

ST. CROIX COUNTY, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023



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INDEPENDENT AUDITORS' REPORT

Honorable Members of the County Board of Supervisors
St. Croix County, Wisconsin
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, Wisconsin, (the County) as of and for the year ended December 31, 2023, 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, 2023, 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2023, the County adopted new accounting guidance for subscription-based information technology arrangements (SBITAs). The guidance requires the County to recognize a right-to-use subscription asset and corresponding subscription liability for all arrangements with terms greater than twelve months. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Prior Period Adjustment

During the year ended December 31, 2023, as disclosed in Note 5.D to the financial statements, the County restated the beginning net position of the custodial funds to correct the reporting of the custodial fund activities. Our auditor's opinion was not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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 referend 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 County's basic financial statements. The combining and individual fund statements, 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 combining and individual fund statements and schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2024, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Hudson, Wisconsin
July 24, 2024

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

As management of St. Croix County, Wisconsin, (the County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County, for the fiscal year ended December 31, 2023. 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 the County, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$201,977,750 (net position). Of this amount, \$119,185,446 represented the County's net investment in capital assets, \$1,530,492 was held for restricted purposes, and \$81,261,812 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 \$15,875,402. Net position related to the business-type activities of the County decreased \$776,440, while net position related to governmental activities increased \$16,647,842.
- At the close of the fiscal year, the County's governmental funds reported a combined ending fund balance of \$93,310,860, which represents a decrease of \$26,693,726 from the previous year. This increase was primarily due to operations of the capital projects fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$24,109,620 or 50.5% 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, Wisconsin'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 basic 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, Wisconsin's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of St. Croix County, Wisconsin'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, 2023**

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 16 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, Wisconsin, 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, Wisconsin, maintains four governmental fund types: (1) General, (2) Special Revenue, (3) Debt Service, and (4) Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, health and human services special revenue fund, the debt service fund, the Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Proprietary Funds – St. Croix County, Wisconsin, 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, Wisconsin, uses internal service funds to account for its Self-Funded Workers' Compensation, Self-Funded Health Insurance, Self-Funded Liability Insurance, Retirement Health Savings Accounts, Health Retirement Liability Accounts, and County Fleet. Because these services benefit both governmental and business-type functions, they have been allocated to both functions in the government-wide financial statements.

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

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

The basic fiduciary fund financial statements can be found on page 27 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 29 of this report.

Supplementary Information – In addition to the basic financial statements and accompanying notes, this report presents required supplementary information on the general fund and health and human services fund budgets, other postemployment benefits and pension schedules. Required supplementary information can be found beginning on page 79 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 79 of this report.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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, Wisconsin, assets exceeded liabilities by \$201,977,750 at the close of the most recent fiscal year. The largest portion of St. Croix County, Wisconsin's net position, \$119,185,446 (59.0%) 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, Wisconsin's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and Other Assets	\$ 165,839,156	\$ 207,464,114	\$ 14,125,108	\$ 17,609,288	\$ 179,964,264	\$ 225,073,402
Capital Assets	160,822,410	123,462,772	52,584,575	52,775,318	213,406,985	176,238,090
Internal Balances	(685,284)	(1,103,756)	685,284	1,103,756	-	-
Total Assets	325,976,282	329,823,130	67,394,967	71,488,362	393,371,249	401,311,492
DEFERRED OUTFLOWS OF RESOURCES	36,451,177	28,506,926	9,072,384	7,520,361	45,523,561	36,027,287
LIABILITIES						
Long-Term Obligations	139,860,112	138,360,917	3,546,707	1,105,773	143,406,819	139,466,690
Other Liabilities	18,365,862	44,559,144	3,248,625	3,365,054	21,614,487	47,924,198
Total Liabilities	158,225,974	182,920,061	6,795,332	4,470,827	165,021,306	187,390,888
DEFERRED INFLOWS OF RESOURCES	66,508,090	54,364,442	5,387,664	9,477,101	71,895,754	63,841,543
NET POSITION						
Net Investment in Capital Assets	66,600,871	59,934,757	52,584,575	52,775,318	119,185,446	112,710,075
Restricted	1,522,543	16,224,659	7,949	3,934,400	1,530,492	20,159,059
Unrestricted	69,569,981	44,886,137	11,691,831	8,351,077	81,261,812	53,237,214
Total Net Position	<u>\$ 137,693,395</u>	<u>\$ 121,045,553</u>	<u>\$ 64,284,355</u>	<u>\$ 65,060,795</u>	<u>\$ 201,977,750</u>	<u>\$ 186,106,348</u>

An additional portion of St. Croix County, Wisconsin's net position, \$1,530,492 (.76%) represents resources that are subject to other restrictions on how they may be used. The remaining \$81,261,812 of total net position (40.2%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$11,691,831 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 \$15,871,402 during the current fiscal year. The increase consisted of a decrease in net position related to business-type activities in the amount of \$776,440 and an increase in net position related to governmental activities in the amount of \$16,647,842.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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

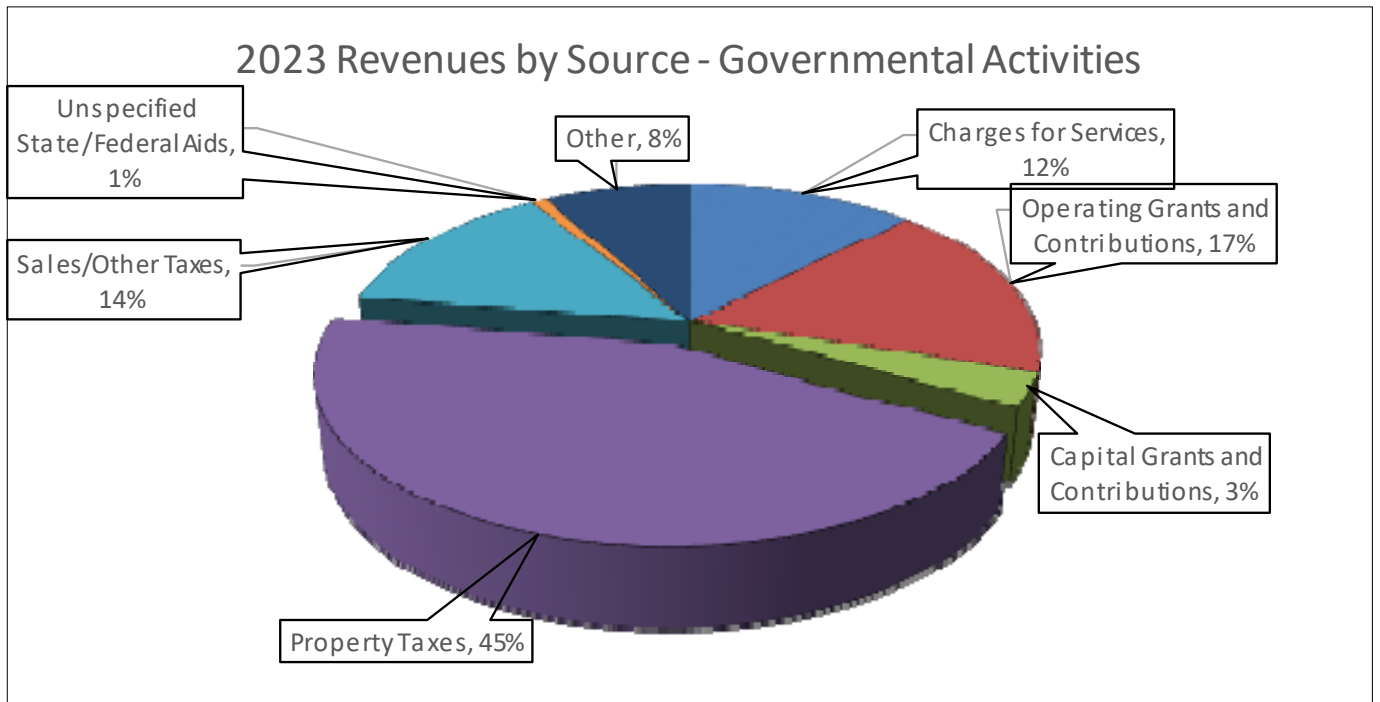
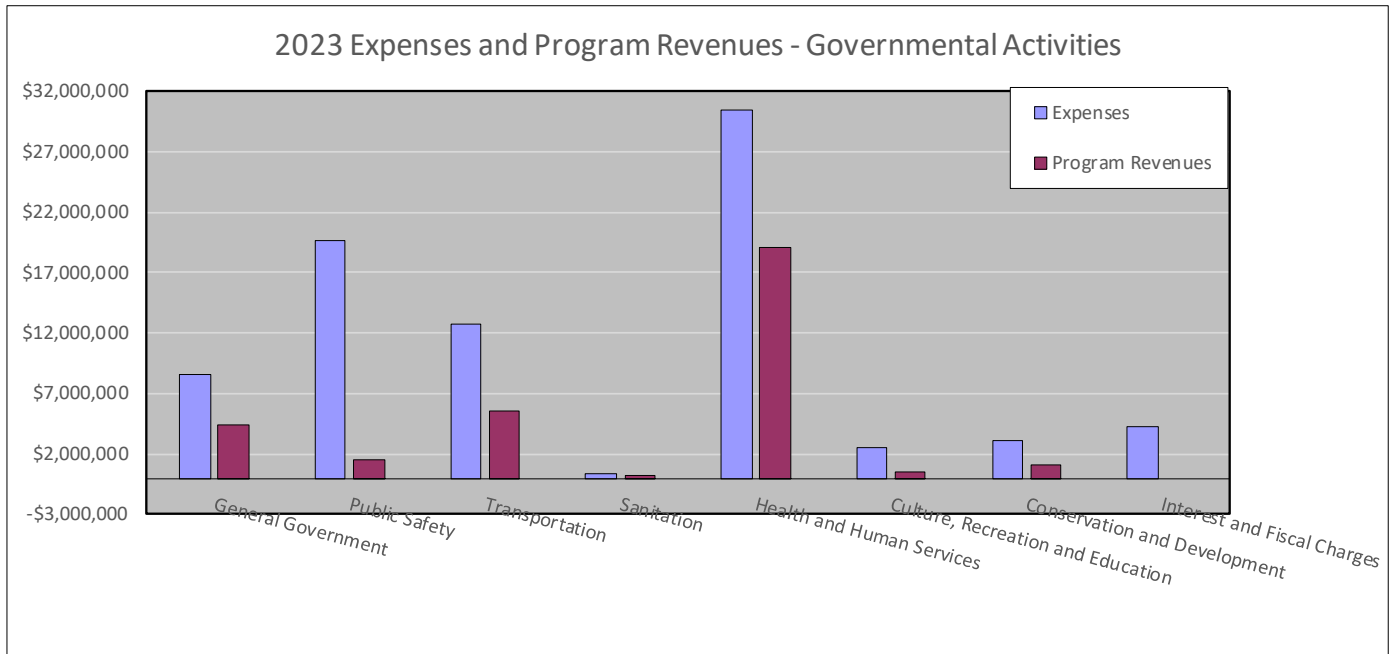
**Table A-2
St. Croix County, Wisconsin's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 12,236,514	\$ 11,821,524	\$ 29,311,380	\$ 27,202,470	\$ 41,547,894	\$ 39,023,994
Operating Grants and Contributions	16,896,893	15,840,640	180,012	534,232	17,076,905	16,374,872
Capital Grants and Contributions	3,209,273	6,933,552	-	-	3,209,273	6,933,552
General Revenues:						
Property Taxes	43,634,665	37,677,729	-	-	43,634,665	37,677,729
Sales and Other Taxes	13,354,979	12,617,258	-	-	13,354,979	12,617,258
State and Federal Aids not Restricted to Specific Programs	838,867	827,129	-	-	838,867	827,129
Other	7,776,783	(941,564)	27,086	1,633,356	7,803,869	691,792
Total Revenues	<u>97,947,974</u>	<u>84,776,268</u>	<u>29,518,478</u>	<u>29,370,058</u>	<u>127,466,452</u>	<u>114,146,326</u>
EXPENSES						
General Government	8,500,431	12,723,135	-	-	8,500,431	12,723,135
Public Safety	19,621,648	15,061,589	-	-	19,621,648	15,061,589
Transportation	12,698,649	15,446,751	-	-	12,698,649	15,446,751
Sanitation	291,995	278,087	-	-	291,995	278,087
Health and Human Services	30,399,284	24,647,118	-	-	30,399,284	24,647,118
Culture, Recreation and Education	2,527,687	2,184,482	-	-	2,527,687	2,184,482
Conservation and Development	3,031,181	2,478,869	-	-	3,031,181	2,478,869
Interest and Fiscal Charges	4,229,257	2,996,997	-	-	4,229,257	2,996,997
Nursing Home	-	-	8,169,517	6,509,079	8,169,517	6,509,079
Highway Department	-	-	22,125,401	21,287,056	22,125,401	21,287,056
Total Expenses	<u>81,300,132</u>	<u>75,817,028</u>	<u>30,294,918</u>	<u>27,796,135</u>	<u>111,595,050</u>	<u>103,613,163</u>
CHANGE IN NET POSITION	<u>\$ 16,647,842</u>	<u>\$ 8,959,240</u>	<u>\$ (776,440)</u>	<u>\$ 1,573,923</u>	<u>\$ 15,871,402</u>	<u>\$ 10,533,163</u>

