Weighted Mortality Table fully generational using Scale MP-2020
	Protective Employees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020
	Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

Discount rate

The discount rate used to measure the total OPEB liability was 2.12 percent which was decreased from 3.26 percent in the prior actuarial valuation. The discount rate is based upon all years of projected payments discounted at a municipal bond rate of 2.12 percent.

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

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

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB Liability	<u><u>\$ 1,355,874</u></u>	<u><u>\$ 1,296,926</u></u>	<u><u>\$ 1,242,138</u></u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (Continued)

Single-Employer Plan Description (Continued)

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:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	7.0%	(8.0%)	(9.0%)
	Decreasing to 3.5%)	Decreasing to 4.5%)	Decreasing to 5.5%)
Total OPEB Liability	<u>\$ 1,249,817</u>	<u>\$ 1,296,926</u>	<u>\$ 1,346,412</u>

For the year ended December 31, 2020, the County recognized OPEB expense of \$3,327,392. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Experience	\$ -	\$ 2,458,316
Changes of Assumptions or Other Input	107,200	-
Total	<u>\$ 107,200</u>	<u>\$ 2,458,316</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	OPEB Expense
2021	\$ (392,070)
2022	(392,070)
2023	(392,070)
2024	(392,070)
2025	(392,070)
Thereafter	(390,766)

ST. CROIX COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 FUND BALANCE CLASSIFICATIONS

The fund balance classifications of the governmental funds as of December 31, 2020, were as follows:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund						
Delinquent Taxes Receivable	\$ 1,380,830	\$ 1,380,830	\$ -	\$ -	\$ -	\$ -
Restricted (See Schedule B-2)	43,167	-	43,167	-	-	-
Assigned (See Schedule B-2)	1,794,635	-	-	-	1,794,635	-
Unassigned	19,535,892	-	-	-	-	19,535,892
Subtotal General Fund	23,486,560	2,112,866	43,167	-	1,794,635	19,535,892
Health and Human Services Fund						
Donations	82,852	-	82,852	-	-	-
Health and Human Service Programs	2,592,797	-	-	-	2,592,797	-
Subtotal Health and Human Services Fund	2,675,649	-	82,852	-	2,592,797	-
Capital Projects Fund	7,861,218	-	-	-	7,861,218	-
Debt Service Fund	323,156	-	323,156	-	-	-
Nonmajor Funds:						
Special Revenue Funds						
Jail Assessment Fee Fund						
Projects	355,321	-	355,321	-	-	-
K-9 Program	41,596	-	41,596	-	-	-
Drug Task Force	13,885	-	13,885	-	-	-
County Drug Fund	23,073	-	23,073	-	-	-
Stop Drugs Funded Program	(4,874)	-	-	-	-	(4,874)
Land Records Fund	193,490	-	193,490	-	-	-
Dog License Fund Restricted for Animal Control	20,929	-	20,929	-	-	-
Total Governmental Fund Balances	\$ 34,990,003	\$ 2,112,866	\$ 1,097,469	\$ -	\$ 12,248,650	\$ 19,531,018

NOTE 8 CONTINGENCIES

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County's legal advisors that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

During 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 9 PRIOR PERIOD ADJUSTMENT

Government-wide net position for the governmental activities of the County was restated at January 1, 2020 to correct an amount previously recorded as unearned revenue instead of a deferred inflow of resources for unavailable revenue in Health and Human Services Fund. As a result, the net position of the governmental activities is restated as follows:

Governmental Activities

Net Position - Beginning of Year	\$ 87,016,937
Prior Period Adjustment	1,303,324
Net Position - Beginning of Year, As Restated	<u>\$ 88,320,261</u>

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES

ST. CROIX COUNTY
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 32,246,145	\$ 32,246,145	\$ 34,156,919	\$ 1,910,774
Intergovernmental	5,915,171	5,915,171	7,484,530	1,569,359
Licenses and Permits	311,506	311,506	365,306	53,800
Fines and Forfeits	230,000	230,000	227,194	(2,806)
Public Charges for Services	2,363,940	2,363,940	2,854,277	490,337
Intergovernmental Charges for Services	52,500	52,500	37,925	(14,575)
Miscellaneous:				
Interest	728,570	728,570	982,808	254,238
Rent	81,774	81,774	80,707	(1,067)
Other	583,890	583,890	512,248	(71,642)
Total Revenues	<u>42,513,496</u>	<u>42,513,496</u>	<u>46,701,914</u>	<u>4,188,418</u>
EXPENDITURES				
General Government	12,203,932	12,203,932	12,380,882	(176,950)
Public Safety	14,476,466	14,476,466	14,282,520	193,946
Transportation	8,862,472	8,862,472	8,862,472	-
Sanitation	298,764	298,764	323,539	(24,775)
Health and Human Services	1,048,999	1,048,999	988,631	60,368
Culture, Recreation and Education	2,246,584	2,246,584	2,152,363	94,221
Conservation and Development	3,484,196	3,484,196	2,617,008	867,188
Total Expenditures	<u>42,621,413</u>	<u>42,621,413</u>	<u>41,607,415</u>	<u>1,013,998</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(107,917)	(107,917)	5,094,499	5,202,416
OTHER FINANCING SOURCES (USES)				
Transfers In	107,917	107,917	126,030	18,113
Transfers Out	-	-	(2,472,000)	(2,472,000)
Total Other Financing Sources (Uses)	<u>107,917</u>	<u>107,917</u>	<u>(2,345,970)</u>	<u>(2,453,887)</u>
NET CHANGE IN FUND BALANCE	\$ -	\$ -	2,748,529	\$ 2,748,529
Fund Balance - Beginning of Year			20,738,031	
FUND BALANCE - END OF YEAR			\$ 23,486,560	

