

**ST. CROIX COUNTY**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

**ST. CROIX COUNTY, WISCONSIN  
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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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 the County, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Croix County's basic financial statements. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary 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 29, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
July 29, 2022

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

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, 2021. 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 \$175,733,344 (net position). Of this amount, \$123,629,737 represented the County's net investment in capital assets, \$15,060,456 was held for restricted purposes, and \$37,043,151 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 \$16,031,251. Net position related to the business-type activities of the County increased \$1,027,595, while net position related to governmental activities increased \$15,003,656.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$35,900,874 which represents an increase of \$910,871 from the previous year. This increase was primarily due to operations of the health and human services fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,409,144 or 47.2% 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, 2021**

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 page 14 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 16 of this report.

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

*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 20 of this report.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statements can be found on page 26 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 28 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 64 of this report. The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information on the general fund budget. Combining fund statements and schedules can be found beginning on page 70 of this report.

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

**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 \$175,733,344 at the close of the most recent fiscal year. The largest portion of St. Croix County's net position, \$123,629,737 (70.4%) 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	
	2021	2020	2021	2020	2021	2020
Current and Other Assets						
Capital Assets	\$ 110,571,481	\$ 93,600,971	\$ 13,687,270	\$ 11,486,052	\$ 124,258,751	\$ 105,087,023
Internal Balances	124,550,478	118,791,933	54,702,627	55,589,972	179,253,105	174,381,905
Total Assets	(828,678)	(979,346)	828,678	979,346	-	-
	234,293,281	211,413,558	69,218,575	68,055,370	303,511,856	279,468,928
Deferred Outflows of Resources	20,437,328	13,521,849	3,372,034	3,646,208	23,809,362	17,168,057
Long-Term Obligations	59,621,704	64,450,576	1,501,184	1,614,767	61,122,888	66,065,343
Other Liabilities	16,831,679	7,479,117	2,542,871	2,263,308	19,374,550	9,742,425
Total Liabilities	76,453,383	71,929,693	4,044,055	3,878,075	80,497,438	75,807,768
Deferred Inflows of Resources	66,190,913	55,923,057	4,899,523	5,204,067	71,090,436	61,127,124
Net Position:						
Net Investment in						
Capital Assets	68,927,110	58,365,913	54,702,627	55,589,972	123,629,737	113,955,885
Restricted	13,011,319	6,519,884	2,049,137	1,561,050	15,060,456	8,080,934
Unrestricted	30,147,884	32,196,860	6,895,267	5,468,414	37,043,151	37,665,274
Total Net Position	\$ 112,086,313	\$ 97,082,657	\$ 63,647,031	\$ 62,619,436	\$ 175,733,344	\$ 159,702,093

An additional portion of St. Croix County's net position, \$15,060,456 (8.6%) represents resources that are subject to other restrictions on how they may be used. The remaining \$37,043,151 of total net position (21.1%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$6,895,267 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 \$16,031,251 during the current fiscal year. The increase consisted of an increase in net position related to business-type activities in the amount of \$1,027,595 and a increase in net position related to governmental activities in the amount of \$15,003,656.

**ST. CROIX COUNTY, WISCONSIN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2021**

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

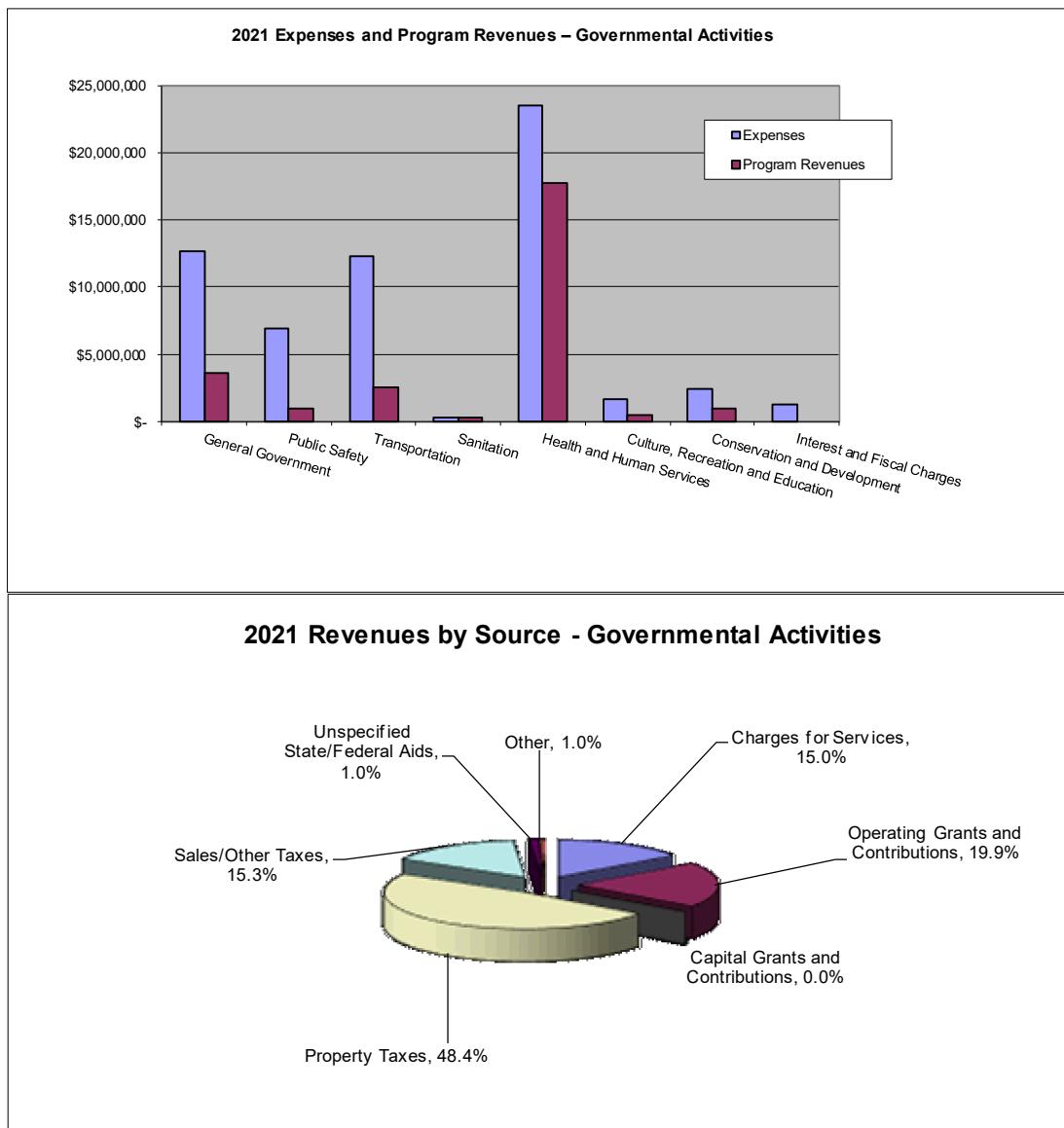
**Table A-2**  
**St. Croix County's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 11,446,831	\$ 10,192,039	\$ 24,466,081	\$ 24,109,763	\$ 35,912,912	\$ 34,301,802
Operating Grants and Contributions	15,172,057	16,167,131	2,324,466	1,039,182	17,496,523	17,206,313
Capital Grants and Contributions	11,455	-	-	316,031	11,455	316,031
General Revenues:						
Property Taxes	36,816,465	36,368,615	-	-	36,816,465	36,368,615
Sales and Other Taxes	11,649,481	10,305,317	-	-	11,649,481	10,305,317
State and Federal Aids not Restricted to Specific Programs	783,719	777,856	-	-	783,719	777,856
Other	264,602	2,080,492	290,682	1,293,881	555,284	3,374,373
<b>Total Revenues</b>	<b>76,144,610</b>	<b>75,891,450</b>	<b>27,081,229</b>	<b>26,758,857</b>	<b>103,225,839</b>	<b>102,650,307</b>
<b>EXPENSES</b>						
General Government	12,635,421	14,232,627	-	-	12,635,421	14,232,627
Public Safety	6,967,682	15,212,390	-	-	6,967,682	15,212,390
Transportation	12,309,363	9,575,218	-	-	12,309,363	9,575,218
Sanitation	291,543	323,539	-	-	291,543	323,539
Health and Human Services	23,499,488	22,418,039	-	-	23,499,488	22,418,039
Culture, Recreation and Education	1,690,408	2,403,575	-	-	1,690,408	2,403,575
Conservation and Development	2,459,322	2,246,654	-	-	2,459,322	2,246,654
Interest and Fiscal Charges	1,287,727	1,405,683	-	-	1,287,727	1,405,683
Nursing Home	-	-	6,885,049	6,864,596	6,885,049	6,864,596
Highway Department	-	-	19,168,585	18,504,577	19,168,585	18,504,577
<b>Total Expenses</b>	<b>61,140,954</b>	<b>67,817,725</b>	<b>26,053,634</b>	<b>25,369,173</b>	<b>87,194,588</b>	<b>93,186,898</b>
Change in Net Position before Transfers	15,003,656	8,063,725	1,027,595	1,389,684	16,031,251	9,463,409
Transfers	-	698,671	-	(698,671)	-	-
<b>Change in Net Position</b>	<b>\$ 15,003,656</b>	<b>\$ 8,762,396</b>	<b>\$ 1,027,595</b>	<b>\$ 691,013</b>	<b>\$ 16,031,251</b>	<b>\$ 9,463,409</b>

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

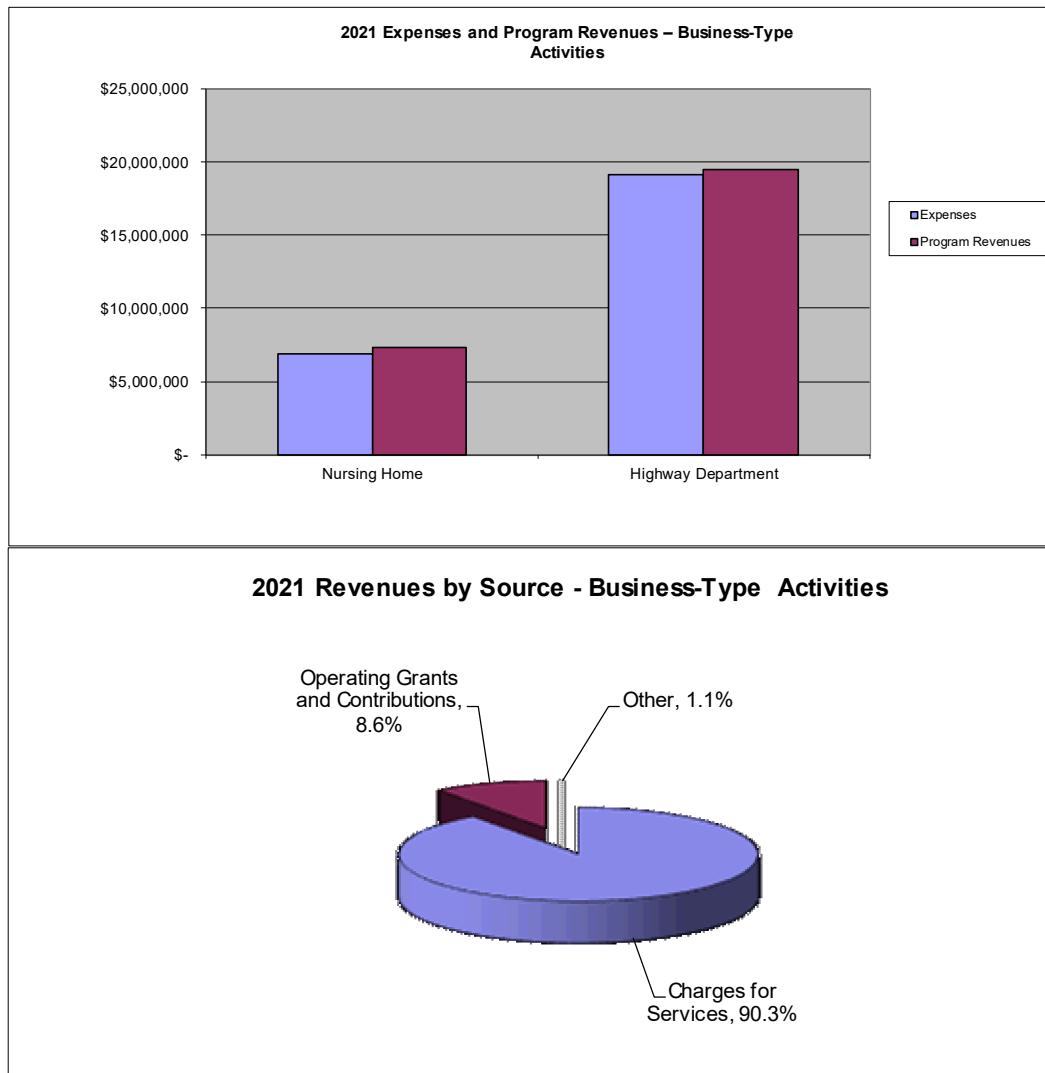
A review of the statement of activities can provide a concise picture of how the various functions/programs of St. Croix County are funded. The following charts draw data from the statement of activities. For governmental services the County is highly dependent on property taxes (48.4%) and operating grants/contributions (19.9%) for funding.