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

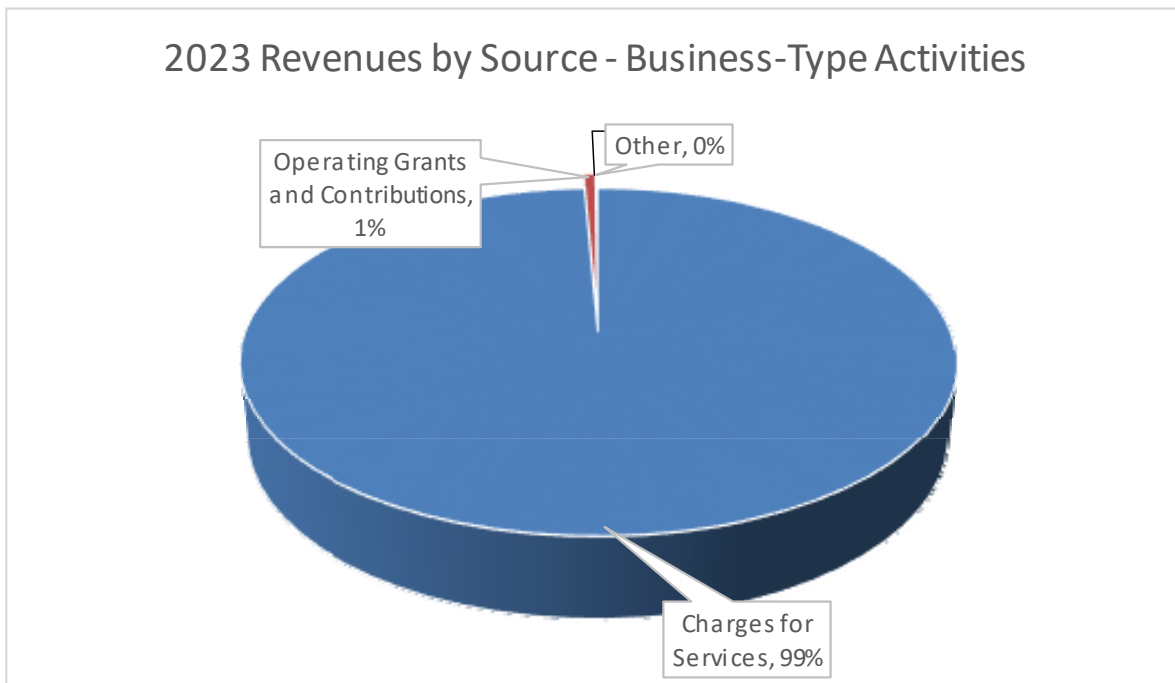
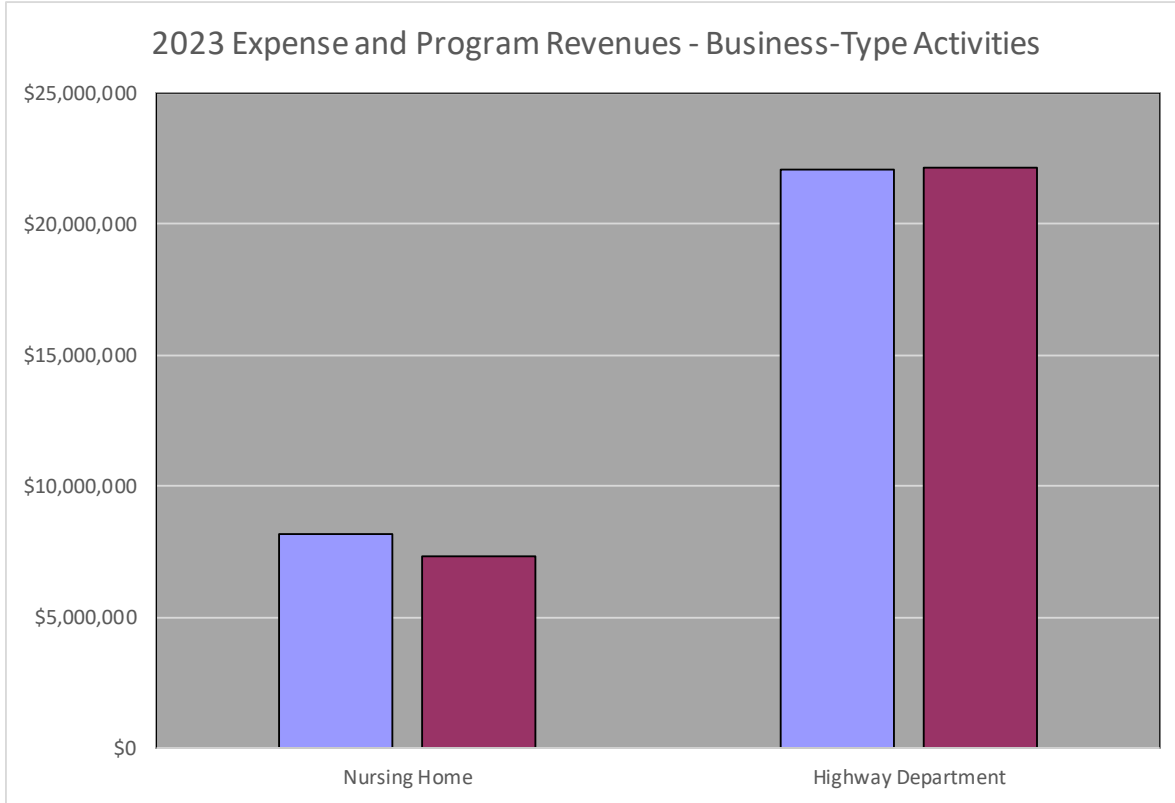
A review of the statement of activities can provide a concise picture of how the various functions/programs of St. Croix County, Wisconsin are funded. The following charts draw data from the statement of activities. For governmental services the County is highly dependent on property taxes (45%) and operating grants/contributions (17%) for funding.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**



**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

In the case of business-type activities, the data shows a considerably different picture. Charges for services (99.3%) replace property taxes as the primary revenue.