ST. CROIX COUNTY
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
REVENUES					
Taxes	\$ 6,673,880	\$ 6,673,880	\$ 6,673,880	\$ -	-
Intergovernmental	4,907,384	4,907,384	9,253,319	4,345,935	
Public Charges for Services	7,270,748	7,270,748	6,371,758	(898,990)	
Intergovernmental Charges for Services	-	-	68,692	68,692	
Miscellaneous:					
Other	337,660	337,660	336,733	(927)	
Total Revenues	<u>19,189,672</u>	<u>19,189,672</u>	<u>22,704,382</u>	<u>3,514,710</u>	
EXPENDITURES					
Health and Human Services	<u>19,624,308</u>	<u>19,624,308</u>	<u>21,849,574</u>	<u>(2,225,266)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(434,636)	(434,636)	854,808	5,739,976	
OTHER FINANCING SOURCES (USES)					
Transfers In	<u>434,636</u>	<u>434,636</u>	<u>-</u>	<u>(434,636)</u>	
NET CHANGE IN FUND BALANCE					
	<u>\$ -</u>	<u>\$ -</u>	<u>854,808</u>	<u>\$ 5,305,340</u>	
Fund Balance - Beginning of Year			<u>1,820,841</u>		
FUND BALANCE - END OF YEAR			<u>\$ 2,675,649</u>		

ST. CROIX COUNTY
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	2019
County's proportion of the net pension liability (asset)	0.21970028%	0.21616914%	0.21478422%	0.21653928%	0.22225145%	0.22620425%
County's proportionate share of the net pension liability (asset)	\$ (5,396,439)	\$ 3,512,707	\$ 1,770,334	\$ (6,429,308)	\$ 7,907,009	\$ (7,293,857)
County's covered payroll	\$ 28,226,246	\$ 27,892,981	\$ 28,587,877	\$ 30,109,574	\$ 31,477,566	\$ 32,517,475
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-19.12%	12.59%	6.19%	-21.35%	25.12%	-22.43%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%

*Shown prospectively from year of implementation.

ST. CROIX COUNTY
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN –
LAST TEN FISCAL YEARS*

Fiscal Year-End: December 31,

Contractually Required Contribution

Contributions in Relation to the Contractually Required Contributions

Contribution Deficiency (Excess)

County's Covered Employee Payroll

Contributions as a Percentage of Covered Payroll

*Shown prospectively from year of implementation.

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 2,026,705	\$ 2,039,909	\$ 2,038,523	\$ 2,343,433	\$ 2,370,927	\$ 2,621,770
Contributions in Relation to the Contractually Required Contributions	<u>(2,026,705)</u>	<u>(2,039,909)</u>	<u>(2,038,523)</u>	<u>(2,343,433)</u>	<u>(2,370,927)</u>	<u>(2,621,770)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>					
County's Covered Employee Payroll	\$ 27,892,981	\$ 28,587,877	\$ 30,109,574	\$ 31,477,566	\$ 32,517,475	\$ 34,269,070

7.27% 7.14% 6.77% 7.44% 7.29% 7.65%

Notes to Schedules

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.

SCHEDULE 5

ST. CROIX COUNTY
SCHEDULE OF CHANGES IN THE COUNTY'S OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 510,574	\$ 414,343	\$ 490,167
Interest	234,828	209,582	199,270
Changes of Benefit Terms	-	-	(3,446,018)
Differences Between Expected and Actual Experience	(1,770,239)	69,350	(1,581,587)
Changes of Assumptions or Other Input	(460,537)	390,464	102,760
Benefit Payments	(176,480)	(114,118)	(178,741)
Net Change in Total OPEB Liability	(1,661,854)	969,621	(4,414,149)
Total OPEB Liability - Beginning	6,403,308	4,741,454	5,711,075
Total OPEB Liability - Ending (a)	4,741,454	5,711,075	1,296,926
Covered Employee Payroll	\$ 28,838,950	\$ 33,094,609	\$ 32,235,819
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	16.44%	17.26%	4.02%

Change in Benefit Terms

There has been one substantive plan provision change since the last full valuation, which was for the fiscal year ending December 31, 2018. The retiree health plan will be closed effective July 1, 2021. Only active employees who retire by this date will be eligible for retiree health care coverage. Based on data provided by the County, 20% of the actives eligible to retire are expected to enroll in the retiree health plan by July 1, 2021. Retirees already enrolled in the retiree health plan are able to continue coverage until age 65. This change caused a significant decrease in liabilities.

The discount rate as of the Measurement Date has been updated based on a yield for 20-year tax-exempt general obligations municipal bonds with an average rating of AA/Aa of higher (or equivalent quality on another rating scale). The current full valuation uses a discount rate of 3.26% as of January 1, 2020 and 2.12% as of December 31, 2020. This change caused an increase in the County's liabilities. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.

Mortality tables have been updated from SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to:

- General Employees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020
- Protective Employees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

This change caused a slight increase in the County's liabilities.

The payroll growth rates, termination rates, and retirement rates have been updated based on the Wisconsin Retirement System actuarial valuation as of December 31, 2019. These changes had a minimal impact on the County's liabilities.

Health Care trend rates have been updated to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%. This change caused increase in the County's liabilities.

ST. CROIX COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

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 is derived from the County's annual operating budget. Budgetary information for the health and human services fund is derived from the department's approved budget.

The County's annual operating budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with budgetary basis of 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. The general fund reported an unfavorable budget variance in the General Government and Sanitation major functions. The health and human services fund also reported an unfavorable budget variance.