**ST. CROIX COUNTY, WISCONSIN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2021**



**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

In the case of business-type activities, the data shows a considerably different picture. Charges for services (90.3%) replace property taxes as the primary revenue.



**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

### **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, 2021, the County's governmental funds reported combined ending fund balances of \$35,900,874 an increase of \$910,871 from the previous year. Of this total fund balance, \$2,799,328 is restricted or nonspendable for specific legal requirements and other outside requirements, leaving total \$33,101,546 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, \$13,692,402 of these unrestricted balances have been segregated or otherwise committed and assigned for specific uses, leaving an unassigned fund balance of \$19,409,144.

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 56.6% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 47.1% of the same amount. The general fund's total fund balance increased \$201,775 during the year.

The health and human services fund's total fund balance increased \$1,032,508 during the year.

The debt service deficit fund balance of \$336,096 remains at year-end. The deficit is due to debt service principal and interest payments in the current year being greater than the tax levied for the same period.

The capital projects fund has a fund balance of \$8,144,094 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 increased \$52,964 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, 2021**

**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, 2021, the Nursing Home Fund operation reported net position of \$19,484,473, an increase of \$524,267 from the previous year. The Highway Fund operation reported net position of \$43,333,880, an increase of \$854,004 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 2021 and the County ended the year with positive budget variance for both revenues and expenditures. Revenues were \$2,363,369 more than the budgeted amounts while expenditures were \$1,699,592 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, 2021, amounts to \$179,253,105 (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 \$5,758,545. The business-type activities capital assets decreased by \$887,345 (net of accumulated depreciation).

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,861,033	\$ 5,861,033	\$ 1,191,092	\$ 1,191,357	\$ 7,052,125	\$ 7,052,390
Land Improvements	1,606,334	1,570,059	1,575,870	1,651,059	3,182,204	3,221,118
Gravel Pits and Quarries	-	-	248,612	248,612	248,612	248,612
Buildings and Improvements	21,274,777	15,839,785	42,087,037	43,036,440	63,361,814	58,876,225
Equipment and Vehicles	9,239,855	7,838,528	8,973,719	9,462,504	18,213,574	17,301,032
Highway Infrastructure	75,929,354	79,003,891	-	-	75,929,354	79,003,891
Other Infrastructure	770,093	(3,079,702)	-	-	770,093	(3,079,702)
Construction-in-Progress	9,869,032	11,758,339	626,297	-	10,495,329	11,758,339
Total	<b>\$ 124,550,478</b>	<b>\$ 118,791,933</b>	<b>\$ 54,702,627</b>	<b>\$ 55,589,972</b>	<b>\$ 179,253,105</b>	<b>\$ 174,381,905</b>

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, 2021**

**Long-Term Obligations**

At December 31, 2021, St. Croix County had outstanding \$61,122,888 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
	2021	2020	2021	2020	2021	2020	
General Obligation Debt:							
Bonds	\$ 48,525,000	\$ 51,205,000	\$ -	\$ -	\$ 48,525,000	\$ 51,205,000	(5.2)%
Notes	6,348,000	8,104,000	-	-	6,348,000	8,104,000	(21.7)
Premium (Discount)	750,368	1,072,857	-	-	750,368	1,072,857	(30.1)
Other Long-Term Obligations:							
Employee Leave	3,138,786	3,070,087	1,244,435	1,316,473	4,383,221	4,386,560	(0.1)
Pension Liability	-	-	-	-	-	-	100.0
Other Postemployment Benefits Payable	859,550	998,632	256,749	298,294	1,116,299	1,296,926	(13.9)
Total Debt	<u>\$ 59,621,704</u>	<u>\$ 64,450,576</u>	<u>\$ 1,501,184</u>	<u>\$ 1,614,767</u>	<u>\$ 61,122,888</u>	<u>\$ 66,065,343</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, 2021 totaled \$54,873,000, approximately 8.82% of the maximum legal limit of \$621,964,415. 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 \$12,106,961,200 in 2020 to \$11,534,114,600 in 2021. St. Croix County continues to be one of the fastest growing Counties in the State.

For 2021, 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 2.20% net new construction in 2021, 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.

**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, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and Investments	\$ 52,577,212	\$ 9,077,195	\$ 61,654,407
Deposit in Public Entity Risk Pool	720,214	-	720,214
Taxes Receivable	38,785,755	-	38,785,755
Accounts Receivable, Net	1,840,930	490,394	2,331,324
Due from Other Governments	4,097,220	1,027,268	5,124,488
Internal Balances	(828,678)	828,678	-
Long-Term Receivables	255,833	-	255,833
Other Assets and Prepaid Items	15,957	1,034,584	1,050,541
Restricted Assets:			
Cash and Investments	-	37,655	37,655
Wisconsin Retirement System Net Pension Asset	12,278,360	2,020,174	14,298,534
Capital Assets:			
Capital Assets Not Being Depreciated	15,730,065	2,066,001	17,796,066
Capital Assets Being Depreciated	209,487,880	72,770,157	282,258,037
Accumulated Depreciation	(100,667,467)	(20,133,531)	(120,800,998)
Total Assets	<u>234,293,281</u>	<u>69,218,575</u>	<u>303,511,856</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Wisconsin Retirement System Pension Related	20,352,656	3,346,742	23,699,398
Other Postemployment Benefits Related	84,672	25,292	109,964
Total Deferred Inflows of Resources	<u>20,437,328</u>	<u>3,372,034</u>	<u>23,809,362</u>
<b>LIABILITIES</b>			
Vouchers and Accounts Payable	3,045,943	453,065	3,499,008
Accrued Payroll	1,783,341	431,104	2,214,445
Accrued Claims Payable	2,181,928	-	2,181,928
Payroll Deductions	412,008	-	412,008
Accrued Interest	392,480	-	392,480
Due to Other Governments	383,168	-	383,168
Unearned Revenues	8,565,997	1,587,486	10,153,483
Special Deposits	66,814	71,216	138,030
Long-Term Liabilities:			
Amount Due Within One Year	5,766,393	349,923	6,116,316
Amounts Due in More than One Year	52,995,761	894,512	53,890,273
Total Other Postemployment Benefit Liability	<u>859,550</u>	<u>256,749</u>	<u>1,116,299</u>
Total Liabilities	<u>76,453,383</u>	<u>4,044,055</u>	<u>80,497,438</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes for Subsequent Year	37,711,390	-	37,711,390
Wisconsin Retirement System Pension Related	26,886,386	4,423,650	31,310,036
Other Postemployment Benefits Related	1,593,137	475,873	2,069,010
Total Deferred Inflows of Resources	<u>66,190,913</u>	<u>4,899,523</u>	<u>71,090,436</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	68,927,110	54,702,627	123,629,737
Restricted for:			
WRS Net Pension Asset	12,278,360	2,020,174	14,298,534
Other Purposes	732,959	28,963	761,922
Unrestricted	<u>30,147,884</u>	<u>6,895,267</u>	<u>37,043,151</u>
Total Net Position	<u><u>\$ 112,086,313</u></u>	<u><u>\$ 63,647,031</u></u>	<u><u>\$ 175,733,344</u></u>

See accompanying Notes to Financial Statements.

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

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	\$ 12,635,421	\$ 2,721,547	\$ 928,764	\$ -	\$ (8,985,110)	\$ -	\$ (8,985,110)
Public Safety	6,967,682	523,980	478,210	-	(5,965,492)	-	(5,965,492)
Transportation	12,309,363	-	2,519,438	11,455	(9,778,470)	-	(9,778,470)
Sanitation	291,543	15,635	231,544	-	(44,364)	-	(44,364)
Health and Human Services	23,499,488	7,258,013	10,507,673	-	(5,733,802)	-	(5,733,802)
Culture, Recreation and Education	1,690,408	420,973	32,488	-	(1,236,947)	-	(1,236,947)
Conservation and Development	2,459,322	506,683	473,940	-	(1,478,699)	-	(1,478,699)
Interest and Fiscal Charges	1,287,727	-	-	-	(1,287,727)	-	(1,287,727)
Total Governmental Activities	<u>61,140,954</u>	<u>11,446,831</u>	<u>15,172,057</u>	<u>11,455</u>	<u>(34,510,611)</u>	<u>-</u>	<u>(34,510,611)</u>
Business-Type Activities:							
Nursing Home	6,885,049	4,990,237	2,324,466	-	-	429,654	429,654
Highway Department	<u>19,168,585</u>	<u>19,475,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,259</u>	<u>307,259</u>
Total Business-Type Activities	<u>26,053,634</u>	<u>24,466,081</u>	<u>2,324,466</u>	<u>-</u>	<u>-</u>	<u>736,913</u>	<u>736,913</u>
Total Primary Government	<u><u>\$ 87,194,588</u></u>	<u><u>\$ 35,912,912</u></u>	<u><u>\$ 17,496,523</u></u>	<u><u>\$ 11,455</u></u>	<u><u>(34,510,611)</u></u>	<u><u>736,913</u></u>	<u><u>(33,773,698)</u></u>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes				36,816,465	-	36,816,465	
Sales Taxes				10,998,727	-	10,998,727	
Other Taxes				650,754	-	650,754	
State and Federal Aids Not Restricted to Specific Programs				783,719	-	783,719	
Interest and Investment Earnings				(252,249)	7,807	(244,442)	
Miscellaneous				516,851	282,875	799,726	
Total General Revenues				<u>49,514,267</u>	<u>290,682</u>	<u>49,804,949</u>	
<b>CHANGE IN NET POSITION</b>							
Net Position - Beginning of Year				15,003,656	1,027,595	16,031,251	
<b>NET POSITION - END OF YEAR</b>				<u><u>\$ 97,082,657</u></u>	<u><u>62,619,436</u></u>	<u><u>159,702,093</u></u>	
				<u><u>\$ 112,086,313</u></u>	<u><u>\$ 63,647,031</u></u>	<u><u>\$ 175,733,344</u></u>	

See accompanying Notes to Financial Statements.

## **FUND FINANCIAL STATEMENTS**

**ST. CROIX COUNTY, WISCONSIN**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	General Fund	Health and Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
<b>ASSETS</b>						
Treasurer's Cash and Investments	\$ 27,230,007	\$ 3,243,472	\$ -	\$ 10,818,843	\$ 708,993	\$ 42,001,315
Taxes Receivable	25,716,859	7,346,819	5,722,077	-	-	38,785,755
Accounts Receivable	521,984	1,292,150	-	-	25,874	1,840,008
Due from Other Governments	2,417,617	1,675,638	-	-	3,965	4,097,220
Due from Other Funds	343,018	-	-	-	-	343,018
Prepaid Items	15,957	-	-	-	-	15,957
Long-Term Receivables	255,833	-	-	-	-	255,833
Deposit in Public-Entity Risk Pool	720,214	-	-	-	-	720,214
<b>Total Assets</b>	<b>\$ 57,221,489</b>	<b>\$ 13,558,079</b>	<b>\$ 5,722,077</b>	<b>\$ 10,818,843</b>	<b>\$ 738,832</b>	<b>\$ 88,059,320</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Vouchers and Accounts Payable	\$ 905,315	\$ 435,199	\$ -	\$ 228,397	\$ 31,649	\$ 1,600,560
Accrued Payroll	1,078,215	702,358	-	-	2,768	1,783,341
Payroll Deductions	412,008	-	-	-	-	412,008
Due to Other Governmental Units	382,059	-	-	-	1,109	383,168
Due to Other Funds	-	-	336,096	-	6,922	343,018
Unearned Revenues	6,100,998	18,647	-	2,446,352	-	8,565,997
Special Deposits	12,065	54,749	-	-	-	66,814
<b>Total Liabilities</b>	<b>8,890,660</b>	<b>1,210,953</b>	<b>336,096</b>	<b>2,674,749</b>	<b>42,448</b>	<b>13,154,906</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Succeeding Year's Property Taxes	24,642,494	7,346,819	5,722,077	-	-	37,711,390
Unavailable Revenue - Other	-	1,292,150	-	-	-	1,292,150
<b>Total Deferred Inflows of Resources</b>	<b>24,642,494</b>	<b>8,638,969</b>	<b>5,722,077</b>	<b>-</b>	<b>-</b>	<b>39,003,540</b>
<b>FUND BALANCES</b>						
Nonspendable	2,066,369	-	-	-	-	2,066,369
Restricted	14,079	14,876	-	-	704,004	732,959
Assigned	1,855,027	3,693,281	-	8,144,094	-	13,692,402
Unassigned	19,752,860	-	(336,096)	-	(7,620)	19,409,144
<b>Total Fund Balances</b>	<b>23,688,335</b>	<b>3,708,157</b>	<b>(336,096)</b>	<b>8,144,094</b>	<b>696,384</b>	<b>35,900,874</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 57,221,489</b>	<b>\$ 13,558,079</b>	<b>\$ 5,722,077</b>	<b>\$ 10,818,843</b>	<b>\$ 738,832</b>	<b>\$ 88,059,320</b>

**ST. CROIX COUNTY, WISCONSIN**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES –**  
**TO GOVERNMENTAL ACTIVITIES –**  
**NET POSITION**  
**DECEMBER 31, 2021**

**Total Fund Balance - Governmental Funds** \$ 35,900,874

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	3,925,007
Buildings and Improvements	40,540,156
Machinery and Equipment	18,659,039
Infrastructure	146,363,678
Construction Work-in-Progress	9,869,032
Accumulated Depreciation	<u>(100,667,467)</u> 124,550,478

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	1,292,150
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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	(859,550)
Other Postemployment Benefits Related Deferred Outflow of Resources	84,672
Other Postemployment Benefits Related Deferred Inflow of Resources	(1,593,137)
Net Pension Asset	12,278,360
Pension Related Deferred Inflow of Resources	(26,886,386)
Pension Related Deferred Outflow of Resources	<u>20,352,656</u> 3,376,615

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	48,525,000
Notes Payable	6,348,000
Accrued Interest	392,480
Employee Leave Liability	<u>3,138,786</u> (58,404,266)

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. (750,368)

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.