**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Financial Analysis of the County's Major Funds

As noted earlier, St. Croix County, Wisconsin, 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, Wisconsin'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, 2023, the County's governmental funds reported combined ending fund balances of \$93,310,860, a decrease of \$26,693,726 from the previous year. Of this total fund balance, \$2,701,252 is restricted or nonspendable for specific legal requirements and other outside requirements, leaving a total \$90,609,608 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, \$66,510,891 of these unrestricted balances have been segregated or otherwise committed and assigned for specific uses, leaving an unassigned fund balance of \$24,098,717.

The general fund is the primary operating fund used to account for the governmental operations of St. Croix County, Wisconsin. 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 58.1% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 50.5% of the same amount. The general fund's total fund balance increased \$5,955,348 during the year.

The health and human services fund's total fund balance decreased \$1,183,178 during the year.

The debt service fund balance totaled \$18,065 at year-end. This balance is expected to be used to finance future debt service requirements.

The capital projects fund has a fund balance of \$60,644,094 that remains at year-end.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds decreased \$61,242 and are individually detailed in the supplementary information section of this report.

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

As of December 31, 2023, the Nursing Home Fund operation reported net position of \$18,959,334, an decrease of \$660,532 from the previous year. The Highway Fund operation reported net position of \$44,639,737, an increase of \$302,564 over the previous year.

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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 2023 and the County ended the year with positive budget variance for revenues and a negative budget variance for expenditures. Revenues were \$10,062,551 more than the budgeted amounts while expenditures were \$895,546 more than budgeted amounts.

Capital Asset and Debt Administration

Capital Assets

St. Croix County, Wisconsin's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$213,406,985 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net increase in the governmental activities capital assets was \$37,359,638. The business-type activities capital assets decreased by \$190,743 (net of accumulated depreciation).

**Table A-3
St. Croix County, Wisconsin's Capital Assets (Net of Depreciation and Amortization)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 5,860,906	\$ 5,860,906	\$ 1,191,092	\$ 1,191,092	\$ 7,051,998	\$ 7,051,998
Land Improvements	2,548,301	1,688,184	1,405,779	1,484,352	3,954,080	3,172,536
Gravel Pits and Quarries	-	-	248,612	248,612	248,612	248,612
Buildings and Improvements	24,725,577	20,128,578	40,342,795	41,047,307	65,068,372	61,175,885
Equipment and Vehicles	9,295,899	8,102,904	9,279,592	8,768,025	18,575,491	16,870,929
Right-to-Use Lease Equipment	4,370	95,734	-	-	4,370	95,734
Right-to-Use Lease Vehicles	253,917	116,408	-	-	253,917	116,408
Highway Infrastructure	77,561,741	73,914,353	-	-	77,561,741	73,914,353
Other Infrastructure	714,449	753,897	-	-	714,449	753,897
Construction-in-Progress	39,857,250	12,801,808	116,705	35,930	39,973,955	12,837,738
Total	<u>\$ 160,822,410</u>	<u>\$ 123,462,772</u>	<u>\$ 52,584,575</u>	<u>\$ 52,775,318</u>	<u>\$ 213,406,985</u>	<u>\$ 176,238,090</u>

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

**ST. CROIX COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Long-Term Obligations

At December 31, 2023, St. Croix County, Wisconsin had outstanding \$143,406,819 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, Wisconsin's Outstanding Long-Term Obligations**

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2023	2022	2023	2022	2023	2022	
General Obligation Debt:							
Bonds	\$ 118,795,000	\$ 126,120,000	\$ -	\$ -	\$ 118,795,000	\$ 126,120,000	(5.8)%
Notes	2,722,000	4,556,000	-	-	2,722,000	4,556,000	(40.3)
Premium (Discount)	3,818,371	4,289,601	-	-	3,818,371	4,289,601	(11.0)
Other Long-Term Obligations:							
Employee Leave	4,551,246	3,075,658	1,104,593	1,073,657	5,655,839	4,149,315	36.3
Lease Liability	219,572	212,142	-	-	219,572	212,142	
Wisconsin Retirement System							
Net Pension Liability	9,715,689	-	2,430,693	-	12,146,382	-	
Other Postemployment							
Benefits Payable	38,234	107,516	11,421	256,749	49,655	364,265	(86.4)
Total Debt	<u>\$ 139,860,112</u>	<u>\$ 138,360,917</u>	<u>\$ 3,546,707</u>	<u>\$ 1,330,406</u>	<u>\$ 143,406,819</u>	<u>\$ 139,691,323</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, 2023, totaled \$121,517,000, approximately 15.00% of the maximum legal limit of \$819,226,890. Additional information on St. Croix County, Wisconsin'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 \$14,426,240,700 in 2022 to \$16,255,300,900 in 2023. St. Croix County, Wisconsin continues to be one of the fastest growing counties in the state.

For 2023, 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, Wisconsin had 2.73% net new construction in 2023, 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, Wisconsin'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, 2023**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 112,246,234	\$ 10,080,074	\$ 122,326,308
Deposit in Public Entity Risk Pool	720,214	-	720,214
Taxes Receivable	46,165,708	-	46,165,708
Accounts Receivable, Net	2,313,741	990,733	3,304,474
Due from Other Governments	4,274,754	959,748	5,234,502
Internal Balances	(685,284)	685,284	-
Long-Term Receivables	97,565	-	97,565
Other Assets and Prepaid Items	20,940	2,031,570	2,052,510
Restricted Assets:			
Cash and Investments	-	62,983	62,983
Capital Assets:			
Capital Assets Not being Depreciated	45,718,156	1,556,409	47,274,565
Capital Assets being Depreciated	231,589,665	74,733,248	306,322,913
Accumulated Depreciation	(116,485,411)	(23,705,082)	(140,190,493)
Total Assets	<u>325,976,282</u>	<u>67,394,967</u>	<u>393,371,249</u>
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	36,362,248	9,045,821	45,408,069
Other Postemployment Benefits Related	88,929	26,563	115,492
Total Deferred Outflows of Resources	<u>36,451,177</u>	<u>9,072,384</u>	<u>45,523,561</u>
LIABILITIES			
Vouchers and Accounts Payable	8,730,587	717,594	9,448,181
Accrued Payroll	2,003,941	576,956	2,580,897
Accrued Claims Payable	1,743,077	-	1,743,077
Payroll Deductions	427,986	-	427,986
Accrued Interest	1,026,276	-	1,026,276
Due to Other Governments	321,123	-	321,123
Unearned Revenues	4,016,764	1,891,482	5,908,246
Special Deposits	96,108	62,593	158,701
Long-Term Liabilities:			
Amount Due Within One Year	9,539,332	788,601	10,327,933
Amounts Due in More than One Year	120,566,857	315,992	120,882,849
Wisconsin Retirement System Net Pension Liability	9,715,689	2,430,693	12,146,382
Total Other Postemployment Benefit Liability	<u>38,234</u>	<u>11,421</u>	<u>49,655</u>
Total Liabilities	<u>158,225,974</u>	<u>6,795,332</u>	<u>165,021,306</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes for Subsequent Year	45,100,429	-	45,100,429
Deferred Inflows Related to Leases	65,403	-	65,403
Wisconsin Retirement System Pension Related	20,348,653	5,090,871	25,439,524
Other Postemployment Benefits Related	993,605	296,793	1,290,398
Total Deferred Inflows of Resources	<u>66,508,090</u>	<u>5,387,664</u>	<u>71,895,754</u>
NET POSITION			
Net Investment in Capital Assets	66,600,871	52,584,575	119,185,446
Restricted for:			
Federal and State Grant Programs	779,189	-	779,189
Capital Projects	743,354	-	743,354
Donation Funds	-	7,949	7,949
Unrestricted	<u>69,569,981</u>	<u>11,691,831</u>	<u>81,261,812</u>
Total Net Position	<u>\$ 137,693,395</u>	<u>\$ 64,284,355</u>	<u>\$ 201,977,750</u>