Budget amounts in the financial statements include both 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 AND SCHEDULES

ST. CROIX COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS –
COMBINING BALANCE SHEET
DECEMBER 31, 2020

Special Revenue Funds								
	Jail Assessment Fund	K-9 Fund	St Croix Valley Drug Task Force Fund	County Drug Fund	Stop Drugs Fund	Land Records Fund		
ASSETS								
Treasurer's Cash and Investments	\$ 352,352	\$ 41,198	\$ 14,188	\$ 23,073	\$ 1,229	\$ 196,028		
Accounts Receivable	-	-	-	-	-	-		
Due from Other Governmental Units	2,969	434	9,100	-	-	-		
Total Assets	\$ 355,321	\$ 41,632	\$ 23,288	\$ 23,073	\$ 1,229	\$ 196,028		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Vouchers Payable	\$ -	\$ 36	\$ 9,403	\$ -	\$ 6,103	\$ -		
Accrued Payroll	-	-	-	-	-	-		2,538
Due Other Governmental Units	-	-	-	-	-	-		
Total Liabilities	-	36	9,403	-	6,103	2,538		
FUND BALANCES								
Restricted	355,321	41,596	13,885	23,073	-	193,490		
Unassigned	-	-	-	-	(4,874)	-		
Total Fund Balance	355,321	41,596	13,885	23,073	(4,874)	193,490		
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 355,321	\$ 41,632	\$ 23,288	\$ 23,073	\$ 1,229	\$ 196,028		

ST. CROIX COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS –
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2020

	Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds	
	Dog License Fund	Total Nonmajor Special Revenue Funds	St. Croix River Crossing Capital Projects Fund	Total Nonmajor Governmental Funds		
ASSETS						
Treasurer's Cash and Investments	\$ 21,270	\$ 649,338	\$ -	\$ 649,338		
Accounts Receivable	792	792	-	792		
Due from Other Governmental Units	-	12,503	-	12,503		
 Total Assets	 \$ 22,062	 \$ 662,633	 \$ -	 \$ 662,633		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Vouchers Payable	\$ -	\$ 15,542	\$ -	\$ 15,542		
Accrued Payroll	-	2,538	-	2,538		
Due Other Governmental Units	1,133	1,133	-	1,133		
 Total Liabilities	 1,133	 19,213	 -	 19,213		
FUND BALANCES						
Restricted	20,929	648,294	-	648,294		
Unassigned	-	(4,874)	-	(4,874)		
 Total Fund Balance	 20,929	 643,420	 -	 643,420		
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 22,062	 \$ 662,633	 \$ -	 \$ 662,633		

ST. CROIX COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS –
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2020

Special Revenue Funds						
	Jail Assessment Fund	K-9 Fund	St. Croix Valley Drug Task Force Fund	County Drug Fund	Stop Drugs Fund	Land Records Fund
REVENUES						
Intergovernmental	\$ 279,564	\$ -	\$ 33,379	\$ -	\$ -	\$ 66,000
Fines, Forfeitures and Penalties	65,686	-	-	12,215	-	-
Public Charges for Services	-	-	-	-	-	200,376
Miscellaneous:						
Other	-	21,335	-	-	6,600	-
Total Revenues	345,250	21,335	33,379	12,215	6,600	266,376
EXPENDITURES						
General Government	-	-	-	-	-	179,879
Public Safety	413,200	34,943	45,442	1,271	10,155	-
Health and Human Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	413,200	34,943	45,442	1,271	10,155	179,879
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	(67,950)	(13,608)	(12,063)	10,944	(3,555)	86,497
OTHER FINANCING SOURCES (USES)						
Transfer Out	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES						
Fund Balances - Beginning of Year	(67,950)	(13,608)	(12,063)	10,944	(3,555)	86,497
FUND BALANCES - END OF YEAR	<u><u>\$ 423,271</u></u>	<u><u>55,204</u></u>	<u><u>25,948</u></u>	<u><u>12,129</u></u>	<u><u>(1,319)</u></u>	<u><u>106,993</u></u>
	<u><u>\$ 355,321</u></u>	<u><u>\$ 41,596</u></u>	<u><u>\$ 13,885</u></u>	<u><u>\$ 23,073</u></u>	<u><u>\$ (4,874)</u></u>	<u><u>\$ 193,490</u></u>

ST. CROIX COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS –
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds		Projects Funds		Total Nonmajor Governmental Funds
	Dog License Fund	Total Nonmajor Special Revenue Funds	St. Croix River Crossing Capital Projects Fund		
REVENUES					
Intergovernmental	\$ -	\$ 378,943	\$ -	\$ 378,943	
Fines, Forfeitures and Penalties		77,901			77,901
Public Charges for Services	20,873	221,249			221,249
Miscellaneous:					
Other	-	27,935	-	27,935	
Total Revenues	20,873	706,028	-	-	706,028
EXPENDITURES					
General Government	-	179,879	-	179,879	
Public Safety	-	505,011	-	505,011	
Health and Human Services	30,394	30,394	-	30,394	
Capital Outlay	-	-	342,610	342,610	
Total Expenditures	30,394	715,284	342,610	342,610	1,057,894
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,521)	(9,256)	(342,610)	(351,866)	
OTHER FINANCING SOURCES (USES)					
Transfer Out	-	-	(126,030)	(126,030)	
NET CHANGE IN FUND BALANCES	(9,521)	(9,256)	(468,640)	(477,896)	
Fund Balances - Beginning of Year	30,450	652,676	468,640	1,121,316	
FUND BALANCES - END OF YEAR	\$ 20,929	\$ 643,420	\$ -	\$ 643,420	