6,120,830

**Net Position of Governmental Activities** \$ 112,086,313

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	General Fund	Health and Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
<b>REVENUES</b>						
Taxes	\$ 35,941,126	\$ 7,094,200	\$ 5,430,620	\$ -	\$ 107,476	\$ 48,465,946
Intergovernmental	6,181,342	9,451,240	-	11,455	-	15,751,513
Licenses and Permits	402,811	-	-	-	-	402,811
Fines and Forfeits	243,919	-	-	-	74,953	318,872
Public Charges for Services	3,222,556	7,151,085	-	-	237,460	10,611,101
Intergovernmental Charges for Services	29,943	106,928	-	-	-	136,871
Miscellaneous:						
Investment Income	(332,288)	-	-	-	-	(332,288)
Rent	83,720	-	-	-	-	83,720
Other	40,153	342,194	-	-	50,784	433,131
Total Revenues	<u>45,813,282</u>	<u>24,145,647</u>	<u>5,430,620</u>	<u>11,455</u>	<u>470,673</u>	<u>75,871,677</u>
<b>EXPENDITURES</b>						
General Government	12,104,951	-	-	-	248,665	12,353,616
Public Safety	14,898,798	-	-	-	157,278	15,056,076
Transportation	8,686,889	-	-	-	-	8,686,889
Sanitation	291,543	-	-	-	-	291,543
Health and Human Services	1,046,314	23,113,139	-	-	11,766	24,171,219
Culture, Recreation and Education	2,244,979	-	-	-	-	2,244,979
Conservation and Development	2,588,033	-	-	-	-	2,588,033
Capital Outlay	-	-	-	3,310,251	-	3,310,251
Debt Service:						
Principal Retirement	-	-	4,436,000	-	-	4,436,000
Interest and Fiscal Charges	-	-	1,653,872	-	-	1,653,872
Total Expenditures	<u>41,861,507</u>	<u>23,113,139</u>	<u>6,089,872</u>	<u>3,310,251</u>	<u>417,709</u>	<u>74,792,478</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,951,775	1,032,508	(659,252)	(3,298,796)	52,964	1,079,199
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Sale of Assets	-	-	-	81,672	-	81,672
Transfers In	-	-	-	3,500,000	-	3,500,000
Transfers Out	(3,750,000)	-	-	-	-	(3,750,000)
Total Other Financing Sources (Uses)	<u>(3,750,000)</u>	<u>-</u>	<u>-</u>	<u>3,581,672</u>	<u>-</u>	<u>(168,328)</u>
<b>NET CHANGE IN FUND BALANCES</b>	201,775	1,032,508	(659,252)	282,876	52,964	910,871
Fund Balances - Beginning of Year	<u>23,486,560</u>	<u>2,675,649</u>	<u>323,156</u>	<u>7,861,218</u>	<u>643,420</u>	<u>34,990,003</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 23,688,335</u></u>	<u><u>\$ 3,708,157</u></u>	<u><u>\$ (336,096)</u></u>	<u><u>\$ 8,144,094</u></u>	<u><u>\$ 696,384</u></u>	<u><u>\$ 35,900,874</u></u>

**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, 2021**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 910,871
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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 Expenses Reported in the Functional expenditures of Governmental Fund Statements	\$ 9,416,808
Capital Outlays Reported in Governmental Fund Statements	3,265,124
Depreciation Expense Reported in the Statement of Activities	<u>(6,935,998)</u> 5,745,934

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.

12,611

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.

192,894

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.

4,214,419

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	2,680,000
General Obligation Notes Principal Retirement	<u>1,756,000</u> 4,436,000

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.

(806,519)

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	43,656
Net Change in Employee Leave Liability	(68,699)
Net Change in Bond Discounts/Premiums	<u>322,489</u> 297,446

<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 15,003,656</u></b>
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**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF NET POSITION –**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**

	Business-Type Activities - Enterprise Funds			Internal Service Funds
	Nursing Home	Highway Department	Totals	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 798,411	\$ 8,278,784	\$ 9,077,195	\$ 10,174,476
Cash and Investments Held by Fiscal Agents	-	-	-	401,421
Accounts Receivable	-	-	-	922
Resident Accounts Receivable, Net	490,394	-	490,394	-
Due from Other Governmental Units	-	1,027,268	1,027,268	-
Other Assets and Prepaid Items	-	1,034,584	1,034,584	-
Total Current Assets	1,288,805	10,340,636	11,629,441	10,576,819
<b>RESTRICTED ASSETS</b>				
Cash and Investments:				
Resident Trust Agreement	8,692	-	8,692	-
Donation Funds	28,963	-	28,963	-
Wisconsin Retirement System Pension Asset	946,575	1,073,599	2,020,174	-
Total Restricted Assets	984,230	1,073,599	2,057,829	-
<b>CAPITAL ASSETS</b>				
Capital Assets	22,185,394	52,024,467	74,209,861	-
Less Accumulated Depreciation	3,842,657	16,290,874	20,133,531	-
Net Capital Assets	18,342,737	35,733,593	54,076,330	-
Construction Work-in-Progress	-	626,297	626,297	-
Total Capital Assets	18,342,737	36,359,890	54,702,627	-
Total Assets	20,615,772	47,774,125	68,389,897	10,576,819
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Related	1,567,284	1,779,458	3,346,742	-
Other Postemployment Benefit Items	-	25,292	25,292	-
Total Deferred Outflows of Resources	1,567,284	1,804,750	3,372,034	-
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	107,695	345,370	453,065	1,445,383
Accrued Payroll	32,743	398,361	431,104	-
Accrued Claims Payable	-	-	-	2,181,928
Accrued Employee Leave	116,038	233,885	349,923	-
Unearned Revenues	-	1,587,486	1,587,486	-
Security Deposits Payable	62,524	-	62,524	-
Resident Trust Funds	8,692	-	8,692	-
Total Current Liabilities	327,692	2,565,102	2,892,794	3,627,311
<b>LONG-TERM LIABILITIES, Net of Current Portion</b>				
Accrued Employee Leave	298,140	596,372	894,512	-
Total Other Postemployment Benefits Liability	-	256,749	256,749	-
Total Long-Term Liabilities	298,140	853,121	1,151,261	-
Total Liabilities	625,832	3,418,223	4,044,055	3,627,311
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Items	2,072,751	2,350,899	4,423,650	-
Other Postemployment Benefit Items	-	475,873	475,873	-
Total Deferred Inflows of Resources	2,072,751	2,826,772	4,899,523	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	18,342,737	36,359,890	54,702,627	-
Restricted for Donation Funds	28,963	-	28,963	-
Restricted for WRS Pension Asset	946,575	1,073,599	2,020,174	-
Unrestricted	166,198	5,900,391	6,066,589	6,949,508
Total Net Position	\$ 19,484,473	\$ 43,333,880	\$ 62,818,353	\$ 6,949,508

**ST. CROIX COUNTY, WISCONSIN**  
**RECONCILIATION OF TOTAL ENTERPRISE FUND NET POSITION**  
**TO THE NET POSITION OF BUSINESS-TYPE ACTIVITIES –**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**

**Total Net Position - Enterprise Funds** \$ 62,818,353

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.

828,678

**Net Position of Business-Type Activities** \$ 63,647,031

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities - Enterprise Funds			
	Nursing Home	Highway Department	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 4,974,968	\$ 17,949,917	\$ 22,924,885	\$ 11,503,478
Miscellaneous	15,269	1,800,941	1,816,210	438,425
Total Operating Revenues	<u>4,990,237</u>	<u>19,750,858</u>	<u>24,741,095</u>	<u>11,941,903</u>
<b>OPERATING EXPENSES:</b>				
Daily Patient Services	2,862,056	-	2,862,056	-
Special Services	1,925,506	-	1,925,506	-
Transportation Services	-	14,871,297	14,871,297	118,720
Premiums and Claims	-	-	-	11,980,282
General and Administrative	1,387,982	2,168,114	3,556,096	1,336,971
Depreciation	587,444	1,857,443	2,444,887	-
Other	35,000	-	35,000	-
Total Operating Expenses	<u>6,797,988</u>	<u>18,896,854</u>	<u>25,694,842</u>	<u>13,435,973</u>
<b>OPERATING INCOME (LOSS)</b>	(1,807,751)	854,004	(953,747)	(1,494,070)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest Revenue	971	-	971	86,875
Supplemental Payment Revenue	813,163	-	813,163	-
Supplemental Payment Revenue - COVID 19	1,508,495		1,508,495	
Insurance Reimbursement	7,861	-	7,861	-
Restricted Donations Received	2,808	-	2,808	-
Restricted Donations Expended	(1,280)	-	(1,280)	-
Total Nonoperating Revenues (Expenses)	<u>2,332,018</u>	<u>-</u>	<u>2,332,018</u>	<u>86,875</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	524,267	854,004	1,378,271	(1,407,195)
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>				
Transfers In	-	-	-	250,000
Total Transfers and Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
<b>CHANGE IN NET POSITION</b>	524,267	854,004	1,378,271	(1,157,195)
Net Position - Beginning of Year	18,960,206	42,479,876	61,440,082	8,106,703
<b>NET POSITION - END OF YEAR</b>	<u>\$ 19,484,473</u>	<u>\$ 43,333,880</u>	<u>\$ 62,818,353</u>	<u>\$ 6,949,508</u>

**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, 2021**

**Net Change in Net Position for Enterprise Funds** \$ 1,378,271

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.

(350,676)

**Change in Net Position of Business-Type Activities** \$ 1,027,595

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF CASH FLOWS –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities - Enterprise Funds			Internal Service Funds
	Nursing Home	Highway Department	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received for Services Provided	\$ 5,071,333	\$ 20,001,477	\$ 25,072,810	\$ 11,943,001
Cash Paid to Suppliers for Goods and Services	(4,825,624)	(15,162,869)	(19,988,493)	-
Cash Paid for Employee Services	(1,556,198)	(2,344,721)	(3,900,919)	-
Cash Paid for Claims/Premiums/ Administrative Services	-	-	-	(12,188,533)
Net Cash Provided (Used) by Operating Activities	(1,310,489)	2,493,887	1,183,398	(245,532)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash Advances from (Repayments to) County Transfers (to) from County	(200,008)	-	(200,008)	-
Other Non-Operating Income	-	-	-	250,000
Cash Received from Intermediary for Additional Financing of Prior Year Operations	252	-	252	-
Cash Received from Intermediary for Additional Financing of Prior Year Operations - COVID 19	813,163	-	813,163	-
Net Change in Restricted Funds	1,508,495	-	1,508,495	-
Net Cash Provided (Used) by Noncapital Financing Activities	2,298	-	2,298	-
	2,124,200	-	2,124,200	250,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	-	(1,716,471)	(1,716,471)	-
Cash Proceeds Received on Sale of Capital Assets	-	166,538	166,538	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(1,549,933)	(1,549,933)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Investments	971	-	971	86,875
Net Cash (Provided by) Used for Investing Activities	971	-	971	86,875
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>				
Cash and Cash Equivalents - Beginning of Year	814,682	943,954	1,758,636	91,343
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 21,384</b>	<b>7,334,830</b>	<b>7,356,214</b>	<b>10,484,554</b>
	<b>\$ 836,066</b>	<b>\$ 8,278,784</b>	<b>\$ 9,114,850</b>	<b>\$ 10,575,897</b>

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF CASH FLOWS (CONTINUED) –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities - Enterprise Funds			Internal Service Funds	
	Nursing Home	Highway Department	Totals		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
<b>Operating Income (Loss)</b>					
Operating Income (Loss)	\$ (1,807,751)	\$ 854,004	\$ (953,747)	\$ (1,494,070)	
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation	587,444	1,857,443	2,444,887	-	
Net Change in WRS Pension Asset	(396,659)	(75,229)	(471,888)	-	
Net Change in WRS Pension Deferred Outflow	(280,991)	555,801	274,810	-	
Net Change in WRS Pension Deferred Inflow	425,207	(640,210)	(215,003)	-	
Net Change in Other Postemployment Benefits Deferred Outflows	-	(636)	(636)	-	
Net Change in Total Other Postemployment Benefits Liability	-	(41,545)	(41,545)	-	
Net Change in Other Postemployment Benefits Deferred Inflows	-	(89,541)	(89,541)	-	
(Increase) Decrease in assets:					
Accounts Receivable	65,596	57,126	122,722	1,098	
Due from Other Governmental Units	-	6,982	6,982	-	
Prepaid Items and Other Assets	-	(100,398)	(100,398)	-	
Increase (Decrease) in liabilities:					
Accounts Payable	62,618	(2,099)	60,519	743,961	
Accrued Claims/Losses Payable	-	-	-	503,479	
Accrued Liabilities	4,177	12,086	16,263	-	
Accrued Employee Leave	14,370	(86,408)	(72,038)	-	
Security Deposits Payable	15,500	-	15,500	-	
Unearned Revenue	-	186,511	186,511	-	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,310,489)</b>	<b>\$ 2,493,887</b>	<b>\$ 1,183,398</b>	<b>\$ (245,532)</b>	

**RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS**

Cash and Investments per Statement of Net Position:				
Cash and Investments	\$ 798,411	\$ 8,278,784	\$ 9,077,195	\$ 10,174,476
Cash Held by Fiscal Agents	-	-	-	401,421
Cash and Investments - Restricted	37,655	-	37,655	-
<b>CASH AND CASH EQUIVALENTS</b>	<b>\$ 836,066</b>	<b>\$ 8,278,784</b>	<b>\$ 9,114,850</b>	<b>\$ 10,575,897</b>

**ST. CROIX COUNTY, WISCONSIN  
STATEMENT OF NET POSITION –  
FIDUCIARY FUNDS  
DECEMBER 31, 2021**

	Custodial Funds
<b>ASSETS</b>	
Treasurer's Cash and Investments	\$ 32,570,360
Departmental Cash and Investments	1,607,829
Special Assessments Receivable	<u>43,115</u>
 Total Assets	 34,221,304
<b>LIABILITIES</b>	
Due to Other Governments	30,709,917
Due to Individuals	<u>47,556</u>
Total Liabilities	<u>30,757,473</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Succeeding Year's Property Taxes	<u>1,614,022</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, Organizations, and	
Other Governments	<u>\$ 1,849,809</u>

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Individuals	\$ 780,468
Property Tax Collections for Other Governments	58,949,572
Fines and Forfeitures	2,271,243
License and Fees Collected for State	4,054,427
Total Additions	<u>66,055,710</u>
<b>DEDUCTIONS</b>	
Payments of Property Tax to Other Governments	59,712,645
Payments to Other Governments	2,304,290
Distribution to Participants	3,792,300
Total Deductions	<u>65,809,235</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	<b>246,475</b>
Fiduciary Net Position - Beginning of Year	1,603,334
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<b><u>\$ 1,849,809</u></b>

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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**

The County is governed by a board of supervisors (the Board) 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, 2021**

**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.

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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

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

**Fund Financial Statements (Continued)**

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.

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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

**C. Measurement Focus and Basic Accounting (Continued)**

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.

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 GAAP 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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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)**

Investment of County funds is restricted by state statutes. Available investments are limited to:

- a) time deposits in any credit union, bank, savings bank or trust company maturing in three years or less;
- b) Bonds or securities issued or guaranteed by the federal government;
- c) Bonds or securities of any County, city, drainage district, technical college district, 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, 2021**

**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 \$911,705. Resident accounts receivable in the nursing home fund are offset by an allowance for doubtful accounts of \$27,000. 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 nonoperating gains. Amounts recognized was \$2,321,658 during the year ended December 31, 2021. This balance consists of \$1,508,495 resulting from COVID-19 funding and \$813,163 traditional funding sources for this program.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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 \$4,974,968 and there were no contractual adjustments in the current year.

During the year ended December 31, 2021, the occupancy percentages and the percentages of residents covered under the Medicare and Medicaid programs were as follows:

Total Occupancy	71.4%
Medicaid	46.9%
Medicare	12.6%

**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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

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

**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).

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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

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

**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 postemployment benefit items.

**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 postemployment 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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

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

**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.

**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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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**

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.

**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**

GAAP require the disclosure of individual funds that have deficit balances at year-end. At December 31, 2021, the Debt Service, K-9, and Stop Drugs Fund had a deficit fund balances of \$336,096, \$1,405, and \$6,215 respectively. The County plans to eliminate this deficit through future donations and increased tax levy support if necessary.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County's cash and investments balances at December 31, 2021 are shown in the financial statements as follows:

Governmental Activities	\$ 52,577,212
Business-Type Activities	9,114,850
Fiduciary Activity	34,178,189
	<u><u>\$ 95,870,251</u></u>

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

The above cash and investments balances consisted of the following:

<b>Treasurer's Cash and Investments</b>			
Deposits at Financial Institutions		\$ 5,608,430	
Deposits in State Local Government:			
Pooled-Investment Fund	49,005,480		
Money Market Savings Account	179,311		
Investments in Federal Obligations	<u>39,180,460</u>	\$ 93,973,681	
<b>Departmental Cash and Investments</b>			
Deposits in Financial Institutions	1,454,147		
Petty Cash	<u>3,347</u>	1,457,494	
<b>Cash and Investments Held by Fiscal Agents</b>			
Deposits with WMMC		401,421	
<b>Restricted Cash and Investments</b>			
Deposits in Financial Institutions:			
County Funds		37,655	
Total Cash and Investments at December 31, 2021		<u>\$ 95,870,251</u>	

**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, 2021, all of the County's deposits were insured or collateralized.

**Investments**

The County's investments at December 31, 2021 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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

**Investments (Continued)**

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 2021 was 63 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.

**Certificates of Deposit and U.S. Government Agencies and Instrumentalities Obligations.** The County's investments in these obligations at December 31, 2021 are as follows:

<u>Description</u>	<u>Totals</u>	<u>Investment Maturities (in years)</u>			
		<u>&lt; 1</u>	<u>1 to 2</u>	<u>2 to 3</u>	<u>&gt; 3</u>
<b>Debt Instruments:</b>					
Fannie Mae	\$ 1,956,952	\$ -	\$ -	\$ -	\$ 1,956,952
FHLB	27,403,040	2,731,992	-	3,832,611	20,838,437
Federal Farm CR	3,675,104	-	2,001,842	-	1,673,262
Freddie Mac	6,045,792	-	-	-	6,045,792
Sallie Mae	99,572	-	-	99,572	-
Certificate of Deposit	140,455	140,455	-	-	-
Money Market Funds	38,856	38,856	-	-	-
<b>Total</b>	<b>\$ 39,359,771</b>	<b>\$ 2,911,303</b>	<b>\$ 2,001,842</b>	<b>\$ 3,932,183</b>	<b>\$ 30,514,443</b>

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, 2021, the County's investments were rated as follows:

<u>Type</u>	<u>Credit Quality Rating</u>	<u>Amount</u>
Freddie Mac	AA+	\$ 6,045,792
Fannie Mae	AA+	1,956,952
FHLB	AA+	27,403,040
Federal Home LN	AA+	3,675,104
Sallie Mae	AA+	99,572
Certificate of Deposits	Not Rated	140,455
Money Market Funds	Not Rated	38,856

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

**Investments (Continued)**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates 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.

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, 2021, the investment portfolio was concentrated as follows (investment holdings individually greater than 5% of the total investment portfolio):

Type	Amount	Percentage
Fannie Mae	\$ 1,956,952	5.0%
FHLB	27,403,040	69.6%
Federal Home LN	3,675,104	9.3%
Freddie Mac	6,045,792	15.4%

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, 2021**

**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
Fannie Mae	\$ 1,956,952	\$ -	\$ -	\$ 1,956,952
FHLB	27,403,040	-	-	27,403,040
Federal Farm CR	3,675,104	-	-	3,675,104
Freddie Mac	6,045,792	-	-	6,045,792
Sallie Mae	99,572	-	-	99,572
Money Market Fund	-	-	-	38,856
Certificate of Deposit	-	140,455	-	140,455
	<u>\$ 39,180,460</u>	<u>\$ 140,455</u>	<u>\$ -</u>	<u>39,359,771</u>
Investments Measured at Amortized Cost - LGIP Funds				49,005,480
Total Investments				<u>\$ 88,365,251</u>

**B. Receivables/Deferred Inflows of Resources**

**1. Taxes Receivable**

Taxes receivable at December 31, 2021 is as detailed below:

	Governmental Funds	Enterprise Funds	Custodial Funds	Totals
<b>Current Taxes Receivable</b>				
2021 Apportionment:				
County Taxes	\$ 37,711,737	\$ -	\$ -	\$ 37,711,737
<b>Delinquent Taxes Receivable</b>				
Tax Certificates:				
2020 Sale (2019 Taxes)	625,890	-	-	625,890
2019 Sale	227,318	-	-	227,318
2018 Sale	93,320	-	-	93,320
2017 Sale and Prior Years	77,770	-	-	77,770
Special Assessments and Charges	-	-	66,422	66,422
Total	1,024,298	-	66,422	1,090,720
<b>Tax Deeds Owned by County</b>	49,720	-	-	49,720
<b>Total Taxes Receivable</b>	<u>\$ 38,785,755</u>	<u>\$ -</u>	<u>\$ 66,422</u>	<u>\$ 38,852,177</u>

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, 2021**

**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, 2021 consisted of the following:

Receivable from Residents and Their Insurance Carriers	\$ 107,777
Receivable from Medicare	262,874
Receivable from Medicaid	<u>146,743</u>
Total Resident Receivables	<u>517,394</u>
Less: Allowance for Doubtful Accounts	<u>(27,000)</u>
Resident Receivables, Net	<u><u>\$ 490,394</u></u>

**3. Other Receivable**

Other accounts receivable at December 31, 2021 are further detailed as follows:

	General Fund	Health and Human Services Fund	Other Governmental Funds	Nursing Home	Highway Department	Totals
Accounts Receivable:						
General	\$ 521,984	\$ 1,292,150	\$ 25,874	\$ -	\$ -	\$ 1,840,008
Long-Term Receivables	255,833	-	-	-	-	255,833
Customers/Residents:						
Nursing Home	-	-	-	536,894	-	536,894
Allowance for Doubtful Accounts	-	-	-	(46,500)	-	(46,500)
	<u>777,817</u>	<u>1,292,150</u>	<u>25,874</u>	<u>490,394</u>	<u>-</u>	<u>2,586,235</u>
Due From Other Governments	<u>2,417,617</u>	<u>1,675,638</u>	<u>3,965</u>	<u>-</u>	<u>1,027,268</u>	<u>4,097,220</u>
Totals	<u><u>\$ 3,195,434</u></u>	<u><u>\$ 2,967,788</u></u>	<u><u>\$ 29,839</u></u>	<u><u>\$ 490,394</u></u>	<u><u>\$ 1,027,268</u></u>	<u><u>\$ 6,683,455</u></u>

**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:			
2021 Tax Levy	\$ -	\$ 37,711,390	\$ 37,711,390
General Fund Grant Advances	-	6,100,998	6,100,998
Health and Human Services Receivables	1,292,150	18,647	1,310,797
Other	-	2,446,352	2,446,352
Total Governmental Activities	<u><u>\$ 1,292,150</u></u>	<u><u>\$ 46,277,387</u></u>	<u><u>\$ 47,569,537</u></u>

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 5,861,033	\$ -	\$ -	\$ 5,861,033
Construction Work-in-Progress	11,758,339	7,362,833	9,252,140	9,869,032
<b>Total Capital Assets Not Being Depreciated</b>	<b>17,619,372</b>	<b>7,362,833</b>	<b>9,252,140</b>	<b>15,730,065</b>
<b>Capital Assets Being Depreciated:</b>				
Land Improvements	3,751,767	173,240	-	3,925,007
Buildings and Improvements	34,254,801	6,332,396	47,041	40,540,156
Equipment and Vehicles	18,187,070	3,310,100	2,838,131	18,659,039
Highway Infrastructure	139,503,474	4,825,655	-	144,329,129
Other Infrastructure	2,023,029	11,520	-	2,034,549
<b>Total Capital Assets Being Depreciated</b>	<b>197,720,141</b>	<b>14,652,911</b>	<b>2,885,172</b>	<b>209,487,880</b>
<b>Total Capital Assets</b>	<b>215,339,513</b>	<b>22,015,744</b>	<b>12,137,312</b>	<b>225,217,945</b>
<b>Accumulated Depreciation:</b>				
Land Improvements	2,181,708	136,965	-	2,318,673
Buildings and Improvements	18,415,016	896,019	45,656	19,265,379
Equipment and Vehicles	10,348,542	1,841,097	2,770,455	9,419,184
Highway Infrastructure	64,376,590	4,023,185	-	68,399,775
Other Infrastructure	1,225,724	38,732	-	1,264,456
<b>Total Accumulated Depreciation</b>	<b>96,547,580</b>	<b>6,935,998</b>	<b>2,816,111</b>	<b>100,667,467</b>
<b>Net Capital Assets - Governmental Activities</b>	<b>\$ 118,791,933</b>	<b>\$ 15,079,746</b>	<b>\$ 9,321,201</b>	<b>\$ 124,550,478</b>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,634,203
Public Safety	1,083,934
Transportation	3,704,646
Health and Human Services	288,300