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 8,500,431	\$ 2,184,505	\$ 2,254,602	\$ -	\$ (4,061,324)	\$ -	\$ (4,061,324)
Public Safety	19,621,648	570,912	875,154	-	(18,175,582)	-	(18,175,582)
Transportation	12,698,649	-	2,381,934	3,209,273	(7,107,442)	-	(7,107,442)
Sanitation	291,995	16,628	217,104	-	(58,263)	-	(58,263)
Health and Human Services	30,399,284	8,516,461	10,511,978	-	(11,370,845)	-	(11,370,845)
Culture, Recreation, and Education	2,527,687	462,926	105,813	-	(1,958,948)	-	(1,958,948)
Conservation and Development	3,031,181	485,082	550,308	-	(1,995,791)	-	(1,995,791)
Interest and Fiscal Charges	4,229,257	-	-	-	(4,229,257)	-	(4,229,257)
Total Governmental Activities	81,300,132	12,236,514	16,896,893	3,209,273	(48,957,452)	-	(48,957,452)
Business-Type Activities:							
Nursing Home	8,169,517	7,144,239	180,012	-	-	(845,266)	(845,266)
Highway Department	22,125,401	22,167,141	-	-	-	41,740	41,740
Total Business-Type Activities	30,294,918	29,311,380	180,012	-	-	(803,526)	(803,526)
Total Primary Government	<u>\$ 111,595,050</u>	<u>\$ 41,547,894</u>	<u>\$ 17,076,905</u>	<u>\$ 3,209,273</u>	(48,957,452)	(803,526)	(49,760,978)
GENERAL REVENUES							
Taxes:							
Property Taxes					43,634,665	-	43,634,665
Sales Taxes					12,632,884	-	12,632,884
Other Taxes					722,095	-	722,095
State and Federal Aids Not Restricted to Specific Programs					838,867	-	838,867
Interest and Investment Earnings					7,221,955	-	7,221,955
Miscellaneous					554,828	27,086	581,914
Total General Revenues					65,605,294	27,086	65,632,380
CHANGE IN NET POSITION					16,647,842	(776,440)	15,871,402
Net Position - Beginning of Year					121,045,553	65,060,795	186,106,348
NET POSITION - END OF YEAR					\$ 137,693,395	\$ 64,284,355	\$ 201,977,750

See accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

**ST. CROIX COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General Fund	Health and Human Services Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS						
Treasurer's Cash and Investments	\$ 29,316,746	\$ 4,099,621	\$ 18,565	\$ 66,480,084	\$ 788,208	\$ 100,703,224
Departmental Cash and Investments	-	-	-	-	3,695	3,695
Taxes Receivable	27,279,632	8,301,613	10,584,463	-	-	46,165,708
Accounts Receivable	782,915	1,297,879	-	14,400	320	2,095,514
Due from Other Governments	2,652,514	1,567,292	-	40,152	14,796	4,274,754
Due from Other Funds	10,903	-	-	-	-	10,903
Prepaid Items	20,940	-	-	-	-	20,940
Long-Term Receivables	97,565	-	-	-	-	97,565
Deposit in Public-Entity Risk Pool	720,214	-	-	-	-	720,214
Total Assets	<u>\$ 60,881,429</u>	<u>\$ 15,266,405</u>	<u>\$ 10,603,028</u>	<u>\$ 66,534,636</u>	<u>\$ 807,019</u>	<u>\$ 154,092,517</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Vouchers and Accounts Payable	\$ 883,573	\$ 608,567	\$ 500	\$ 5,890,542	\$ 57,939	\$ 7,441,121
Accrued Payroll	1,244,812	756,149	-	-	2,980	2,003,941
Payroll Deductions	427,986	-	-	-	-	427,986
Due to Other Governmental Units	318,377	-	-	-	2,746	321,123
Due to Other Funds	-	-	-	-	10,903	10,903
Unearned Revenues	3,998,117	18,647	-	-	-	4,016,764
Special Deposits	13,248	82,860	-	-	-	96,108
Total Liabilities	<u>6,886,113</u>	<u>1,466,223</u>	<u>500</u>	<u>5,890,542</u>	<u>74,568</u>	<u>14,317,946</u>
DEFERRED INFLOWS OF RESOURCES						
Succeeding Year's Property Taxes	26,214,353	8,301,613	10,584,463	-	-	45,100,429
Deferred Inflows Related to Leases	65,403	-	-	-	-	65,403
Unavailable Revenue - Other	-	1,297,879	-	-	-	1,297,879
Total Deferred Inflows of Resources	<u>26,279,756</u>	<u>9,599,492</u>	<u>10,584,463</u>	<u>-</u>	<u>-</u>	<u>46,463,711</u>
FUND BALANCES						
Nonspendable	1,903,998	-	-	-	-	1,903,998
Restricted	13,878	21,957	18,065	-	743,354	797,254
Assigned	1,688,064	4,178,733	-	60,644,094	-	66,510,891
Unassigned	24,109,620	-	-	-	(10,903)	24,098,717
Total Fund Balances	<u>27,715,560</u>	<u>4,200,690</u>	<u>18,065</u>	<u>60,644,094</u>	<u>732,451</u>	<u>93,310,860</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 60,881,429</u>	<u>\$ 15,266,405</u>	<u>\$ 10,603,028</u>	<u>\$ 66,534,636</u>	<u>\$ 807,019</u>	<u>\$ 154,092,517</u>

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO GOVERNMENTAL ACTIVITIES – NET POSITION
DECEMBER 31, 2023**

Total Fund Balance - Governmental Funds	\$	93,310,860
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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	5,860,906	
Land Improvements	5,097,226	
Buildings and Improvements	47,174,155	
Machinery and Equipment	22,495,240	
Right-to-Use Lease Equipment	10,196	
Right-to-Use Lease Vehicles	413,021	
Infrastructure	156,399,827	
Construction Work-in-Progress	39,857,250	
Accumulated Depreciation	(116,485,411)	
Total	160,822,410	

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		1,297,879
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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		(38,234)
Other Postemployment Benefits Related Deferred Outflow of Resources	88,929	
Other Postemployment Benefits Related Deferred Inflow of Resources	(993,605)	
Net Pension Liability	(9,715,689)	
Pension Related Deferred Inflow of Resources	(20,348,653)	
Pension Related Deferred Outflow of Resources	36,362,248	
Total	5,354,996	

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		118,795,000
Notes Payable	2,722,000	
Accrued Interest	1,026,276	
Lease Liability	219,572	
Employee Leave Liability	4,551,246	
Total	(127,314,094)	

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.

(3,818,371)

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.

8,039,715

Net Position of Governmental Activities	\$	137,693,395
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See accompanying Notes to Basic Financial Statements.

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General Fund	Health and Human Services Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
REVENUES						
Taxes	\$ 38,385,265	\$ 7,891,840	\$ 10,712,539	\$ -	\$ -	\$ 56,989,644
Intergovernmental	7,998,279	9,518,603	-	3,209,273	117,126	20,843,281
Licenses and Permits	388,097	-	-	-	-	388,097
Fines and Forfeits	200,577	-	-	-	81,214	281,791
Public Charges for Services	2,923,965	8,505,389	-	-	117,292	11,546,646
Intergovernmental Charges for Services	32,908	11,072	-	-	-	43,980
Miscellaneous:						
Investment Income	3,913,069	-	-	3,308,886	-	7,221,955
Rent	85,132	-	-	-	-	85,132
Other	23,557	369,295	-	-	76,844	469,696
Total Revenues	53,950,849	26,296,199	10,712,539	6,518,159	392,476	97,870,222
EXPENDITURES						
General Government	14,710,239	-	-	-	285,423	14,995,662
Public Safety	17,330,059	-	-	-	146,090	17,476,149
Transportation	8,920,277	-	-	-	-	8,920,277
Sanitation	291,995	-	-	-	-	291,995
Health and Human Services	1,184,786	27,479,377	-	-	22,205	28,686,368
Culture, Recreation, and Education	2,378,698	-	-	-	-	2,378,698
Conservation and Development	2,878,775	-	-	-	-	2,878,775
Capital Outlay	672	-	-	34,433,212	-	34,433,884
Debt Service:						
Principal Retirement	-	-	9,159,000	-	-	9,159,000
Interest and Fiscal Charges	-	-	5,318,210	-	-	5,318,210
Total Expenditures	47,695,501	27,479,377	14,477,210	34,433,212	453,718	124,539,018
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,255,348	(1,183,178)	(3,764,671)	(27,915,053)	(61,242)	(26,668,796)
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Assets	-	-	-	275,070	-	275,070
Transfers Out	(300,000)	-	-	-	-	(300,000)
Total Other Financing Sources (Uses)	(300,000)	-	-	275,070	-	(24,930)
NET CHANGE IN FUND BALANCES	5,955,348	(1,183,178)	(3,764,671)	(27,639,983)	(61,242)	(26,693,726)
Fund Balances - Beginning of Year	21,760,212	5,383,868	3,782,736	88,284,077	793,693	120,004,586
FUND BALANCES - END OF YEAR	<u>\$ 27,715,560</u>	<u>\$ 4,200,690</u>	<u>\$ 18,065</u>	<u>\$ 60,644,094</u>	<u>\$ 732,451</u>	<u>\$ 93,310,860</u>

See accompanying Notes to Basic Financial Statements.