ST. CROIX COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2020

	<u>2020</u>
ASSETS	
Treasurer's Cash and Investments	\$ 21,239,739
Departmental Cash	61,152
Taxes Receivable:	
Current Taxes Receivable	24,291,645
Delinquent Taxes Receivable	1,322,114
Tax Deeds Owned by County	58,716
Accounts Receivable	680,146
Due from Other Governments	2,224,836
Due from Other Funds:	
Cash Overdrafts at Year-End	200,008
Prepayments	11,822
Investment in Public-Entity Risk Pool	<u>720,214</u>
 Total Assets	 <u>\$ 50,810,392</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
LIABILITIES	
Vouchers and Accounts Payable	\$ 725,367
Accrued Salaries and Wages	1,056,200
Payroll Deductions	542,051
Due to Other Governmental Units	355,239
Unearned Revenues:	
Other	-
Unearned Grant Revenue	341,590
Special Deposits	11,740
Total Liabilities	<u>3,032,187</u>
 DEFERRED INFLOWS OF RESOURCES	
Succeeding Year's Property Taxes	<u>24,291,645</u>
 FUND BALANCES	
Nonspendable for:	
Delinquent Taxes	1,380,830
Investment in WMMIC	720,214
Prepayments	11,822
Restricted	43,167
Assigned	1,794,635
Unassigned	<u>19,535,892</u>
Total Fund Balances	<u>23,486,560</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 50,810,392</u>

**ST. CROIX COUNTY, WISCONSIN
GENERAL FUND
STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2020**

	County Internal Fund #	Balance (Overdraft) 1/1/20	County Appropriations	Other Revenues	Transfers				Total Available	Expenditures	Balance (Overdraft) 12/31/20			
					General Fund		Other Funds							
					In	Out	In	Out						
Nonspendable:														
Delinquent Taxes		\$ 1,200,319	\$ -	\$ -	\$ 180,511	\$ -	\$ -	\$ -	\$ 1,380,830	\$ -	\$ 1,380,830			
Investment in WMMC		720,214	-	-	-	-	-	-	720,214	-	720,214			
Prepayments		-	-	-	11,822	-	-	-	11,822	-	11,822			
Total Nonspendable		1,920,533	-	-	192,333	-	-	-	2,112,866	-	2,112,866			
Restricted:														
District Attorney's Confiscated Assets	100	201	-	-	-	-	-	-	201	-	201			
Sheriff Confiscated Property	100	55,701	-	21,335	-	-	-	-	77,036	34,864	42,172			
St. Croix/Polk Drug Enforcement	100	5,543	-	33,379	-	-	-	-	38,922	38,922	-			
Sheriff Counteract	100	794	-	-	-	-	-	-	794	-	794			
Total Restricted		62,239	-	54,714	-	-	-	-	116,953	73,786	43,167			
Assigned:														
Continuing Appropriations:														
REI Recycling Grant	125	26,190	-	216,396	-	-	-	-	242,586	242,586	-			
Parks	120	914,368	45,898	1,018,572	-	-	-	-	1,978,838	756,913	1,221,925			
Land and Water Conservation	130	638,685	297,344	452,763	-	-	-	-	1,388,792	829,126	559,666			
Pesticide Training	270	12,090	-	954	-	-	-	-	13,044	-	13,044			
Total Assigned Balances		1,591,333	343,242	1,688,685	-	-	-	-	3,623,260	1,828,625	1,794,635			
Unassigned:														
Highway Appropriation and Aids		-	6,064,204	2,798,268	-	-	-	-	8,862,472	8,862,472	-			
General County		17,163,926	17,308,699	18,444,102	-	192,333	126,030	2,472,000	50,378,424	30,842,532	19,535,892			
Total Unassigned		17,163,926	23,372,903	21,242,370	-	192,333	126,030	2,472,000	59,240,896	39,705,004	19,535,892			
Total General Fund		\$ 20,738,031	\$ 23,716,145	\$ 22,985,769	\$ 192,333	\$ 192,333	\$ 126,030	\$ 2,472,000	\$ 65,093,975	\$ 41,607,415	\$ 23,486,560			

ST. CROIX COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
General Property Taxes	\$ 23,716,145	\$ 23,716,145	\$ 23,851,602	\$ 135,457
Tax Incremental Districts Refunds	-	-	-	-
Forest Crop Taxes	5,000	5,000	17,454	12,454
Retained Sales Tax	-	-	-	-
Sales Tax	8,050,000	8,050,000	9,843,957	1,793,957
Real Estate Transfer Fees	-	-	-	-
Interest on Taxes	325,000	325,000	292,948	(32,052)
Penalty on Taxes	150,000	150,000	150,958	958
Total Taxes	32,246,145	32,246,145	34,156,919	1,910,774
Intergovernmental				
Federal Grants and Aids:				
National Parks	-	-	-	-
Victim/Witness VOCA Grant	-	-	-	-
State Shared Taxes:				
Shared Taxes from State	763,119	763,119	777,856	14,737
Tax Exempt Computer Aid	-	-	-	-
State Grants and Aids:				
Clerk of Courts	312,000	312,000	446,287	134,287
Circuit Court	-	-	10,348	10,348
District Attorney	-	-	13,335	13,335
Guardian Ad Litem	-	-	-	-
Victim/Witness VOCA Grant	-	-	151,634	151,634
Administration	-	-	78,924	78,924
County Clerk	-	-	43	43
Elections	-	-	61,690	61,690
Information Technology	-	-	12,369	12,369
Finance	-	-	3,360	3,360
Treasurer	-	-	748	748
Facilities	-	-	600,748	600,748
Register of Deeds	-	-	1,287	1,287
Zoning	-	-	3,074	3,074
Law Enforcement	47,600	47,600	206,806	159,206
Law Enforcement-TAD Grant	146,517	146,517	130,486	(16,031)
Medical Examiner	-	-	12,151	12,151
Confiscated Property - Sheriff	-	-	-	-
DNA Samples	-	-	-	-
CEASE Grants	-	-	-	-
Vest Grant	-	-	9,284	9,284
Recreational Boating Aid	-	-	-	-
Jail	10,000	10,000	270,693	260,693
Emergency Government	106,751	106,751	94,213	(12,538)
Emergency Planning (SARA)	-	-	21,336	21,336
Homeland Security Grants	-	-	-	-
Pre-Disaster Mitigation Grants	-	-	-	-
General Transportation Aids	2,798,268	2,798,268	2,798,268	-
Recycling	196,956	196,956	223,231	26,275
Hazardous Waste	16,235	16,235	15,430	(805)
Child Support	853,264	853,264	783,654	(69,610)
Veterans Service Officer	17,000	17,000	18,804	1,804
Snowmobile Trail Maintenance	-	-	293,151	293,151