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Business-Type Activities**

	Beginning Balance	Increases	Transfers and Decreases	Ending Balance
<b>Nursing Home:</b>				
Capital Assets Being Depreciated:				
Land Improvements	\$ 22,262	\$ -	\$ -	\$ 22,262
Buildings	21,155,373	-	-	21,155,373
Equipment	1,000,150	7,609	-	1,007,759
Total Capital Assets Being Depreciated	22,177,785	7,609	-	22,185,394
Accumulated Depreciation:				
Land Improvements	11,462	678	-	12,140
Buildings	2,229,633	562,478	-	2,792,111
Equipment	1,014,118	24,288	-	1,038,406
Total Accumulated Depreciation	3,255,213	587,444	-	3,842,657
Net Capital Assets - Nursing Home	18,922,572	(579,835)	-	18,342,737
<b>Highway Department:</b>				
Capital Assets Not Being Depreciated:				
Land	1,191,357	-	265	1,191,092
Gravel Pits and Quarries	248,612	-	-	248,612
Construction Work-in-Progress	-	626,297	-	626,297
Total Capital Assets Not Being Depreciated	1,439,969	626,297	265	2,066,001
Capital Assets Being Depreciated:				
Land Improvements	2,095,001	-	-	2,095,001
Buildings and Improvements	26,387,681	358,206	-	26,745,887
Machinery and Equipment	22,165,826	1,171,588	1,593,539	21,743,875
Total Capital Assets Being Depreciated	50,648,508	1,529,794	1,593,539	50,584,763
Total Capital Assets	52,088,477	2,156,091	1,593,804	52,650,764

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Business-Type Activities (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Highway Department: (Continued)</b>				
Accumulated Depreciation:				
Land Improvements	\$ 454,742	\$ 74,511		\$ 529,253
Buildings and Improvements	2,276,981	745,131		3,022,112
Machinery and Equipment	12,689,354	1,037,801	987,646	12,739,509
Total Accumulated Depreciation	<u>15,421,077</u>	<u>1,857,443</u>	<u>987,646</u>	<u>16,290,874</u>
Net Capital Assets - Highway Dept.	36,667,400	298,648	606,158	36,359,890
Total Capital Assets	74,266,262	2,163,700	1,593,804	74,836,158
Less Accumulated Depreciation	<u>18,676,290</u>	<u>2,444,887</u>	<u>987,646</u>	<u>20,133,531</u>
Net Capital Assets - Business-Type Activities	<u>\$ 55,589,972</u>	<u>\$ (281,187)</u>	<u>\$ 606,158</u>	<u>\$ 54,702,627</u>

Depreciation was charged to the following business-type activities:

Nursing Home	\$ 587,444
Highway Department	1,857,443
Total	<u>\$ 2,444,887</u>

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

The composition of interfund balances as of December 31, 2021 was as follows:

**Due to/from Other Funds**

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Debt Service Fund	\$ 336,096	Cover deficit cash
General Fund	Stop Drugs Fund	6,215	Cover deficit cash
General Fund	K-9 Fund	<u>707</u>	Cover deficit cash
		<u>\$ 343,018</u>	

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
Internal Service Fund - Retirement Health			
Savings Account	General Fund	\$ 250,000	Paid time off contribution to RHS
Capital Projects Fund	General Fund	3,500,000	Project financing
Total		<u>\$ 3,750,000</u>	

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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, 2021 were as follows:

	Balances 1/1/21	Additions	Reductions	Balances 12/31/21	Amounts Due Within One Year
<b>Long-Term Debt</b>					
<b>Governmental Activities</b>					
General Obligation Bonds, dated 09/01/15, from Direct Placements	\$ 8,305,000	\$ -	\$ 455,000	\$ 7,850,000	\$ 465,000
General Obligation Bonds, dated 03/02/16, from Direct Placements	9,615,000	-	135,000	9,480,000	140,000
General Obligation Bonds, dated 2/14/18, from Direct Placements	25,490,000	-	1,035,000	24,455,000	1,075,000
General Obligation Bonds, dated 12/04/19, from Direct Placements	7,795,000	-	1,055,000	6,740,000	725,000
General Obligation Notes, dated 9/1/14, from Direct Borrowing	5,660,000	-	1,365,000	4,295,000	1,395,000
General Obligation Notes, dated 3/11/20, from Direct Borrowing	2,444,000	-	391,000	2,053,000	397,000
Net Bond Premium (Discount)	1,072,857	-	322,489	750,368	-
<b>Total Long-Term Debt</b>	<b>\$ 60,381,857</b>	<b>\$ -</b>	<b>\$ 4,758,489</b>	<b>\$ 55,623,368</b>	<b>\$ 4,197,000</b>
<b>Other Long-Term Obligations</b>					
<b>Governmental Activities</b>					
Employee Leave Liability	\$ 3,070,087	\$ 95,947	\$ 27,248	\$ 3,138,786	\$ 1,569,393
<b>Total Other Long-Term Obligations</b>	<b>\$ 3,070,087</b>	<b>\$ 95,947</b>	<b>\$ 27,248</b>	<b>\$ 3,138,786</b>	<b>\$ 1,569,393</b>
<b>Business-Type Activities</b>					
Employee Leave Liability					
Employee Leave Liability	\$ 1,316,473	\$ -	\$ 72,038	\$ 1,244,435	\$ 349,923
<b>Total</b>	<b>\$ 1,316,473</b>	<b>\$ -</b>	<b>\$ 72,038</b>	<b>\$ 1,244,435</b>	<b>\$ 349,923</b>

The County's estimated liability for employee leave and other postemployment benefits are discussed in Note D.B and Note 6, 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, 2021**

**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, 2021 and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
<b>General Obligation Bonds</b>				
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)	2022	\$ 465,000	\$ 213,705	\$ 678,705
	2023	475,000	204,305	679,305
	2024	485,000	193,493	678,493
	2025	500,000	181,180	681,180
	2026	515,000	168,493	683,493
	2027-2031	2,820,000	624,250	3,444,250
	2032-2035	2,590,000	169,280	2,759,280
		<u>7,850,000</u>	<u>1,754,706</u>	<u>9,604,706</u>
Corporate Purpose Bonds, Series 2016A, \$10,000,000, Issued 3/02/16, Due 4/1/35, Interest at 2.7%-3.00%	2022	140,000	222,245	362,245
	2023	140,000	218,045	358,045
	2024	145,000	213,770	358,770
	2025	715,000	200,870	915,870
	2026	735,000	182,795	917,795
	2027-2031	3,990,000	679,130	4,669,130
	2032-2035	3,615,000	192,533	3,807,533
		<u>9,480,000</u>	<u>1,909,388</u>	<u>11,389,388</u>
Highway Maintenance Facility Bonds, Series 2018A, \$27,000,000, Issued 2/14/18, Due 3/1/38, Interest at 2.5%-5.00%	2022	1,075,000	804,708	1,879,708
	2023	1,120,000	768,870	1,888,870
	2024	1,165,000	723,170	1,888,170
	2025	1,215,000	669,495	1,884,495
	2026	1,260,000	607,620	1,867,620
	2027-2031	6,890,000	4,114,511	11,004,511
	2032-2036	8,085,000	1,676,035	9,761,035
	2037-2038	3,645,000	120,414	3,765,414
		<u>24,455,000</u>	<u>9,484,823</u>	<u>33,939,823</u>
General Obligation Capital Improvement Bonds, Series 2019A, \$8,025,000, Issued 12/4/19, Due 4/1/39, Interest at 2.45%-3.00%	2022	725,000	166,938	891,938
	2023	700,000	145,563	845,563
	2024	380,000	129,363	509,363
	2025	385,000	117,888	502,888
	2026	365,000	117,888	482,888
	2027-2031	1,635,000	427,163	2,062,163
	2032-2036	1,520,000	244,474	1,764,474
	2037-2039	1,030,000	63,718	1,093,718
		<u>6,740,000</u>	<u>1,412,995</u>	<u>8,152,995</u>
<b>General Obligation Notes</b>				
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)	2022	1,395,000	75,626	1,470,626
	2023	1,430,000	47,375	1,477,375
	2024	1,470,000	16,538	1,486,538
		<u>4,295,000</u>	<u>139,539</u>	<u>4,434,539</u>
General Obligation Promissory Notes, Series 2020A, \$2,444,000 6/12/06, Final Installment Due 4/01/2026, Interest 1.00%-2.25%	2022	397,000	29,858	426,858
	2023	404,000	23,410	427,410
	2024	411,000	16,849	427,849
	2025	417,000	10,183	427,183
	2026	424,000	3,413	427,413
		<u>2,053,000</u>	<u>83,713</u>	<u>2,136,713</u>
Total General Obligation Debt		<u><u>\$ 54,873,000</u></u>	<u><u>\$ 14,785,164</u></u>	<u><u>\$ 69,658,164</u></u>

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

**General Obligation Long-Term Debt**

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, 2021, the County's debt limit amounted to \$621,964,415 and indebtedness subject to the limitation totaled \$54,873,000.

**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, and 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 Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

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

*Benefits Provided.* Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

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, 2021 through December 31, 2021, the WRS recognized \$2,621,769 in contributions from the employer.

Contribution rates as of December 31, 2021 are:

	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.75 %	6.75 %
Executives and Elected Officials	6.75	6.75
Protective with Social Security	6.75	11.84
Protective without Social Security	6.75	17.25

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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>
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)
2020	1.7	21.0

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

At December 31, 2021, the County reported an asset of \$14,298,534 for its proportionate share of the net pension asset. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the County's proportion was 0.22902798%, which was an increase of 0.00282373 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the County recognized pension revenue of \$3,416,442. At December 31, 2021, 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, 2021**

**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	\$ 20,694,367	\$ 4,457,529
Changes of Assumptions	324,318	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	26,844,334
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	34,233	8,173
County Contributions Subsequent to the Measurement Date	2,646,480	-
<b>Total</b>	<b>\$ 23,699,398</b>	<b>\$ 31,310,036</b>

\$2,646,480 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 (Revenue) Amount</u>
2022	\$ (2,633,185)
2023	(714,375)
2024	(4,855,402)
2025	(2,054,156)

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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**  
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**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	Asset Allocation	Long-Term	Long-Term
		Expected Nominal Rate of Return %	Expected Real Rate of Return %
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0%	3.2%	0.8%
Inflation Sensitive Assets	16.0%	2.0%	-0.4%
Real Estate	8.0%	5.6%	3.1%
Private Equity/Debt	11.0%	10.2%	7.6%
Multi-Asset	4.0%	5.8%	3.3%
Total Core Fund	<u><u>115%</u></u>	6.6%	
<hr/>			
Variable Fund Asset Class			
U.S. Equities	70%	6.6%	4.1%
International Equities	30%	7.4%	4.9%
Total	<u><u>100%</u></u>	7.1%	4.6%

New England Pension Consultants Long Term US CPI (Inflation) Forecast:  
2.4% 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 2.00% (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, 2020. 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, 2021**

**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%, 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%) or 1-percentage-point higher (8.00%) 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)	\$ 13,610,223	\$ (14,298,534)	\$ (34,797,308)

**Payable to the pension plan** – 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 benefits 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 \$3,138,786 in the governmental funds, totaled \$1,244,435 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, 2021**

**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 \$175,000 per year (for renewal period ending October 31, 2021), and aggregate stop-loss is set at 120% of anticipated claims.

During 2021, the County plan net position in the fund at December 31, 2021 was \$2,356,848.

**Workers’ 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, 2021 was \$623,384.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Risk Management (Continued)**

Changes in the claims liabilities for 2021 and 2020 for the health insurance fund and workers' compensation fund were as follows:

	Health Insurance		Worker's Compensation	
	2021	2020	2021	2020
Estimated Claims Outstanding January 1	\$ 1,234,255	\$ 1,115,537	\$ 572,746	\$ 479,077
Current Year Claims and Charges	10,604,109	9,447,430	166,080	219,592
Claim Payments	(9,136,383)	(9,328,712)	(299,819)	(125,923)
Estimated Claims Outstanding December 31	<u>\$ 2,701,981</u>	<u>\$ 1,234,255</u>	<u>\$ 439,007</u>	<u>\$ 572,746</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, 2021, 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, 2021 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 2021. 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, 2021**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Risk Management (Continued)**

**Liability Insurance Fund (Continued).** WMMIC contracts with Governmental Entities Mutual, Inc (GEM) to provide 100% reinsurance coverage for amounts in excess of the County's self-insurance limits, which are \$500,000. 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 \$3,407,066 at December 31, 2021.

The liability recorded for unpaid losses at December 31, 2021 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 2021 and 2020 are:

	<u>2021</u>	<u>2020</u>
Estimated Claims Outstanding January 1	\$ 564,930	\$ 475,835
Current Year Claims and Changes	468,126	696,193
Claim Payments	<u>(556,125)</u>	<u>(607,098)</u>
Estimated Claims Outstanding December 31	<u><u>\$ 476,931</u></u>	<u><u>\$ 564,930</u></u>

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN**

The County adopted 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 offered an early retirement program for eligible employees who elect to retire and are considered retirement age in accordance with Wisconsin Retirement System rules. All full-time employees are eligible for retiree group health plan insurance until Medicare eligibility once they satisfy the following requirements: Age 55 and 5 years of service for employees classified as General under Wisconsin Retirement System (WRS), or Age 50 and 5 years of service for employees classified as Protective under WRS. The retiree health plan was closed effective July 1, 2021. Only active employees who retired by this date are eligible for retiree health care coverage. Otherwise, COBRA coverage for 18 months is offered. Retirees already enrolled in the retiree health plan are able to continue coverage until age 65.

*Employees covered by benefit terms.* At December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	41
Active plan members	<u>495</u>
	<u><u>536</u></u>

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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, 2021. At December 31, 2021, the County reported a total OPEB liability of \$1,116,299. There has been one substantive plan provision change since the last full valuation, which was for the fiscal year ended 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 decrease in liabilities.