ST. CROIX COUNTY, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (26,693,726)

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	19,622,803
Capital Outlays Reported in Governmental Fund Statements	26,015,073
Depreciation Expense Reported in the Statement of Activities	<u>(7,931,935)</u>
Total	<u>37,705,941</u>

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. (346,303)

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. 77,752

Pension and other postemployment benefit expenditures in the governmental funds are measured by current year employee contributions. Pension and total other postemployment benefit expenses on the statement of activities are measured by the change in net pension and total other postemployment benefits assets or liabilities and related deferred outflows and inflows of resources. (2,001,080)

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	7,325,000
General Obligation Notes Principal Retirement	<u>1,834,000</u>
Total	<u>9,159,000</u>

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. (859,677)

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	617,723
Net Change in Employee Leave Liability	(1,475,588)
Net Change in Lease Liability	(7,430)
Net Change in Bond Discounts/Premiums	<u>471,230</u>
Total	<u>(394,065)</u>

Change in Net Position of Governmental Activities \$ 16,647,842

See accompanying Notes to Basic Financial Statements.

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			Internal Service Funds
	Nursing Home	Highway Department	Total	
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,003,749	\$ 9,076,325	\$ 10,080,074	\$ 11,151,370
Cash and Investments Held by Fiscal Agents	-	-	-	387,945
Accounts Receivable	-	128,555	128,555	218,227
Resident Accounts Receivable, Net	862,178	-	862,178	-
Due from Other Governmental Units	-	959,748	959,748	-
Other Assets and Prepaid Items	-	2,031,570	2,031,570	-
Total Current Assets	1,865,927	12,196,198	14,062,125	11,757,542
Restricted Assets:				
Cash and Investments:				
Donation Funds	62,983	-	62,983	-
Capital Assets:				
Capital Assets	22,567,861	53,605,091	76,172,952	-
Less: Accumulated Depreciation	5,057,447	18,647,635	23,705,082	-
Net Capital Assets	17,510,414	34,957,456	52,467,870	-
Construction Work-in-Progress	-	116,705	116,705	-
Total Capital Assets	17,510,414	35,074,161	52,584,575	-
Total Assets	19,439,324	47,270,359	66,709,683	11,757,542
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	3,052,303	5,993,518	9,045,821	-
Other Postemployment Benefit Items	-	26,563	26,563	-
Total Deferred Outflows of Resources	3,052,303	6,020,081	9,072,384	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	303,733	413,861	717,594	1,289,466
Accrued Payroll	197,425	379,531	576,956	-
Accrued Claims Payable	-	-	-	1,743,077
Accrued Employee Leave	109,294	679,307	788,601	-
Unearned Revenues	-	1,891,482	1,891,482	-
Security Deposits Payable	55,034	-	55,034	-
Resident Trust Funds	7,559	-	7,559	-
Total Current Liabilities	673,045	3,364,181	4,037,226	3,032,543
Long-Term Liabilities, Net of Current Portion:				
Accrued Employee Leave	315,992	-	315,992	-
Total Other Postemployment Benefits Liability	-	11,421	11,421	-
Wisconsin Retirement System Net Pension Liability	821,887	1,608,806	2,430,693	-
Total Long-Term Liabilities	1,137,879	1,620,227	2,758,106	-
Total Liabilities	1,810,924	4,984,408	6,795,332	3,032,543
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Items	1,721,369	3,369,502	5,090,871	-
Other Postemployment Benefit Items	-	296,793	296,793	-
Total Deferred Inflows of Resources	1,721,369	3,666,295	5,387,664	-
NET POSITION				
Net Investment in Capital Assets	17,510,414	35,074,161	52,584,575	-
Restricted for Donation Funds	7,949	-	7,949	-
Unrestricted	1,440,971	9,565,576	11,006,547	8,724,999
Total Net Position	\$ 18,959,334	\$ 44,639,737	\$ 63,599,071	\$ 8,724,999

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN
RECONCILIATION OF TOTAL ENTERPRISE FUND NET POSITION
TO THE NET POSITION OF BUSINESS-TYPE ACTIVITIES
PROPRIETARY FUNDS
DECEMBER 31, 2023**

Total Net Position - Enterprise Funds	\$ 63,599,071
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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.

<u>685,284</u>

Net Position of Business-Type Activities	<u><u>\$ 64,284,355</u></u>
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See accompanying Notes to Basic Financial Statements.

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			Internal
	Nursing Home	Highway Department	Total	Service Funds
OPERATING REVENUES				
Charges for Services	\$ 7,127,456	\$ 19,693,080	\$ 26,820,536	\$ 12,045,665
Miscellaneous	16,783	2,474,061	2,490,844	4,354,440
Total Operating Revenues	7,144,239	22,167,141	29,311,380	16,400,105
OPERATING EXPENSES				
Daily Patient Services	2,820,721	-	2,820,721	-
Special Services	2,133,323	-	2,133,323	-
Transportation Services	-	18,537,266	18,537,266	181,204
Premiums and Claims	-	-	-	16,774,340
General and Administrative	2,436,097	1,545,926	3,982,023	1,056,026
Depreciation	610,115	1,781,385	2,391,500	-
Total Operating Expenses	8,000,256	21,864,577	29,864,833	18,011,570
OPERATING INCOME (LOSS)	(856,017)	302,564	(553,453)	(1,611,465)
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	-	-	-	33,316
Supplemental Payment Revenue	165,828	-	165,828	-
Insurance Reimbursement	27,086	-	27,086	-
Restricted Donations Received	14,184	-	14,184	-
Restricted Donations Expended	(11,613)	-	(11,613)	-
Total Nonoperating Revenues (Expenses)	195,485	-	195,485	33,316
INCOME (LOSS) BEFORE TRANSFERS IN	(660,532)	302,564	(357,968)	(1,578,149)
TRANSFERS IN	-	-	-	300,000
CHANGE IN NET POSITION	(660,532)	302,564	(357,968)	(1,278,149)
Net Position - Beginning of Year	19,619,866	44,337,173	63,957,039	10,003,148
NET POSITION - END OF YEAR	<u>\$ 18,959,334</u>	<u>\$ 44,639,737</u>	<u>\$ 63,599,071</u>	<u>\$ 8,724,999</u>

See accompanying Notes to Basic Financial Statements.

**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, 2023**

Net Change in Net Position for Enterprise Funds	\$ (357,968)
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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 is allocated to governmental activities business-type activities.

<u>(418,472)</u>

Change in Net Position of Business-Type Activities
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<u><u>\$ (776,440)</u></u>

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds			Internal Service Funds
	Nursing Home	Highway Department	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received for Services Provided	\$ 7,056,809	\$ 22,902,005	\$ 29,958,814	\$ 16,222,719
Cash Paid to Suppliers for Goods and Services	(4,392,840)	(21,045,736)	(25,438,576)	-
Cash Paid for Employee Services	(2,511,192)	250,393	(2,260,799)	-
Cash Paid for Claims/Premiums/Administrative Services	-	-	-	(17,565,788)
Net Cash Provided (Used) by Operating Activities	152,777	2,106,662	2,259,439	(1,343,069)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from County	-	-	-	300,000
Other Nonoperating Income	27,086	-	27,086	-
Net Change in Restricted Funds	2,413	-	2,413	-
Cash Received from Supplement Payment Program	165,828	-	165,828	-
Net Cash Provided by Noncapital Financing Activities	195,327	-	195,327	300,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(307,391)	(2,276,989)	(2,584,380)	-
Cash Proceeds Received on Sale of Capital Assets	-	383,623	383,623	-
Net Cash Used by Capital and Related Financing Activities	(307,391)	(1,893,366)	(2,200,757)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	-	-	-	33,316
NET CHANGE IN CASH AND CASH EQUIVALENTS	40,713	213,296	254,009	(1,009,753)
Cash and Cash Equivalents - Beginning of Year	1,026,019	8,863,029	9,889,048	12,549,068
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,066,732</u>	<u>\$ 9,076,325</u>	<u>\$ 10,143,057</u>	<u>\$ 11,539,315</u>

See accompanying Notes to Basic Financial Statements.

ST. CROIX COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			Internal
	Nursing	Highway		Service
	Home	Department	Total	Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (856,017)	\$ 302,564	\$ (553,453)	\$ (1,611,465)
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Depreciation	610,115	1,781,385	2,391,500	-
Net Change in WRS Pension Asset	1,342,779	2,518,989	3,861,768	-
Net Change in WRS Pension Deferred Outflow	(457,132)	(1,094,255)	(1,551,387)	-
Net Change in WRS Pension Liability	821,887	1,608,806	2,430,693	-
Net Change in WRS Pension Deferred Inflow	(1,439,591)	(2,560,306)	(3,999,897)	-
Net Change in Other Postemployment Benefits				
Deferred Outflows	-	(636)	(636)	-
Net Change in Total Other Postemployment				
Benefits Liability	-	(20,695)	(20,695)	-
Net Change in Other Postemployment Benefits				
Deferred Inflows	-	(89,540)	(89,540)	-
(Increase) Decrease in Assets:				
Accounts Receivable	-	(128,555)	(128,555)	(177,386)
Other Accounts Receivable	(77,913)	-	(77,913)	-
Due from Other Governmental Units	-	836,805	836,805	-
Prepaid Items and Other Assets	-	(753,916)	(753,916)	-
Increase (Decrease) in Liabilities:				
Accounts Payable	188,203	(208,628)	(20,425)	191,712
Accrued Claims/Losses Payable	-	-	-	254,070
Accrued Liabilities	(973)	(111,970)	(112,943)	-
Accrued Employee Leave	30,936	-	30,936	-
Security Deposits Payable	(9,517)	-	(9,517)	-
Unearned Revenue	-	26,614	26,614	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 152,777</u>	<u>\$ 2,106,662</u>	<u>\$ 2,259,439</u>	<u>\$ (1,343,069)</u>
RECONCILIATION OF CASH AND INVESTMENTS				
TO CASH AND CASH EQUIVALENTS				
Cash and Investments per Statement of Net				
Position:				
Cash and Investments	\$ 1,003,749	\$ 9,076,325	\$ 10,080,074	\$ 11,151,370
Cash Held by Fiscal Agents	-	-	-	387,945
Cash and Investments - Restricted	<u>62,983</u>	<u>-</u>	<u>62,983</u>	<u>-</u>
Cash and Cash Equivalents	<u>\$ 1,066,732</u>	<u>\$ 9,076,325</u>	<u>\$ 10,143,057</u>	<u>\$ 11,539,315</u>