ST. CROIX COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance - Positive (Negative)	
	Original	Final	Actual		
REVENUES (Continued)					
Intergovernmental (Continued)					
State Grants and Aids: (Continued)					
Land and Water Conservation	\$ 639,683	\$ 639,683	\$ 359,434	\$ (280,249)	
DOJ - Pierce/Polk/St. Croix Drug Program	-	-	85,886	85,886	
Other:					
UW Extension Innovation Grant	7,778	7,778	-	(7,778)	
Total Intergovernmental	5,915,171	5,915,171	7,484,530	1,569,359	
Licenses and Permits					
Zoning Permits	311,506	311,506	365,306	53,800	
Fines, Forfeitures and Penalties					
County Ordinance Forfeitures	230,000	230,000	227,194	(2,806)	
Public Charges for Services					
Register of Deeds Fees	800,000	800,000	1,162,402	362,402	
Clerk of Court Fees	346,750	346,750	406,794	60,044	
NSF Checks - Clerk of Courts	-	-	431	431	
Miscellaneous Circuit Court Fees	2,000	2,000	4,960	2,960	
Medical Examiner Fees	55,000	55,000	78,235	23,235	
District Attorney Fees	46,500	46,500	55,483	8,983	
Tax Collection Fee	100,000	100,000	96,503	(3,497)	
County Clerk Fees/Game Licenses	150,000	150,000	78,364	(71,636)	
Sheriff Fees	548,200	548,200	442,469	(105,731)	

ST. CROIX COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance - Positive (Negative)	
	Original	Final	Actual		
REVENUES (Continued)					
Public Charges for Services (Continued)					
Recycling Education Revenue	\$ 14,240	\$ 14,240	\$ 8,721	\$ (5,519)	
County Parks Revenue - Troy	253,750	253,750	176,948	(76,802)	
County Parks Revenue - Glen Hills	-	-	238,960	238,960	
University Extension Charges	7,500	7,500	4,136	(3,364)	
Land and Water Conservation	40,000	40,000	69,317	29,317	
Ag Use Penalty	-	-	30,554	30,554	
Total Public Charges for Services	2,363,940	2,363,940	2,854,277	490,337	
Intergovernmental Charges for Services					
Local Governments:					
Elections	25,000	25,000	32,263	7,263	
County Departments:					
Computer Repair and Replacements	27,500	27,500	5,662	(21,838)	
Total Intergovernmental Charges for Services	52,500	52,500	37,925	(14,575)	
Miscellaneous					
Interest:					
General Investments	728,570	728,570	982,808	254,238	
Other:					
Rent of County Buildings	81,774	81,774	80,707	(1,067)	
Miscellaneous	583,890	583,890	512,248	(71,642)	
Total Miscellaneous	1,394,234	1,394,234	1,575,763	181,529	
Total Revenues	42,513,496	42,513,496	46,701,914	4,188,418	

ST. CROIX COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance - Positive (Negative)	
	Original	Final	Actual		
EXPENDITURES					
General Government					
County Board	\$ 165,128	\$ 165,128	\$ 139,907	\$ 25,221	
Clerk of Courts	1,718,208	1,718,208	1,669,556	48,652	
Circuit Court	972,896	972,896	903,600	69,296	
Drug Court	-	-	61,911	(61,911)	
Medical Examiner	339,400	339,400	323,345	16,055	
Corporation Counsel	594,637	594,637	592,712	1,925	
Victim/Witness Program	-	-	301,624	(301,624)	
Victim/Witness - VOCA	-	-	27,603	(27,603)	
District Attorney	1,223,056	1,223,056	759,184	463,872	
District Attorney Diversion Coordinator	-	-	116,835	(116,835)	
Administrator	346,544	346,544	384,473	(37,929)	
County Clerk	326,958	326,958	298,217	28,741	
Elections	123,250	123,250	123,133	117	
Personnel and Recruitment	532,510	532,510	479,873	52,637	
Information Technology	2,273,873	2,273,873	2,161,832	112,041	
Finance Department	723,609	723,609	723,867	(258)	
County Treasurer	387,453	387,453	351,649	35,804	
General County Buildings	1,968,416	1,968,416	2,550,439	(582,023)	
Register of Deeds	457,994	457,994	399,461	58,533	
Sundry Expenditures	50,000	50,000	11,661	38,339	
Total General Government	12,203,932	12,203,932	12,380,882	(176,950)	
Public Safety					
Sheriff	7,625,266	7,625,266	7,471,666	153,600	
Sheriff Towing	-	-	1,982	(1,982)	
Community Justice Collaborating Council	236,648	236,648	224,718	11,930	