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

	Total OPEB Liability (a)
<b>Balances at December 31, 2020</b>	\$ 1,296,926
<b>Changes for the year:</b>	
Interest	25,666
Differences Between Expected and Actual Experience	(27,024)
Assumption Changes	(5,801)
Benefit Payments	(173,468)
<b>Net Changes</b>	<b>(180,627)</b>
<b>Balances at December 31, 2021</b>	<b>\$ 1,116,299</b>

***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	2.25%
20-Year Municipal Bond Yield	2.25%
Inflation Rate	2.5%
Salary Increases	3.0%
Medical Trend Rate	7.5% decreasing to 4.5% in 2028
Mortality	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

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**Single-Employer Plan Description (Continued)**

***Discount Rate***

The discount rate used to measure the total OPEB liability was 2.25% which was decreased from 3.26% in the prior actuarial valuation. The discount rate is based upon all years of projected payments discounted at a municipal bond rate of 2.25%.

***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 (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	<u>\$ 1,162,275</u>	<u>\$ 1,116,299</u>	<u>\$ 1,073,332</u>

***Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates (7.5%)		1% Increase (8.5%)	
	Decreasing to 3.5%)		Decreasing to 4.5%)	Decreasing to 5.5%)
Total OPEB Liability	<u>\$ 1,069,421</u>	<u>\$ 1,116,299</u>	<u>\$ 1,165,547</u>	

For the year ended December 31, 2021, the County recognized OPEB expense of \$572,697. At December 31, 2021, 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	\$ -	\$ 2,069,010
Changes of Assumptions or Other Input	109,964	-
Total	<u>\$ 109,964</u>	<u>\$ 2,069,010</u>

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**Single-Employer Plan Description (Continued)**

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
2022	\$ (392,070)
2023	(392,070)
2024	(392,070)
2025	(392,070)
2026	(113,223)
Thereafter	(277,543)

**NOTE 7 FUND BALANCE CLASSIFICATIONS**

The fund balance classifications of the governmental funds as of December 31, 2021, were as follows:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
<b>Major Funds:</b>						
General Fund						
Prepayments	\$ 15,957	\$ 15,957	\$ -	\$ -	\$ -	\$ -
Delinquent Taxes Receivable	1,074,365	1,074,365	-	-	-	-
Investment in WMMC	720,214	720,214	-	-	-	-
Long-Term Receivables	255,833	255,833				
Restricted (See Schedule B-2)	14,079	-	14,079	-	-	-
Assigned (See Schedule B-2)	1,855,027	-	-	-	1,855,027	-
Unassigned	<u>19,752,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,752,860</u>
Subtotal General Fund	<u>23,688,335</u>	<u>2,066,369</u>	<u>14,079</u>	<u>-</u>	<u>1,855,027</u>	<u>19,752,860</u>
Health and Human Services Fund						
Donations	14,876	-	14,876	-	-	-
Health and Human Service Programs	<u>3,693,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,693,281</u>	<u>-</u>
Subtotal Health and Human Services Fund	<u>3,708,157</u>	<u>-</u>	<u>14,876</u>	<u>-</u>	<u>3,693,281</u>	<u>-</u>
Capital Projects Fund	8,144,094	-	-	-	8,144,094	-
Debt Service Fund	(336,096)	-	-	-	-	(336,096)
<b>Nonmajor Funds:</b>						
Special Revenue Funds						
Jail Assessment Fund	424,234	-	424,234	-	-	-
K-9 Program	(1,405)	-	-	-	-	(1,405)
Drug Task Force	26,773	-	26,773	-	-	-
County Drug Fund	10,549	-	10,549	-	-	-
Stop Drugs Funded Program	(6,215)	-	-	-	-	(6,215)
Land Records Fund	212,709	-	212,709	-	-	-
Animal Control	<u>29,739</u>	<u>-</u>	<u>29,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Fund Balances	<u><u>\$ 35,900,874</u></u>	<u><u>\$ 2,066,369</u></u>	<u><u>\$ 732,959</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,692,402</u></u>	<u><u>\$ 19,409,144</u></u>

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 8 SUBSEQUENT EVENT**

Subsequent to year-end, the County issued \$80,000,000 in general obligation bonds to finance the construction project for the government center. The bonds accrue interest of 3.00% to 5.00% and mature payable through 2042.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## **SCHEDULES**

**ST. CROIX COUNTY**  
**BUDGETARY COMPARISON SCHEDULE –**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 33,043,075	\$ 33,043,075	\$ 35,941,126	\$ 2,898,051
Intergovernmental	6,547,347	6,547,347	6,181,342	(366,005)
Licenses and Permits	342,500	342,500	402,811	60,311
Fines and Forfeits	230,000	230,000	243,919	13,919
Public Charges for Services	2,270,140	2,270,140	3,222,556	952,416
Intergovernmental Charges for Services	30,000	30,000	29,943	(57)
Miscellaneous:				
Investment Income	847,177	847,177	(332,288)	(1,179,465)
Rent	81,774	81,774	83,720	1,946
Other	57,900	57,900	40,153	(17,747)
Total Revenues	<u>43,449,913</u>	<u>43,449,913</u>	<u>45,813,282</u>	<u>2,363,369</u>
<b>EXPENDITURES</b>				
General Government	13,443,834	13,443,834	12,104,951	1,338,883
Public Safety	14,977,390	14,977,390	14,898,798	78,592
Transportation	8,631,639	8,631,639	8,686,889	(55,250)
Sanitation	291,619	291,619	291,543	76
Health and Human Services	1,067,089	1,067,089	1,046,314	20,775
Culture, Recreation and Education	2,300,604	2,300,604	2,244,979	55,625
Conservation and Development	2,848,924	2,848,924	2,588,033	260,891
Total Expenditures	<u>43,561,099</u>	<u>43,561,099</u>	<u>41,861,507</u>	<u>1,699,592</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(111,186)</b>	<b>(111,186)</b>	<b>3,951,775</b>	<b>4,062,961</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	111,186	111,186	-	(111,186)
Transfers Out	-	-	(3,750,000)	(3,750,000)
Total Other Financing Sources (Uses)	<u>111,186</u>	<u>111,186</u>	<u>(3,750,000)</u>	<u>(3,861,186)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>201,775</b>	<b>\$ 201,775</b>
Fund Balance - Beginning of Year			23,486,560	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 23,688,335</b>	

**ST. CROIX COUNTY**  
**BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS**  
**HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES</b>					
Taxes	\$ 7,094,200	\$ 7,094,200	\$ 7,094,200	\$ -	-
Intergovernmental	8,079,964	8,079,964	9,451,240	1,371,276	
Public Charges for Services	7,581,655	7,581,655	7,151,085	(430,570)	
Intergovernmental Charges for Services	-	-	106,928	106,928	
Miscellaneous:					
Other	310,660	310,660	342,194	31,534	
Total Revenues	<u>23,066,479</u>	<u>23,066,479</u>	<u>24,145,647</u>	<u>1,079,168</u>	
<b>EXPENDITURES</b>					
Health and Human Services	<u>23,585,217</u>	<u>23,585,217</u>	<u>23,113,139</u>	<u>472,078</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	(518,738)	(518,738)	1,032,508	607,090	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	<u>518,738</u>	<u>518,738</u>	<u>-</u>	<u>(518,738)</u>	
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,032,508</u>	<u>\$ 88,352</u>	
Fund Balance - Beginning of Year			<u>2,675,649</u>		
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 3,708,157</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	2020
County's proportion of the net pension liability (asset)	0.21970028%	0.21616914%	0.21478422%	0.21653928%	0.22225145%	0.22620425%	0.22902798%
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)	\$ (14,298,534)
County's covered payroll	\$ 28,226,246	\$ 27,892,981	\$ 28,587,877	\$ 30,109,574	\$ 31,477,566	\$ 32,517,475	\$ 34,269,070
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%	-41.72%
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%	105.26%

\*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	2021
Contractually Required Contribution	\$ 2,026,705	\$ 2,039,909	\$ 2,038,523	\$ 2,343,433	\$ 2,370,927	\$ 2,621,770	\$ 2,646,480
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>	<u>(2,646,480)</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	\$ 34,722,717
Contributions as a Percentage of Covered Payroll	7.27%	7.14%	6.77%	7.44%	7.29%	7.65%	7.62%

**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)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 510,574	\$ 414,343	\$ 490,167	\$ -
Interest	234,828	209,582	199,270	25,666
Changes of Benefit Terms	-	-	(3,446,018)	-
Differences Between Expected and Actual Experience	(1,770,239)	69,350	(1,581,587)	(27,024)
Changes of Assumptions or Other Input	(460,537)	390,464	102,760	(5,801)
Benefit Payments	(176,480)	(114,118)	(178,741)	(173,468)
<b>Net Change in Total OPEB Liability</b>	<b>(1,661,854)</b>	<b>969,621</b>	<b>(4,414,149)</b>	<b>(180,627)</b>
<b>Total OPEB Liability - Beginning</b>	<b>6,403,308</b>	<b>4,741,454</b>	<b>5,711,075</b>	<b>1,296,926</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>4,741,454</b>	<b>5,711,075</b>	<b>1,296,926</b>	<b>1,116,299</b>
<b>Covered Employee Payroll</b>	<b>\$ 28,838,950</b>	<b>\$ 33,094,609</b>	<b>\$ 32,235,819</b>	<b>\$ 33,202,894</b>
<b>County's Net OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>16.44%</b>	<b>17.26%</b>	<b>4.02%</b>	<b>3.36%</b>

*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:

- a. General Employees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020
- b. Protective Employees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020
- c. 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, 2021**

**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 Transportation major function.

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, 2021**

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
<b>ASSETS</b>						
Treasurer's Cash and Investments	\$ 420,537	\$ -	\$ 34,733	\$ 10,549	\$ -	\$ 212,319
Accounts Receivable	-	-	-	-	-	25,856
Due from Other Governmental Units	3,697	-	268	-	-	-
<b>Total Assets</b>	<b>\$ 424,234</b>	<b>\$ -</b>	<b>\$ 35,001</b>	<b>\$ 10,549</b>	<b>\$ -</b>	<b>\$ 238,175</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Vouchers Payable	\$ -	\$ 698	\$ 8,228	\$ -	\$ -	\$ 22,698
Accrued Payroll	-	-	-	-	-	2,768
Due Other Governmental Units	-	-	-	-	-	-
Due to Other Funds	-	707	-	-	6,215	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,405</b>	<b>8,228</b>	<b>-</b>	<b>6,215</b>	<b>25,466</b>
<b>FUND BALANCES</b>						
Restricted	424,234	-	26,773	10,549	-	212,709
Unassigned	-	(1,405)	-	-	(6,215)	-
<b>Total Fund Balance</b>	<b>424,234</b>	<b>(1,405)</b>	<b>26,773</b>	<b>10,549</b>	<b>(6,215)</b>	<b>212,709</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 424,234</b>	<b>\$ -</b>	<b>\$ 35,001</b>	<b>\$ 10,549</b>	<b>\$ -</b>	<b>\$ 238,175</b>

**ST. CROIX COUNTY, WISCONSIN**  
**NONMAJOR GOVERNMENTAL FUNDS –**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**DECEMBER 31, 2021**

	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Dog License Fund	Total			
		Nonmajor Special Revenue Funds			
<b>ASSETS</b>					
Treasurer's Cash and Investments	\$ 30,855	\$ 708,993	\$ 708,993		
Accounts Receivable	18	25,874	25,874		
Due from Other Governmental Units	-	3,965	3,965		
 Total Assets	 \$ 30,873	 \$ 738,832	 \$ 738,832		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers Payable	\$ 25	\$ 31,649	\$ 31,649		
Accrued Payroll	-	2,768	2,768		
Due Other Governmental Units	1,109	1,109	1,109		
Due to Other Funds	-	6,922	6,922		
Total Liabilities	1,134	42,448	42,448		
<b>FUND BALANCES</b>					
Restricted	29,739	704,004	704,004		
Unassigned	-	(7,620)	(7,620)		
Total Fund Balance	29,739	696,384	696,384		
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 30,873	 \$ 738,832	 \$ 738,832		

**ST. CROIX COUNTY, WISCONSIN**  
**NONMAJOR GOVERNMENTAL FUNDS –**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2021**

<b>Special Revenue Funds</b>						
	Jail Assessment Fund	K-9 Fund	St. Croix Valley Drug Task Force Fund	County Drug Fund	Stop Drugs Fund	Land Records Fund
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 56,476	\$ -	\$ -	\$ 51,000
Fines, Forfeitures and Penalties	68,913	-	190	5,850	-	-
Public Charges for Services	-	-	-	-	-	216,884
Miscellaneous:						
Other	-	41,634	-	-	9,150	-
Total Revenues	68,913	41,634	56,666	5,850	9,150	267,884
<b>EXPENDITURES</b>						
General Government	-	-	-	-	-	248,665
Public Safety	-	84,635	43,778	18,374	10,491	-
Health and Human Services	-	-	-	-	-	-
Total Expenditures	-	84,635	43,778	18,374	10,491	248,665
<b>NET CHANGE IN FUND BALANCES</b>						
Fund Balances - Beginning of Year	68,913	(43,001)	12,888	(12,524)	(1,341)	19,219
Fund Balances - End of Year	<u>355,321</u>	<u>41,596</u>	<u>13,885</u>	<u>23,073</u>	<u>(4,874)</u>	<u>193,490</u>
<b>FUND BALANCES - END OF YEAR</b>	<b><u>\$ 424,234</u></b>	<b><u>\$ (1,405)</u></b>	<b><u>\$ 26,773</u></b>	<b><u>\$ 10,549</u></b>	<b><u>\$ (6,215)</u></b>	<b><u>\$ 212,709</u></b>