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	<u>Custodial Funds</u>
ASSETS	
Treasurer's Cash and Investments	\$ 21,058,494
Departmental Cash and Investments	2,462,725
Special Assessments Receivable	<u>48,951</u>
Total Assets	23,570,170
LIABILITIES	
Due to Other Governments	19,698,719
Due to Individuals	24,276
Accounts Payable	<u>3,832</u>
Total Liabilities	19,726,827
DEFERRED INFLOWS OF RESOURCES	
Succeeding Year's Property Taxes	<u>2,680,876</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u><u>\$ 1,162,467</u></u>

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Individuals	\$ 751,208
Property Tax Collections for Other Governments	56,642,020
Fines and Forfeitures	2,414,610
License and Fees Collected for State	<u>5,389,793</u>
Total Additions	65,197,631
DEDUCTIONS	
Payments of Property Tax to Other Governments	57,402,830
Payments to Other Governments	2,417,608
Distribution to Participants	<u>5,388,093</u>
Total Deductions	<u>65,208,531</u>
NET DECREASE IN FIDUCIARY NET POSITION	(10,900)
Fiduciary Net Position - Beginning of Year	2,493,127
Prior Period Adjustment	<u>(1,319,760)</u>
Fiduciary Net Position - Beginning of Year, as Restated	<u>1,173,367</u>
FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ 1,162,467</u></u>

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Croix County, Wisconsin, (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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.

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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

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

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

Additionally, the County reports the following fiduciary funds:

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

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, cost reimbursement grant programs, public charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The County reports deferred inflows of resources on its statement of net position and fund balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the County before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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 and amortization 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 Inflows/Outflows of Resources and Net Position of Equity

1. Cash and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

- a) Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less;
- b) Bonds or securities issued or guaranteed by the federal government;

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash and Investments (Continued)

- c) Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority;
- d) Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency;
- e) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options;
- f) Bonds or securities issued under the authority of the municipality;
- g) The local government investment pool; or
- 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 various other taxing jurisdictions. Taxes billed for the taxing jurisdictions 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 earned 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflows/Outflows of 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 \$797,067. Resident accounts receivable in the nursing home fund are offset by an allowance for doubtful accounts of \$70,000. All other accounts receivable are considered to be collectible in full.

Third-Party Reimbursement Agreements

Medicaid

The Nursing Home (the 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.

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

Third-Party Reimbursement Agreements (Continued)

Medicaid (Continued)

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. The amount of \$165,828 was recognized during the year ended December 31, 2023.

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 \$7,127,456 and there were no contractual adjustments in the current year.

During the year ended December 31, 2023, the occupancy percentages and the percentages of residents covered under the Medicare and Medicaid programs were as follows:

Total Occupancy	56.0 %
Medicaid	36.8
Medicare	18.0

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Other Assets and Prepaid Items

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

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

4. Restricted Assets

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

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 one year 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 back-trending (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 and amortization 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 to 25 Years
Buildings and Improvements	5,000	Straight-Line	25 to 40 Years
Machinery and Equipment	5,000	Straight-Line	4 to 20 Years
Right-to-Use Leased Equipment	5,000	Straight-Line	4 to 20 Years
Infrastructure	5,000	Straight-Line	25 to 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Leases (Lessee)

The County determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the County has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The County accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Leases (Lessor)

Lease receivables represent the County's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The County has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the County has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The County accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. 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.

9. 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.

10. 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.

11. 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. 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.

13. 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 and amortization, 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Equity Classifications (Continued)

Fund Financial Statements (Continued)

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.

14. Adoption of New Accounting Standards

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangements (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires no disclosures regarding a SBITA.

The County adopted the requirements of the guidance effective January 1, 2023, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

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.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

GAAP require the disclosure of individual funds that have deficit balances at year-end. At December 31, 2023, the Stop Drugs Fund had deficit fund balance of \$10,903. 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, 2023, are shown in the financial statements as follows:

Governmental Activities	\$ 112,246,234
Business-Type Activities	10,143,057
Fiduciary Activity	<u>23,521,219</u>
Total	<u><u>\$ 145,910,510</u></u>

The above cash and investments balances consisted of the following:

Treasurer's Cash and Investments:	
Deposits at Financial Institutions	\$ 20,785,277
Deposits in State Local Government:	
Pooled-Investment Fund	18,433,421
Money Market Savings Account	24,548
Investments in Federal Obligations	<u>103,750,447</u>
Total Treasurer's Cash and Investments	142,993,693
Departmental Cash and Investments:	
Deposits in Financial Institutions	2,462,725
Petty Cash	<u>3,347</u>
Total Departmental Cash and Investments	2,466,072
Cash and Investments Held by Fiscal Agents:	
Deposits with WMMIC	387,945
Restricted Cash and Investments:	
Deposits in Financial Institutions:	
County Funds	<u>62,983</u>
Total Cash and Investments at December 31, 2023	<u><u>\$ 145,910,693</u></u>

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

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

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. At December 31, 2023, all of the County's deposits were insured or collateralized.

Investments

The County's investments at December 31, 2023, consisted of deposits in the state of Wisconsin Local Government Investment Pool (an external investment pool), U.S. government agencies and instrumentalities, obligations, and a money market fund associated with its investments in federal securities.

State Local Government Pooled-Investment Fund

The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in the State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit.

Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2023 was 18 days. LGIP is not registered with the SEC and the regulatory authority of the LGIP. The County's investment in LGIP is valued at amortized cost.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Certificates of Deposit and U.S. Government Agencies and Instrumentalities Obligations

The County's investments in these obligations at December 31, 2023, are as follows:

Description	Investment Maturities			Total
	Less than 1 Year	1 to 2 Years	More than 3 Years	
Debt Instruments:				
US Treasury Securities	\$ 18,804,980	\$ -	\$ -	\$ 18,804,980
Certificate of Deposit	4,786,690	5,195,288	243,544	10,225,522
Asset Backed Securities - FHLMC	-	145,706	-	145,706
US Government Bonds - Ag	994,940	-	-	994,940
US Government Bonds - FHLB	19,786,510	34,212,000	1,851,747	55,850,257
Municipal Bonds	11,628,045	1,578,154	2,551,603	15,757,802
Corporate Bonds	-	1,971,240	-	1,971,240
Total	<u>\$ 56,001,165</u>	<u>\$ 43,102,388</u>	<u>\$ 4,646,894</u>	<u>\$ 103,750,447</u>

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

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

As of December 31, 2023, the County's investments were rated as follows:

Type	Credit Quality Rating	Amount
U.S. Treasuries	AA+	\$ 18,804,980
Asset Backed Securities - FHLMC	AA+	145,706
US Government Bonds - Ag	AA+	994,940
US Government Bonds - FHLB	AA+	55,850,257
Municipal Bonds	AA+	15,757,802
Certificates of Deposit	Not Rated	10,225,522
Money Market Funds	Not Rated	1,971,240
LGIP	Not Rated	18,433,421

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates further into the future are more sensitive to changes in market interest rates. The short weighted average maturity of the investments in the LGIP mitigates this risk to the County. Also, it is the County's policy to invest in securities that mature in seven years or less.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At December 31, 2023, the investment portfolio was concentrated as follows (investment holdings individually greater than 5% of the total investment portfolio):

Type	Amount	Percentage
US Treasury Securities	\$ 18,804,980	18.1
Certificate of Deposit	10,225,522	9.9
US Government Bonds - FHLB	55,850,257	53.8
Municipal Bonds	15,757,802	15.2
Total	<u>\$ 103,750,447</u>	

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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

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

Description	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ 18,804,980	\$ -	\$ -	\$ 18,804,980
FHLB	10,225,522	-	-	10,225,522
Federal Farm CR	145,706	-	-	145,706
Freddie Mac	994,940	-	-	994,940
Sallie Mae	55,850,257	-	-	55,850,257
Money Market Fund	-	-	-	1,971,240
Certificate of Deposit	-	15,757,802	-	15,757,802
Subtotal	<u>\$ 86,021,405</u>	<u>\$ 15,757,802</u>	<u>\$ -</u>	<u>103,750,447</u>
Investments Measured at Amortized Cost - LGIP Funds				<u>18,433,421</u>
Total Investments				<u>\$ 122,183,868</u>