ST. CROIX COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (Continued)				
Public Safety (Continued)				
County Jail	\$ 4,171,411	\$ 4,171,411	\$ 4,375,586	\$ (204,175)
Emergency Government	2,443,141	2,443,141	2,198,269	244,872
Total Public Safety	<u>14,476,466</u>	<u>14,476,466</u>	<u>14,282,520</u>	<u>193,946</u>
Public Works				
Transportation:				
Highway Department (see Schedule C-1)	8,862,472	8,862,472	8,862,472	-
Sanitation:				
Hazardous Waste Disposal	59,650	59,650	80,460	(20,810)
Recycling	239,114	239,114	243,079	(3,965)
Total Sanitation	<u>298,764</u>	<u>298,764</u>	<u>323,539</u>	<u>(24,775)</u>
Total Public Works	<u>9,161,236</u>	<u>9,161,236</u>	<u>9,186,011</u>	<u>(24,775)</u>
Health and Human Services				
Child Support	762,608	762,608	728,379	34,229
Veterans Service Officer	286,391	286,391	260,252	26,139
Total Health and Human Services	<u>1,048,999</u>	<u>1,048,999</u>	<u>988,631</u>	<u>60,368</u>
Culture, Recreation and Education				
Municipal Library Allocations	1,122,941	1,122,941	1,124,764	(1,823)
Parks Admin	775,828	775,828	667,137	108,691
Glen Hills Park	-	-	2,460	(2,460)
Snowmobile Trail Maintenance	-	-	87,358	(87,358)
Fairgrounds Maintenance	80,000	80,000	60,000	20,000
University Extension	267,815	267,815	210,644	57,171
Total Culture, Recreation and Education	<u>2,246,584</u>	<u>2,246,584</u>	<u>2,152,363</u>	<u>94,221</u>

ST. CROIX COUNTY, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (Continued)				
Conservation and Development				
Economic Development Grant	\$ 617,000	\$ 617,000	\$ 128,489	\$ 488,511
County Planning Office	-	-	901	(901)
Zoning	1,860,169	1,860,169	1,657,991	202,178
Conservation Programs	-	-	500	(500)
Land Conservation	1,007,027	1,007,027	810,498	196,529
Wildlife Damage Claims	-	-	18,629	(18,629)
Total Conservation and Development	<u>3,484,196</u>	<u>3,484,196</u>	<u>2,617,008</u>	<u>867,188</u>
Total Expenditures	<u>42,621,413</u>	<u>42,621,413</u>	<u>41,607,415</u>	<u>1,013,998</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(107,917)	(107,917)	5,094,499	5,202,416
OTHER FINANCING SOURCES (USES)				
Transfers In:				
From Capital Projects Funds	-	-	126,030	126,030
From Internal Service Funds	107,917	107,917	-	(107,917)
Transfers:				
To Capital Projects Fund	-	-	(2,272,000)	(2,272,000)
To Internal Service Funds	-	-	(200,000)	(200,000)
Total Other Financing Sources (Uses)	<u>107,917</u>	<u>107,917</u>	<u>(2,345,970)</u>	<u>(2,453,887)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>2,748,529</u>	<u>\$ 2,748,529</u>
Fund Balance - Beginning of Year			<u>20,738,031</u>	
FUND BALANCE - END OF YEAR			<u>\$ 23,486,560</u>	

ST. CROIX COUNTY, WISCONSIN
HIGHWAY DEPARTMENT ENTERPRISE FUND
DETAILED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020

OPERATING REVENUES

Charges for Services:	
County Highway Maintenance and Construction [1]	\$ 8,862,472
State Highway Maintenance and Construction	3,053,847
Local Districts - County Aid Bridge	167,151
Local Districts - Other	5,326,841
Miscellaneous:	
Other Revenue from State:	
Equipment Storage	118,872
Other	406,405
Miscellaneous Highway Revenues	210,286
Vehicle Registration Fees	866,204
Total Operating Revenues	<hr/> 19,012,078

OPERATING EXPENSES

Administration and General:	
Administration	1,339,299
Public Liability Insurance	14,433
Surveying	187,671
Engineering	209,818
Transportation Cost Pools:	
Machinery Operations	1,377,259
Gravel Pits and Quarries	92,554
Services Provided:	
State Performance Based Maintenance	15,649
County:	
General Maintenance	3,495,160
State:	
Highway Maintenance and Construction	6,328,091
Salt Storage	(47,619)
County Aid Bridge Construction	40,272
Other Governmental Units	5,543,881
Local Departments	182,882
Other:	
Net Change in Accrued Leave/OPEB Liabilities	(765,300)
Total Operating Expenses	<hr/> 18,014,050
OPERATING INCOME (LOSS)	998,028

ST. CROIX COUNTY, WISCONSIN
HIGHWAY DEPARTMENT ENTERPRISE FUND
DETAILED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NONOPERATING REVENUES (EXPENSES):

Gain(Loss) on Sale/Removal of Capital Assets	\$ 1,060,413
--	--------------

INCOME (LOSS) BEFORE TRANSFER AND CONTRIBUTIONS 2,058,441

Transfers Out	(1,402,039)
Capital Contributions - County	703,368
Capital Contributions - State	316,031
Total Transfers and Contributions	<u>(382,640)</u>

CHANGE IN NET POSITION 1,675,801

Net Position - Beginning of Year	40,804,075
----------------------------------	------------