**ST. CROIX COUNTY, WISCONSIN**  
**NONMAJOR GOVERNMENTAL FUNDS –**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds	
	Dog License Fund	Total			
		Nonmajor Special Revenue Funds			
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 107,476	\$ 107,476		
Fines, Forfeitures and Penalties	-	74,953	74,953		
Public Charges for Services	20,576	237,460	237,460		
Miscellaneous:					
Other	-	50,784	50,784		
Total Revenues	20,576	470,673	470,673		
<b>EXPENDITURES</b>					
General Government	-	248,665	248,665		
Public Safety	-	157,278	157,278		
Health and Human Services	11,766	11,766	11,766		
Total Expenditures	11,766	417,709	417,709		
<b>NET CHANGE IN FUND BALANCES</b>					
Fund Balances - Beginning of Year	8,810	52,964	52,964		
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 20,929</u>	<u>643,420</u>	<u>643,420</u>		
	<u>\$ 29,739</u>	<u>\$ 696,384</u>	<u>\$ 696,384</u>		

**ST. CROIX COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED BALANCE SHEET**  
**DECEMBER 31, 2021**

**ASSETS**

Treasurer's Cash and Investments	\$ 27,230,007
Taxes Receivable:	
Current Taxes Receivable	24,642,494
Delinquent Taxes Receivable	1,022,891
Tax Deeds Owned by County	51,474
Accounts Receivable	521,984
Due from Other Governments	2,417,617
Long-Term Receivables	255,833
Due from Other Funds:	
Cash Overdrafts at Year-End	343,018
Prepayments	15,957
Advances to Other Funds:	
Investment in Public-Entity Risk Pool	<u>720,214</u>
 Total Assets	 <u>\$ 57,221,489</u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE****LIABILITIES**

Vouchers and Accounts Payable	\$ 905,315
Accrued Salaries and Wages	1,078,215
Payroll Deductions	412,008
Due to Other Governmental Units	382,059
Unearned Revenues:	
Unearned Grant Revenue	6,100,998
Special Deposits	<u>12,065</u>
Total Liabilities	<u>8,890,660</u>

**DEFERRED INFLOWS OF RESOURCES**

Succeeding Year's Property Taxes	24,642,494
Total Deferred Inflows of Resources	<u>24,642,494</u>

**FUND BALANCES**

Nonspendable for:	
Delinquent Taxes	1,074,365
Investment in WMMIC	720,214
Prepayments	15,957
Long-Term Receivables	255,833
Restricted	14,079
Assigned	1,855,027
Unassigned	<u>19,752,860</u>
Total Fund Balances	<u>23,688,335</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 57,221,489</u>

**ST. CROIX COUNTY, WISCONSIN**  
**GENERAL FUND**  
**STATEMENT OF CHANGES IN FUND BALANCE**  
**YEAR ENDED DECEMBER 31, 2021**

	County Internal Fund #	Balance (Overdraft) 1/1/21	County Appropriations	Other Revenues	Transfers				Total Available	Expenditures	Balance (Overdraft) 12/31/21			
					General Fund		Other Funds							
					In	Out	In	Out						
<b>Nonspendable:</b>														
Delinquent Taxes		\$ 1,380,830	\$ -	\$ -	\$ -	\$ 306,465	\$ -	\$ -	\$ 1,074,365	\$ -	\$ 1,074,365			
Investment in WMMC		720,214	-	-	-	-	-	-	720,214	-	720,214			
Prepayments		11,822	-	-	4,135	-	-	-	15,957	-	15,957			
Long-Term Receivables		-	-	-	255,833	-	-	-	255,833	-	255,833			
Total Nonspendable		2,112,866	-	-	259,968	306,465	-	-	2,066,369	-	2,066,369			
<b>Restricted:</b>														
District Attorney's Confiscated Assets	100	201	-	-	-	-	-	-	201	-	201			
Sheriff Confiscated Property	100	42,172	-	42,634	-	-	-	-	84,806	84,610	196			
St. Croix/Polk Drug Enforcement	100	-	-	56,666	-	-	-	-	56,666	43,778	12,888			
Sheriff Counteract	100	794	-	-	-	-	-	-	794	-	794			
Total Restricted		43,167	-	99,300	-	-	-	-	142,467	128,388	14,079			
<b>Assigned:</b>														
<b>Continuing Appropriations:</b>														
REI Recycling Grant	125	-	-	213,406	-	-	-	-	213,406	213,406	-			
Parks	120	1,221,925	438,861	631,077	-	-	-	-	2,291,863	838,624	1,453,239			
Land and Water Conservation	130	559,666	132,174	495,240	-	-	-	-	1,187,080	792,351	394,729			
Pesticide Training	270	13,044	-	803	-	-	-	-	13,847	6,788	7,059			
Total Assigned Balances		1,794,635	571,035	1,340,526	-	-	-	-	3,706,196	1,851,169	1,855,027			
<b>Unassigned:</b>														
Highway Appropriation and Aids		-	6,112,201	2,519,438	-	-	-	-	8,631,639	8,631,639	-			
General County		19,535,892	17,369,839	17,800,943	306,465	259,968	-	3,750,000	51,003,171	31,250,311	19,752,860			
Total Unassigned		19,535,892	23,482,040	20,320,381	306,465	259,968	-	3,750,000	59,634,810	39,881,950	19,752,860			
Total General Fund		\$ 23,486,560	\$ 24,053,075	\$ 21,760,207	\$ 566,433	\$ 566,433	\$ -	\$ 3,750,000	\$ 65,549,842	\$ 41,861,507	\$ 23,688,335			

**SCHEDULE B-3**

**ST. CROIX COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2021**

	<b>Budgeted Amounts</b>			<b>Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
<b>Taxes</b>				
General Property Taxes	\$ 24,053,075	\$ 24,053,075	\$ 24,291,645	\$ 238,570
Forest Crop Taxes	5,000	5,000	18,460	13,460
Sales Tax	8,500,000	8,500,000	10,998,727	2,498,727
Interest on Taxes	330,000	330,000	417,315	87,315
Penalty on Taxes	155,000	155,000	214,979	59,979
Total Taxes	33,043,075	33,043,075	35,941,126	2,898,051
<b>Intergovernmental</b>				
Federal Grants and Aids:				
State Shared Taxes:				
Shared Taxes from State	696,393	696,393	783,719	87,326
State Grants and Aids:				
Clerk of Courts	337,000	337,000	450,761	113,761
District Attorney	-	-	50	50
Victim/Witness VOCA Grant	-	-	177,144	177,144
Administration	14,519	14,519	61,096	46,577
Information Technology	100,000	100,000	92,034	(7,966)
Finance	300,000	300,000	-	(300,000)
Facilities	555,000	555,000	107,020	(447,980)
Zoning	-	-	3,845	3,845
Law Enforcement	143,276	143,276	83,673	(59,603)
Law Enforcement-TAD Grant	146,517	146,517	146,517	-
Vest Grant	-	-	3,655	3,655
Jail	10,000	10,000	-	(10,000)
Emergency Government	92,751	92,751	103,784	11,033
General Transportation Aids	2,519,438	2,519,438	2,519,438	-
Recycling	196,902	196,902	211,956	15,054
Hazardous Waste	16,235	16,235	19,588	3,353
Child Support	851,880	851,880	863,539	11,659
Veterans Service Officer	15,000	15,000	17,835	2,835
Snowmobile Trail Maintenance	-	-	32,488	32,488

**ST. CROIX COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES (Continued)</b>				
<b>Intergovernmental (Continued)</b>				
State Grants and Aids: (Continued)				
Land and Water Conservation	\$ 544,658	\$ 544,658	\$ 419,095	\$ (125,563)
DOJ - Pierce/Polk/St. Croix Drug Program			84,105	84,105
Other:				
UW Extension Innovation Grant	7,778	7,778	-	(7,778)
Total Intergovernmental	6,547,347	6,547,347	6,181,342	(366,005)
<b>Licenses and Permits</b>				
Zoning Permits	342,500	342,500	402,811	60,311
<b>Fines, Forfeitures and Penalties</b>				
County Ordinance Forfeitures	230,000	230,000	243,919	13,919
<b>Public Charges for Services</b>				
Register of Deeds Fees	812,000	812,000	1,407,221	595,221
Clerk of Court Fees	336,900	336,900	501,465	164,565
NSF Checks - Clerk of Courts	-	-	239	239
Miscellaneous Circuit Court Fees	2,000	2,000	2,359	359
Medical Examiner Fees	60,000	60,000	75,080	15,080
District Attorney Fees	46,500	46,500	59,253	12,753
Tax Collection Fee	105,000	105,000	78,255	(26,745)
County Clerk Fees/Game Licenses	130,000	130,000	109,177	(20,823)
Sheriff Fees	410,800	410,800	449,027	38,227

**ST. CROIX COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES (Continued)</b>				
<b>Public Charges for Services (Continued)</b>				
Recycling Education Revenue	\$ 14,240	\$ 14,240	\$ 15,635	\$ 1,395
County Parks Revenue - Troy	302,200	302,200	411,861	109,661
County Parks Revenue - Glen Hills	-	-	3,554	3,554
University Extension Charges	7,500	7,500	5,558	(1,942)
Land and Water Conservation	43,000	43,000	74,228	31,228
Ag Use Penalty	-	-	29,644	29,644
Total Public Charges for Services	2,270,140	2,270,140	3,222,556	952,416
<b>Intergovernmental Charges for Services</b>				
Local Governments:				
Elections	25,000	25,000	22,824	(2,176)
County Departments:				
Computer Repair and Replacements	5,000	5,000	7,119	2,119
Total Intergovernmental Charges for Services	30,000	30,000	29,943	(57)
<b>Miscellaneous</b>				
Investment Income:				
General Investments	847,177	847,177	(332,288)	(1,179,465)
Other:				
Rent of County Buildings	81,774	81,774	83,720	1,946
Miscellaneous	57,900	57,900	40,153	(17,747)
Total Miscellaneous	986,851	986,851	(208,415)	(1,195,266)
<b>Total Revenues</b>	43,449,913	43,449,913	45,813,282	2,363,369

**SCHEDULE B-3**

**ST. CROIX COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	<b>Budgeted Amounts</b>			<b>Variance - Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>		
<b>EXPENDITURES</b>					
<b>General Government</b>					
County Board	\$ 165,427	\$ 165,427	\$ 142,626	\$ 22,801	
Clerk of Courts	1,790,225	1,790,225	1,826,723	(36,498)	
Circuit Court	946,663	946,663	915,074	31,589	
Drug Court	-	-	38,292	(38,292)	
Medical Examiner	386,498	386,498	375,194	11,304	
Corporation Counsel	619,691	619,691	576,140	43,551	
Victim/Witness Program	-	-	291,553	(291,553)	
Victim/Witness - VOCA	-	-	31,784	(31,784)	
District Attorney	1,235,834	1,235,834	799,570	436,264	
District Attorney Diversion Coordinator	-	-	119,406	(119,406)	
Administrator	452,115	452,115	351,232	100,883	
County Clerk	316,378	316,378	305,270	11,108	
Elections	68,550	68,550	44,846	23,704	
Personnel and Recruitment	547,117	547,117	447,875	99,242	
Information Technology	2,426,359	2,426,359	2,294,507	131,852	
Finance Department	1,049,723	1,049,723	616,595	433,128	
County Treasurer	405,369	405,369	361,952	43,417	
General County Buildings	2,458,931	2,458,931	2,068,841	390,090	
Register of Deeds	474,954	474,954	447,390	27,564	
Sundry Expenditures	100,000	100,000	50,081	49,919	
Total General Government	13,443,834	13,443,834	12,104,951	1,338,883	
<b>Public Safety</b>					
Sheriff	7,973,077	7,973,077	8,128,851	(155,774)	
Sheriff Towing	-	-	2,649	(2,649)	
Community Justice Collaborating Council	310,628	310,628	433,363	(122,735)	

**ST. CROIX COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
<b>EXPENDITURES (Continued)</b>				
<b>Public Safety (Continued)</b>				
County Jail	\$ 4,185,435	\$ 4,185,435	\$ 3,937,203	\$ 248,232
Emergency Government	2,508,250	2,508,250	2,355,939	152,311
Total Public Safety	14,977,390	14,977,390	14,898,798	78,592
<b>Public Works</b>				
Transportation:				
Highway Department (see Schedule C-1)	8,631,639	8,631,639	8,686,889	(55,250)
Sanitation:				
Hazardous Waste Disposal	69,290	69,290	77,408	(8,118)
Recycling	222,329	222,329	214,135	8,194
Total Sanitation	291,619	291,619	291,543	76
Total Public Works	8,923,258	8,923,258	8,978,432	(55,174)
<b>Health and Human Services</b>				
Child Support	775,079	775,079	763,907	11,172
Veterans Service Officer	292,010	292,010	282,407	9,603
Total Health and Human Services	1,067,089	1,067,089	1,046,314	20,775
<b>Culture, Recreation and Education</b>				
Municipal Library Allocations	1,136,586	1,136,586	1,136,588	(2)
Parks Admin	808,241	808,241	665,992	142,249
Glen Hills Park	-	-	2,772	(2,772)
Snowmobile Trail Maintenance	-	-	83,221	(83,221)
Fairgrounds Maintenance	85,000	85,000	85,000	-
University Extension	270,777	270,777	271,406	(629)
Total Culture, Recreation and Education	2,300,604	2,300,604	2,244,979	55,625