B. Receivables/Deferred Inflows of Resources

1. Taxes Receivable

Taxes receivable at December 31, 2023, are as detailed below:

	Governmental Funds	Enterprise Funds	Custodial Funds	Total
Current Taxes Receivable:				
2023 Apportionment:				
County Taxes	\$ 45,098,768	\$ -	\$ -	\$ 45,098,768
Delinquent Taxes Receivable:				
Tax Certificates:				
2022 Sale (2021 Taxes)	732,195	-	-	732,195
2021 Sale	214,500	-	-	214,500
2020 Sale	80,138	-	-	80,138
2019 Sale and Prior Years	4,523	-	-	4,523
Special Assessments and Charges	-	-	48,951	48,951
Total Delinquent Taxes Receivable	1,031,356	-	48,951	1,080,307
Tax Deeds Owned by County	35,584	-	-	35,584
Total Taxes Receivable	<u>\$ 46,165,708</u>	<u>\$ -</u>	<u>\$ 48,951</u>	<u>\$ 46,214,659</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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, consisted of the following:

Receivable from Residents and their Insurance Carriers	\$ 273,227
Receivable from Medicare	344,548
Receivable from Medicaid	<u>314,403</u>
Total Resident Receivables	932,178
Less: Allowance for Doubtful Accounts	<u>(70,000)</u>
Resident Receivables, Net	<u><u>\$ 862,178</u></u>

3. Lease Receivables

The County acting as lessor, leases real property under long-term, non-cancelable lease agreements. The leases expire at various dates through 2025 if all renewal options are exercised. During the year ended December 31, 2023, the County recognized \$65,235 and \$930 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ended December 31,</u> 2024	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
	<u>\$ 5,514</u>	<u>\$ -</u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Inflows of Resources (Continued)

4. Other Receivables

Other accounts receivable at December 31, 2023, are further detailed as follows:

	General Fund	Health and Human Services Fund	Other Governmental Funds	Nursing Home	Highway Department	Total
Accounts Receivable:						
General	\$ 782,915	\$ 500,812	\$ 14,720	\$ -	\$ 128,555	\$ 1,427,002
Long-Term Receivables	97,565	-	-	-	-	97,565
Customers/Residents: Nursing Home	-	-	-	792,178	-	792,178
Allowance for Doubtful Accounts	-	797,067	-	70,000	-	867,067
Total Accounts Receivable	880,480	1,297,879	14,720	862,178	128,555	3,183,812
Due from Other Governments	2,652,514	1,567,292	54,948	-	959,748	5,234,502
Total	<u>\$ 3,532,994</u>	<u>\$ 2,865,171</u>	<u>\$ 69,668</u>	<u>\$ 862,178</u>	<u>\$ 1,088,303</u>	<u>\$ 8,418,314</u>

5. 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:			
2023 Tax Levy	\$ 45,100,429	\$ -	\$ 45,100,429
General Fund Grant Advances	-	3,998,117	3,998,117
Health and Human Services Receivables	1,297,879	18,647	1,316,526
Leases	-	65,403	65,403
Total Governmental Activities	<u>\$ 46,398,308</u>	<u>\$ 4,082,167</u>	<u>\$ 50,480,475</u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

Governmental Activities

	Beginning Balance	Increases	Transfers and Decreases	Ending Balance
Capital Assets Not being Depreciated/Amortized:				
Land	\$ 5,860,906	\$ -	\$ -	\$ 5,860,906
Construction Work-in-Progress	12,801,808	35,662,092	8,606,650	39,857,250
Total Capital Assets Not being Depreciated/Amortized	18,662,714	35,662,092	8,606,650	45,718,156
Capital Assets being Depreciated/Amortized:				
Land Improvements	4,147,636	949,590	-	5,097,226
Buildings and Improvements	40,965,940	6,208,215	-	47,174,155
Equipment and Vehicles	19,659,210	3,616,979	780,949	22,495,240
Highway Infrastructure	146,479,482	7,862,973	-	154,342,455
Other Infrastructure	2,057,372	-	-	2,057,372
Right-to-Use Lease Equipment	167,907	-	157,711	10,196
Right-to-Use Lease Vehicles	193,274	219,747	-	413,021
Total Capital Assets being Depreciated/Amortized	213,670,821	18,857,504	938,660	231,589,665
Total Capital Assets	232,333,535	54,519,596	9,545,310	277,307,821
Accumulated Depreciation/Amortization:				
Land Improvements	2,459,452	89,473	-	2,548,925
Buildings and Improvements	20,837,362	1,611,216	-	22,448,578
Equipment and Vehicles	11,556,306	1,802,611	159,576	13,199,341
Highway Infrastructure	72,565,129	4,215,585	-	76,780,714
Other Infrastructure	1,303,475	39,448	-	1,342,923
Right-to-Use Lease Equipment	97,540	65,997	157,711	5,826
Right-to-Use Lease Vehicles	51,499	107,605	-	159,104
Total Accumulated Depreciation/ Amortization	108,870,763	7,931,935	317,287	116,485,411
Net Capital Assets - Governmental Activities	<u>\$ 123,462,772</u>	<u>\$ 46,587,661</u>	<u>\$ 9,228,023</u>	<u>\$ 160,822,410</u>

Depreciation and amortization was charged to governmental functions as follows:

General Government	\$ 1,772,595
Public Safety	1,412,792
Transportation	3,719,345
Health and Human Services	818,504
Culture, Recreation, and Education	208,699
Total	<u>\$ 7,931,935</u>

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Transfers and Decreases	Ending Balance
Nursing Home:				
Capital Assets being Depreciated:				
Land Improvements	\$ 31,203	\$ -	\$ -	\$ 31,203
Buildings	21,155,373	276,604	-	21,431,977
Equipment	1,073,894	30,787	-	1,104,681
Total Capital Assets being Depreciated	22,260,470	307,391	-	22,567,861
Accumulated Depreciation:				
Land Improvements	35,153	1,126	-	36,279
Buildings	3,332,441	571,088	-	3,903,529
Equipment	1,079,738	37,901	-	1,117,639
Total Accumulated Depreciation	4,447,332	610,115	-	5,057,447
Net Capital Assets - Nursing Home	17,813,138	(302,724)	-	17,510,414
Highway Department:				
Capital Assets Not being Depreciated:				
Land	1,191,092	-	-	1,191,092
Gravel Pits and Quarries	248,612	-	-	248,612
Construction Work-in-Progress	35,930	116,705	35,930	116,705
Total Capital Assets Not being Depreciated	1,475,634	116,705	35,930	1,556,409
Capital Assets being Depreciated:				
Land Improvements	2,095,001	-	-	2,095,001
Buildings and Improvements	26,964,694	298,161	-	27,262,855
Machinery and Equipment	21,949,019	1,639,859	781,347	22,807,531
Total Capital Assets being Depreciated	51,008,714	1,938,020	781,347	52,165,387
Total Capital Assets	52,484,348	2,054,725	817,277	53,721,796
Accumulated Depreciation:				
Land Improvements	606,699	77,447	-	684,146
Buildings and Improvements	3,740,319	708,189	-	4,448,508
Machinery and Equipment	13,175,150	995,749	655,918	13,514,981
Total Accumulated Depreciation	17,522,168	1,781,385	655,918	18,647,635
Net Capital Assets - Highway Department	34,962,180	273,340	161,359	35,074,161
Total Capital Assets	74,744,818	2,362,116	817,277	76,289,657
Less: Accumulated Depreciation	21,969,500	2,391,500	655,918	23,705,082
Net Capital Assets - Business-Type Activities	\$ 52,775,318	\$ (29,384)	\$ 161,359	\$ 52,584,575

Depreciation was charged to the following business-type activities:

Nursing Home	\$ 610,115
Highway Department	1,781,385
Total	<u>\$ 2,391,500</u>

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

The composition of interfund balances as of December 31, 2023, was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Stop Drugs Fund	<u>\$ 10,903</u>	Cover Deficit Cash

The above interfund balances were for temporary financing of operating expenses and are expected to be repaid in 2023. Interfund balances owed within the governmental activities are eliminated in the statement of net position.