NET POSITION - END OF YEAR \$ 42,479,876[1] Charges to County for Highway Maintenance and
Construction Consisted of the Following:

County Appropriations	\$ 6,064,204
State Transportation Aids	2,798,268
Total	<u>\$ 8,862,472</u>

ST. CROIX COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	Health Retirement Liability Account	County Fleet	2020
ASSETS							
Treasurer's Cash and Investments	\$ 4,935,135	\$ 855,681	\$ 3,322,650	\$ 785,311	\$ 7,463	\$ 72,805	\$ 9,979,045
Cash and Investments Held by Fiscal Agent	-	155,509	350,000	-	-	-	505,509
Taxes Receivable	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	2,020	2,020
Total Assets	4,935,135	1,011,190	3,672,650	785,311	7,463	74,825	10,486,574
LIABILITIES							
Accounts Payable	693,482	-	-	-	7,463	477	701,422
Accrued Claims/Losses Payable	540,773	572,746	564,930	-	-	-	1,678,449
Total Liabilities	1,234,255	572,746	564,930	-	7,463	477	2,379,871
NET POSITION - UNRESTRICTED	\$ 3,700,880	\$ 438,444	\$ 3,107,720	\$ 785,311	\$ -	\$ 74,348	\$ 8,106,703

ST. CROIX COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
DECEMBER 31, 2020

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	Health Retirement Liability Account	County Fleet	2020
OPERATING REVENUES							
Charges for Services	\$ 9,201,604	\$ 539,936	\$ 735,248	\$ -	\$ -	\$ 155,348	\$ 10,632,136
Other	303,560	-	54,463	-	-	-	358,023
Total Operating Revenues	9,505,164	539,936	789,711	-	-	155,348	10,990,159
OPERATING EXPENSES							
Premiums and Claims	9,447,429	302,484	696,474	579,411	179,364	-	11,205,162
Fleet Costs	-	-	-	-	-	155,273	155,273
Administrative	365,726	107,490	311,790	-	-	-	785,006
Total Operating Expenses	9,813,155	409,974	1,008,264	579,411	179,364	155,273	12,145,441
OPERATING INCOME (LOSS)	(307,991)	129,962	(218,553)	(579,411)	(179,364)	75	(1,155,282)
NONOPERATING REVENUES							
Interest Revenue	-	-	40,608	-	-	8,687	49,295
INCOME (LOSS) BEFORE TRANSFERS	(307,991)	129,962	(177,945)	(579,411)	(179,364)	8,762	(1,105,987)
OTHER FINANCING SOURCES:							
Transfers In	-	-	-	1,338,713	-	-	1,338,713
Transfers Out	-	-	-	-	(1,138,713)	-	(1,138,713)
Total Other Financing Sources (Uses)	-	-	-	1,338,713	(1,138,713)	-	200,000
CHANGE IN NET POSITION	(307,991)	129,962	(177,945)	759,302	(1,318,077)	8,762	(905,987)
Net Position - Beginning of Year	4,008,871	308,482	3,285,665	26,009	1,318,077	65,586	9,012,690
NET POSITION - END OF YEAR	\$ 3,700,880	\$ 438,444	\$ 3,107,720	\$ 785,311	\$ -	\$ 74,348	\$ 8,106,703

ST. CROIX COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	Health Retirement Liability Account	County Fleet	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received for Goods and Services:							
County/Departments	\$ 9,535,100	\$ 539,936	\$ 789,711	\$ -	\$ -	\$ 155,166	\$ 11,019,913
Cash Payments for Claims/Premiums/Administration	(9,694,437)	(410,733)	(919,169)	(579,411)	(193,069)	(154,805)	(11,951,624)
Net Cash Provided (Used) by Operating Activities	<u>(159,337)</u>	<u>129,203</u>	<u>(129,458)</u>	<u>(579,411)</u>	<u>(193,069)</u>	<u>361</u>	<u>(931,711)</u>
CASH FLOWS FROM NONCAPITAL FINANCING							
Transfers In	-	-	-	1,338,713	(1,138,713)	-	200,000
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest on Investments	-	-	40,608	-	-	8,687	49,295
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS							
Cash and Cash Equivalents - Beginning of Year	(159,337)	129,203	(88,850)	759,302	(1,331,782)	9,048	(682,416)
CASH AND CASH EQUIVALENTS - END OF YEAR	5,094,472	881,987	3,761,500	26,009	1,339,245	63,757	11,166,970
RECONCILIATION OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ (307,991)	\$ 129,962	\$ (218,553)	\$ (579,411)	\$ (179,364)	\$ 75	\$ (1,155,282)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Change in Assets and Liabilities:							
Decrease (Increase) in Accounts Receivable	29,936	-	-	-	-	(182)	29,754
Increase (Decrease) in Accounts Payable	124,872	(759)	-	-	(13,705)	468	110,876
Increase (Decrease) in Accrued Claims/Losses Payable	(6,154)	-	89,095	-	-	-	82,941
Net Cash Provided (Used) by Operating Activities	<u>\$ (159,337)</u>	<u>\$ 129,203</u>	<u>\$ (129,458)</u>	<u>\$ (579,411)</u>	<u>\$ (193,069)</u>	<u>\$ 361</u>	<u>\$ (931,711)</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS							
Cash and Investments:							
Treasurer's Cash and Investments	\$ 4,935,135	\$ 855,681	\$ 3,322,650	\$ 785,311	\$ 7,463	\$ 72,805	\$ 9,979,045
Cash and Investments Held by Fiscal Agent	-	155,509	350,000	-	-	-	505,509
Cash and Cash Equivalents	<u>\$ 4,935,135</u>	<u>\$ 1,011,190</u>	<u>\$ 3,672,650</u>	<u>\$ 785,311</u>	<u>\$ 7,463</u>	<u>\$ 72,805</u>	<u>\$ 10,484,554</u>