**ST. CROIX COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
<b>EXPENDITURES (Continued)</b>				
<b>Conservation and Development</b>				
Economic Development Grant	\$ 117,000	\$ 117,000	\$ 117,869	\$ (869)
County Planning Office	-	-	701	(701)
Zoning	1,912,092	1,912,092	1,677,052	235,040
Conservation Programs	-	-	60	(60)
Land Conservation	819,832	819,832	769,395	50,437
Wildlife Damage Claims	-	-	22,956	(22,956)
Total Conservation and Development	<u>2,848,924</u>	<u>2,848,924</u>	<u>2,588,033</u>	<u>260,891</u>
Total Expenditures	<u>43,561,099</u>	<u>43,561,099</u>	<u>41,861,507</u>	<u>1,699,592</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(111,186)	(111,186)	3,951,775	4,062,961
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers In:</b>				
From Internal Service Funds	111,186	111,186	-	(111,186)
<b>Transfers:</b>				
To Capital Projects Fund	-	-	(3,500,000)	(3,500,000)
To Internal Service Funds	-	-	(250,000)	(250,000)
Total Other Financing Sources (Uses)	<u>111,186</u>	<u>111,186</u>	<u>(3,750,000)</u>	<u>(3,861,186)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>201,775</u>	<u>\$ 201,775</u>
Fund Balance - Beginning of Year			<u>23,486,560</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 23,688,335</u>	

**ST. CROIX COUNTY, WISCONSIN**  
**HIGHWAY DEPARTMENT ENTERPRISE FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

**OPERATING REVENUES**

## Charges for Services:

County Highway Maintenance and Construction [1]	\$ 8,631,639
State Highway Maintenance and Construction	3,483,053
Local Districts - County Aid Bridge	157,445
Local Districts - Other	5,677,780

## Miscellaneous:

Other Revenue from State:	
Equipment Storage	277,393
Other	374,817
Miscellaneous Highway Revenues	275,014
Vehicle Registration Fees	873,717
Total Operating Revenues	<u>19,750,858</u>

**OPERATING EXPENSES**

## Administration and General:

Administration	1,709,368
Public Liability Insurance	34,433
Surveying	173,023
Engineering	251,290

## Transportation Cost Pools:

Machinery Operations	204,358
Gravel Pits and Quarries	200,555

## Services Provided:

State Performance Based Maintenance	169,084
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## County:

General Maintenance	2,318,774
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## State:

Highway Maintenance and Construction	7,320,950
County Aid Bridge Construction	2,876
Other Governmental Units	6,051,173
Local Departments	349,642

## Other:

Net Change in Accrued Leave/OPEB Liabilities	111,328
Total Operating Expenses	<u>18,896,854</u>

<b>OPERATING INCOME (LOSS)</b>	854,004
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**CHANGE IN NET POSITION**

Net Position - Beginning of Year	<u>42,479,876</u>
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<b>NET POSITION - END OF YEAR</b>	<u>\$ 43,333,880</u>
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[1] Charges to County for Highway Maintenance and Construction Consisted of the Following:

County Appropriations	\$ 6,112,201
State Transportation Aids	2,519,438
Total	<u>\$ 8,631,639</u>

**ST. CROIX COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	Health Retirement Liability Account	County Fleet	Totals 2021	Totals 2020
<b>ASSETS</b>								
Treasurer's Cash and Investments	\$ 5,058,829	\$ 1,010,970	\$ 3,533,997	\$ 405,312	\$ -	\$ 165,368	\$ 10,174,476	\$ 9,979,045
Cash and Investments Held by Fiscal Agent	-	51,421	350,000	-	-	-	401,421	505,509
Accounts Receivable	-	-	-	-	-	922	922	2,020
Total Assets	5,058,829	1,062,391	3,883,997	405,312	-	166,290	10,576,819	10,486,574
<b>LIABILITIES</b>								
Accounts Payable	1,435,991	-	-	-	-	9,392	1,445,383	701,422
Accrued Claims/Losses Payable	1,265,990	439,007	476,931	-	-	-	2,181,928	1,678,449
Total Liabilities	2,701,981	439,007	476,931	-	-	9,392	3,627,311	2,379,871
<b>NET POSITION - UNRESTRICTED</b>	<b>\$ 2,356,848</b>	<b>\$ 623,384</b>	<b>\$ 3,407,066</b>	<b>\$ 405,312</b>	<b>\$ -</b>	<b>\$ 156,898</b>	<b>\$ 6,949,508</b>	<b>\$ 8,106,703</b>

**ST. CROIX COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**DECEMBER 31, 2021**

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	Health Retirement Liability Account	County Fleet	Totals 2021
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 10,021,200	\$ 564,518	\$ 775,001	\$ -	\$ -	\$ 142,759	\$ 11,503,478
Other	427,876	-	10,549	-	-	-	438,425
Total Operating Revenues	<u>10,449,076</u>	<u>564,518</u>	<u>785,550</u>	<u>-</u>	<u>-</u>	<u>142,759</u>	<u>11,941,903</u>
<b>OPERATING EXPENSES</b>							
Premiums and Claims	10,611,990	270,167	468,126	629,999	-	-	11,980,282
Fleet Costs	-	-	-	-	-	118,720	118,720
Administrative	1,181,118	109,411	46,442	-	-	-	1,336,971
Total Operating Expenses	<u>11,793,108</u>	<u>379,578</u>	<u>514,568</u>	<u>629,999</u>	<u>-</u>	<u>118,720</u>	<u>13,435,973</u>
<b>OPERATING INCOME (LOSS)</b>	(1,344,032)	184,940	270,982	(629,999)	-	24,039	(1,494,070)
<b>NONOPERATING REVENUES</b>							
Interest Revenue	-	-	28,364	-	-	58,511	86,875
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(1,344,032)	184,940	299,346	(629,999)	-	82,550	(1,407,195)
<b>OTHER FINANCING SOURCES:</b>							
Transfers In	-	-	-	250,000	-	-	250,000
<b>CHANGE IN NET POSITION</b>	(1,344,032)	184,940	299,346	(379,999)	-	82,550	(1,157,195)
Net Position - Beginning of Year	<u>3,700,880</u>	<u>438,444</u>	<u>3,107,720</u>	<u>785,311</u>	<u>-</u>	<u>74,348</u>	<u>8,106,703</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 2,356,848</u></u>	<u><u>\$ 623,384</u></u>	<u><u>\$ 3,407,066</u></u>	<u><u>\$ 405,312</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 156,898</u></u>	<u><u>\$ 6,949,508</u></u>

**ST. CROIX COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	Health Retirement Liability Account	County Fleet	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash Received for Goods and Services:							
County/Departments	\$ 10,449,076	\$ 564,518	\$ 785,550	\$ -	\$ -	\$ 143,857	\$ 11,943,001
Third Parties							
Cash Payments for Claims/Premiums/Administration	(10,325,382)	(513,317)	(602,567)	(629,999)	(7,463)	(109,805)	(12,188,533)
Net Cash Provided (Used) by Operating Activities	123,694	51,201	182,983	(629,999)	(7,463)	34,052	(245,532)
<b>CASH FLOWS FROM NONCAPITAL FINANCING</b>							
Transfers In	-	-	-	250,000	-	-	250,000
Net Cash Provided by Noncapital Financing	-	-	-	250,000	-	-	250,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest on Investments	-	-	28,364	-	-	58,511	86,875
Net Cash Provided by Investing Activities	-	-	28,364	-	-	58,511	86,875
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>							
Cash and Cash Equivalents - Beginning of Year	123,694	51,201	211,347	(379,999)	(7,463)	92,563	91,343
Cash and Cash Equivalents - End of Year	4,935,135	1,011,190	3,672,650	785,311	7,463	72,805	10,484,554
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 5,058,829</b>	<b>\$ 1,062,391</b>	<b>\$ 3,883,997</b>	<b>\$ 405,312</b>	<b>\$ -</b>	<b>\$ 165,368</b>	<b>\$ 10,575,897</b>
<b>RECONCILIATION OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>							
Operating Income (Loss)	\$ (1,344,032)	\$ 184,940	\$ 270,982	\$ (629,999)	\$ -	\$ 24,039	\$ (1,494,070)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Change in Assets and Liabilities:							
Decrease (Increase) in Accounts Receivable	-	-	-	-	-	1,098	1,098
Increase (Decrease) in Accounts Payable	742,509	-	-	-	(7,463)	8,915	743,961
Increase (Decrease) in Accrued Claims/Losses Payable	725,217	(133,739)	(87,999)	-	-	-	503,479
Net Cash Provided (Used) by Operating Activities	<b>\$ 123,694</b>	<b>\$ 51,201</b>	<b>\$ 182,983</b>	<b>\$ (629,999)</b>	<b>\$ (7,463)</b>	<b>\$ 34,052</b>	<b>\$ (245,532)</b>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>							
Cash and Investments:							
Treasurer's Cash and Investments	\$ 5,058,829	\$ 1,010,970	\$ 3,533,997	\$ 405,312	\$ -	\$ 165,368	\$ 10,174,476
Cash and Investments Held by Fiscal Agent	-	51,421	350,000	-	-	-	401,421
Cash and Cash Equivalents	<b>\$ 5,058,829</b>	<b>\$ 1,062,391</b>	<b>\$ 3,883,997</b>	<b>\$ 405,312</b>	<b>\$ -</b>	<b>\$ 165,368</b>	<b>\$ 10,575,897</b>

**ST. CROIX COUNTY, WISCONSIN**  
**CUSTODIAL FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Tax Agency	Sheriff	Register of Deeds	Clerk of Court	Permitting and Platting Escrow	Totals
<b>ASSETS</b>						
Treasurer's Cash and Investments	\$ 32,327,574	\$ -	\$ 189,561	\$ -	\$ 53,225	\$ 32,570,360
Departmental Cash and Investments	-	185,836	-	1,421,993	-	1,607,829
Special Assessments Receivable	<u>43,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,115</u>
Total Assets	32,370,689	185,836	189,561	1,421,993	53,225	34,221,304
<b>LIABILITIES</b>						
Due to Other Governments	30,709,111	-	-	806	-	30,709,917
Due to Individuals	<u>47,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,556</u>
Total Liabilities	30,756,667	-	-	806	-	30,757,473
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Succeeding Year's Property Taxes	<u>1,614,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,614,022</u>
<b>NET POSITION</b>						
Restricted for:						
Individuals, Organizations, and						
Other Governments	\$ -	\$ 185,836	\$ 189,561	\$ 1,421,187	\$ 53,225	\$ 1,849,809

**ST. CROIX COUNTY, WISCONSIN**  
**CUSTODIAL FUNDS**  
**COMBINING STATEMENT OF CHANGES NET POSITION**  
**YEAR ENDED DECEMBER 31, 2021**

	Tax Agency	Sheriff	Register of Deeds	Clerk of Courts	Permitting and Platting Escrow	Totals
<b>ADDITIONS</b>						
Contributions:						
Individuals	\$ -	\$ 780,468	\$ -	\$ -	\$ -	\$ 780,468
Property Tax Collections for Other Governments	58,949,572	-	-	-	-	58,949,572
Fines and Forfeitures	-	-	-	2,271,243	-	2,271,243
License and Fees Collected for State	-	-	3,892,303	-	162,124	4,054,427
Total Additions	58,949,572	780,468	3,892,303	2,271,243	162,124	66,055,710
<b>DEDUCTIONS</b>						
Payments of Property Tax to Other Governments	58,949,572	763,073	-	-	-	59,712,645
Payments to Other Governments	-	-	-	2,135,534	168,756	2,304,290
Distribution to Participants	-	-	3,792,300	-	-	3,792,300
Total Deductions	58,949,572	763,073	3,792,300	2,135,534	168,756	65,809,235
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>						
	-	17,395	100,003	135,709	(6,632)	246,475
Fiduciary Net Position - Beginning of Year	-	168,441	89,558	1,285,478	59,857	1,603,334
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 185,836</b>	<b>\$ 189,561</b>	<b>\$ 1,421,187</b>	<b>\$ 53,225</b>	<b>\$ 1,849,809</b>

## **OTHER REPORTS**



**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, 2021, 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 29, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses listed as items 2021-001 through 2021-002, that we consider to be material weaknesses.

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

### **Report on Compliance and Other Matters**

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

### **St. Croix County's Response to Findings**

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

### **Purpose of this Report**

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
July 29, 2022

**ST. CROIX COUNTY, WISCONSIN**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2021**

**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
• 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, 2021**

**PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

**FINDING: 2021-001 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 2020-001.

**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, 2021**

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

**FINDING: 2021-002 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 2020-002.

**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.



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