**ST. CROIX COUNTY, WISCONSIN
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Tax Agency	Sheriff	Register of Deeds	Clerk of Court	Permitting and Platting Escrow	Totals
ASSETS						
Treasurer's Cash and Investments	\$ 27,415,126	\$ -	\$ 89,558	\$ -	\$ 59,857	\$ 27,564,541
Departmental Cash and Investments	-	168,441	-	1,285,706	-	1,454,147
Special Assessments Receivable	66,422	-	-	-	-	66,422
 Total Assets	 27,481,548	 168,441	 89,558	 1,285,706	 59,857	 29,085,110
LIABILITIES						
Due to Other Governments	70,073	-	-	-	-	70,073
Accounts Payable	-	-	-	228	-	228
 Total Liabilities	 70,073	 -	 -	 228	 -	 70,301
DEFERRED INFLOWS OF RESOURCES						
Succeeding Year's Property Taxes	27,411,475	-	-	-	-	27,411,475
NET POSITION						
Restricted for:						
Individuals, Organizations, and						
Other Governments	\$ -	\$ 168,441	\$ 89,558	\$ 1,285,478	\$ 59,857	\$ 1,603,334

ST. CROIX COUNTY, WISCONSIN
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES NET POSITION
YEAR ENDED DECEMBER 31, 2020

	Tax Agency	Sheriff	Register of Deeds	Clerk of Courts	Permitting and Platting Escrow	Totals
ADDITIONS						
Contributions:						
Individuals	\$ -	\$ 544,814	\$ -	\$ -	\$ -	\$ 544,814
Property Tax Collections for Other Governments	148,449,479	-	-	-	-	148,449,479
Fines and Forfeitures	-	-	-	239,137	-	239,137
License and Fees Collected for State	-	-	6,636,660	-	7,500	6,644,160
Total Additions	148,449,479	544,814	6,636,660	239,137	7,500	155,877,590
DEDUCTIONS						
Payments of Property Tax to Other Governments	148,449,479	559,812	-	-	-	149,009,291
Payments to Other Governments	-	-	-	572,583	23,896	596,479
Distribution to Participants	-	-	6,657,595	-	-	6,657,595
Total Deductions	148,449,479	559,812	6,657,595	572,583	23,896	156,263,365
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION						
	-	(14,998)	(20,935)	(333,446)	(16,396)	(385,775)
Fiduciary Net Position - Beginning of Year as Previously Reported	-	-	-	-	-	-
Change in Accounting Principle	-	183,439	110,493	1,618,924	76,253	1,989,109
Fiduciary Net Position - Beginning of Year, as Restated	-	183,439	110,493	1,618,924	76,253	1,989,109
FIDUCIARY NET POSITION - END OF YEAR	\$ -	\$ 168,441	\$ 89,558	\$ 1,285,478	\$ 59,857	\$ 1,603,334

OTHER REPORTS



CliftonLarsonAllen LLP
CLAconnect.com

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

Honorable Members
of the County Board of Supervisors
St. Croix County
Hudson, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of St. Croix County, Wisconsin (the County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 30, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses listed as items 2020-001 through 2020-003, that we consider to be material weaknesses.

Compliance and Other Matters

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

City of Augusta's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 30, 2021

ST. CROIX COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2020

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
• Material weakness(es) identified	<input checked="" type="checkbox"/>	yes <input type="checkbox"/> no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/>	yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	yes <input checked="" type="checkbox"/> none reported

ST. CROIX COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS

FINDING: 2020-001 Material Audit Adjustments, Material Weakness

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

Condition: The audit firm proposed, and the County posted to its general ledger accounts, journal entries for correcting certain misstatements. These adjustments were considered to be material for the fair presentation of the financial statements.

Context: The County has informed us that they will review adjustments proposed by the auditors and will endeavor to minimize the number and amount of proposed adjustments in future audits, but will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.

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

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

Repeat Finding: See 2019-001.

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

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

ST. CROIX COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

FINDING: 2020-002 Limited Segregation of Duties, Material Weakness

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

Condition: In certain County offices (i.e. register of probate, zoning, and aging). the available staff precludes a proper separation of duties to assure adequate internal control.

Context: The limited segregation of duties condition is applicable to the receiving, disbursement and journal entry transaction cycles as well as financial reporting functions of the County.

Cause: The limited size of the County's staff responsible for accounting and financial reporting functions precludes a complete segregation of incompatible duties.

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

Repeat Finding: See 2019-002.

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

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

ST. CROIX COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

FINDING: 2020-003 Capital Asset Records Maintenance, Material Weakness

Criteria: The County should have controls in place to identify all material capital asset additions and deletions.

Condition: Current year audit procedures identified material capital asset additions that were not included in the capital asset records compiled by County staff.

Context: The County had in excess of \$12,000,000 of governmental activities capital asset additions during the current fiscal year and not all of the individual items making up this total were identified by County staff.

Cause: The County did not identify all current year capital asset additions due to lack of a review of all capital outlay related expenditures.

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

Recommendation: The County should continue to evaluate its internal control processes related to capital assets to determine if additional internal control procedures should be implemented to ensure that the records are complete and in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions: The County will review its processes and internal controls over capital assets to ensure all activity is appropriately identified. The Finance Director is the official responsible for ensuring corrective action of the deficiency.