Interfund Transfers

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
Internal Service Fund - Retirement Health Savings Account	General Fund	<u>\$ 300,000</u>	Paid Time Off Contribution

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023, were as follows:

	Balance - January 1, 2023	Additions	Reductions	Balance - December 31, 2023	Amounts Due Within One Year
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds, Dated September 1, 2015, from Direct Placements	\$ 7,385,000	\$ -	\$ 475,000	\$ 6,910,000	\$ 485,000
General Obligation Bonds, Dated April 19, 2022, from Direct Placements	80,000,000	-	4,890,000	75,110,000	2,950,000
General Obligation Bonds, Dated March 2, 2016, from Direct Placements	9,340,000	-	140,000	9,200,000	145,000
General Obligation Bonds, Dated February 14, 2018, from Direct Placements	23,380,000	-	1,120,000	22,260,000	1,165,000
General Obligation Bonds, Dated December 4, 2019, from Direct Placements	6,015,000	-	700,000	5,315,000	380,000
General Obligation Notes, Dated September 1, 2014, from Direct Borrowing	2,900,000	-	1,430,000	1,470,000	1,470,000
General Obligation Notes, Dated March 11, 2020, from Direct Borrowing	1,656,000	-	404,000	1,252,000	411,000
Net Bond Premium	4,289,601	-	471,230	3,818,371	428,180
Total Long-Term Debt	<u>\$ 134,965,601</u>	<u>\$ -</u>	<u>\$ 9,630,230</u>	<u>\$ 125,335,371</u>	<u>\$ 7,434,180</u>
Other Long-Term Obligations:					
Governmental Activities:					
Employee Leave Liability	\$ 3,075,658	\$ 1,475,588	\$ -	\$ 4,551,246	\$ 2,003,941
Lease Liability	212,142	219,747	212,317	219,572	101,211
Total Governmental Activities	3,287,800	1,695,335	212,317	4,770,818	2,105,152
Business-Type Activities:					
Employee Leave Liability	1,073,657	30,936	-	1,104,593	788,601
Total Other Long-Term Obligations	<u>\$ 4,573,599</u>	<u>\$ 1,946,018</u>	<u>\$ 424,634</u>	<u>\$ 6,094,983</u>	<u>\$ 2,994,964</u>

The County's estimated liability for employee leave and other postemployment benefits are discussed in Note 5.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 \$121,517,000 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023, and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
General Obligation Bonds:				
Corporate Purpose Bonds, Series 2015A, \$10,000,000, Issued September 1, 2015, Due April 1, 2035, Interest at 2.00% to 3.20% (Nursing and Dementia Crisis Facility Project)	2024	\$ 485,000	\$ 193,493	\$ 678,493
	2025	500,000	181,180	681,180
	2026	515,000	168,493	683,493
	2027	530,000	155,430	685,430
	2028	545,000	141,311	686,311
	2029-2033	2,995,000	453,589	3,448,589
	2034-2035	1,340,000	43,200	1,383,200
Total		6,910,000	1,336,696	8,246,696
Corporate Purpose Bonds, Series 2016A, \$10,000,000, Issued March 2, 2016, Due April 1, 2035, Interest at 2.7% to 3.00%	2024	145,000	213,770	358,770
	2025	715,000	200,870	915,870
	2026	735,000	182,795	917,795
	2027	755,000	167,895	922,895
	2028	775,000	152,595	927,595
	2029-2033	4,215,000	501,005	4,716,005
	2034-2035	1,860,000	50,168	1,910,168
Total		9,200,000	1,469,098	10,669,098
Highway Maintenance Facility Bonds, Series 2018A, \$27,000,000, Issued February 14, 2018, Due March 1, 2038, Interest at 2.5% to 5.00%	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	1,295,000	559,285	1,854,285
	2028	1,335,000	524,428	1,859,428
	2029-2033	7,330,000	1,996,996	9,326,996
	2034-2038	8,660,000	731,149	9,391,149
Total		22,260,000	5,812,143	28,072,143
General Obligation Capital Improvement Bonds, Series 2019A, \$8,025,000, Issued December 4, 2019, Due April 1, 2039, Interest at 2.45% to 3.00%	2024	380,000	129,363	509,363
	2025	385,000	117,888	502,888
	2026	365,000	106,638	471,638
	2027	375,000	95,538	470,538
	2028	375,000	84,288	459,288
	2029-2033	1,455,000	305,724	1,760,724
	2034-2038	1,710,000	139,860	1,849,860
	2039	270,000	3,308	273,308
Total		5,315,000	982,607	6,297,607
General Obligation Promissory Bonds, Series 2022A, \$80,000,000, Issued April 19, 2022 Due March 1, 2042, Interest at 3.0% to 5.0%	2024	2,950,000	2,673,281	5,623,281
	2025	3,845,000	2,518,156	6,363,156
	2026	4,045,000	2,341,131	6,386,131
	2027	4,020,000	2,179,831	6,199,831
	2028	4,145,000	2,016,531	6,161,531
	2029-2033	18,920,000	7,630,880	26,550,880
	2034-2038	19,965,000	4,374,366	24,339,366
	2039-2042	17,220,000	1,131,163	18,351,163
Total		75,110,000	24,865,339	99,975,339
General Obligation Promissory Notes, Series 2014A, \$10,000,000, June 12, 2006, Final Installment Due April 1, 2024, Interest 1.00% to 2.25% (HHS Relocation to SCCSC, Jail Renovation)	2024	1,470,000	16,538	1,486,538
General Obligation Promissory Notes, Series 2020A, \$2,444,000, June 12, 2006, Final Installment Due April 1, 2026, Interest 1.00% to 2.25%	2024	411,000	16,849	427,849
	2025	417,000	10,183	427,183
	2026	424,000	3,413	427,413
Total		1,252,000	30,445	1,282,445
Total General Obligation Debt		\$ 121,517,000	\$ 34,512,866	\$ 156,029,866

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the County's debt limit amounted to \$819,226,890 and indebtedness subject to the limitation totaled \$121,517,000.

F. Lease Liability

The County leases equipment and vehicles for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2025. The liabilities were calculated using the County incremental borrowing rate of 2.62%.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended December 31, 2023, the Entity made variable payments as required by lease agreements totaling \$156,299.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 101,211	\$ 4,309
2025	68,747	2,063
2026	49,614	608
Total	<u>\$ 219,572</u>	<u>\$ 6,980</u>

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 1,200 hours a year 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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

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

Benefits Provided

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

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

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

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending December 31, 2023, the WRS recognized \$3,028,484 in contributions from the employer.

Contribution rates as of December 31, 2023 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.80 %	6.80 %
Executives and Elected Officials	6.80	6.80
Protective With Social Security	6.80	13.22
Protective Without Social Security	6.80	18.12

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Postretirement Adjustments

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

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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	-	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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

At December 31, 2023, the County reported a liability of \$12,146,382 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. The County's proportion of the net pension liability was based on the County's long-term share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the County's proportion was 0.22927637%, which was an increase of 0.00040205% from its proportion measured as of December 31, 2021.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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)

For the year ended December 31, 2023, the County recognized pension expense (revenue) of \$6,173,828. At December 31, 2023, 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
Difference between Expected and Actual Experience	\$ 19,345,423	\$ 25,415,544
Changes of Assumptions	2,388,481	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	20,633,899	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	11,781	23,980
County Contributions Subsequent to the Measurement Date	3,028,485	-
Total	<u>\$ 45,408,069</u>	<u>\$ 25,439,524</u>

The \$3,028,485 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

<u>Year Ending December 31,</u>	Pension Expense (Revenue)
2024	\$ 702,322
2025	3,506,613
2026	3,593,093
2027	9,138,032

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	3.1% to 8.6% including inflation
Inflation:	3.0%
Seniority/Merit:	0.1% to 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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)

Long-Term Expected Return on Plan Assets

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Asset Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Core Fund Asset Class:			
Public Equity	48.0 %	7.6 %	5.0 %
Public Fixed Income	25.0 %	5.3 %	2.7 %
Inflation Sensitive	19.0 %	3.6 %	1.1 %
Real Estate	8.0 %	5.2 %	2.6 %
Private Equity/Debt	15.0 %	9.6 %	6.9 %
Cash	(15.0)%	- %	N/A
Total Core Fund	100.0 %	7.4 %	4.8 %
Variable Fund Asset Class:			
U.S. Equities	70.0 %	7.2 %	4.6 %
International Equities	30.0 %	8.1 %	5.5 %
Total	100.0 %	7.7 %	5.1 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast:

2.5% asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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)

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. In describing this index Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1 percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 40,313,448</u>	<u>\$ 12,146,382</u>	<u>\$ (7,230,142)</u>

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/about-etf/reports-and-studies/financial-reports-and-statements>.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 OTHER INFORMATION (CONTINUED)

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.

Employees may use time from their personal sick bank account for sick leave beyond three days. However, accumulated time in the personal sick bank account will not be paid out unless an employee retires, as defined by the eligibility to receive immediate pension benefits from the Wisconsin Retirement System. For employees hired before October 5, 2022, a sunseting retirement payout policy has been adopted by the County. When an employee retires, their personal sick leave bank accrued time will be converted into a cash-equivalent and deposited into a Retirement Health Savings Plan. This money can be used tax-free to pay for qualified medical expenses, as defined under Section 213(d) of the Internal Revenue Code. It is important to note that 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 \$4,551,246 in the governmental funds and totaled \$1,104,593 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.

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.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

Health Care Risk Management

The health care 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 health care 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 health care providers. Violation of these laws and regulations could result in expulsion from government health care 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 ended October 31, 2023), and aggregate stop-loss is set at 120% of anticipated claims.

During 2023, the County plan net position in the fund at December 31, 2023, was \$1,987,554.

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, 2023, was \$840,631.

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

Changes in the claims liabilities for 2023 and 2022 for the health insurance fund and workers' compensation fund were as follows:

	Health Insurance		Workers' Compensation	
	2023	2022	2023	2022
Estimated Claims Outstanding - January 1	\$ 1,667,614	\$ 2,701,981	\$ 439,007	\$ 980,330
Current Year Claims and Charges	14,814,728	10,112,371	550,105	237,964
Claim Payments	(14,482,959)	(11,146,738)	(550,105)	(779,287)
Estimated Claims Outstanding - December 31	<u>\$ 1,999,383</u>	<u>\$ 1,667,614</u>	<u>\$ 439,007</u>	<u>\$ 439,007</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, 2023, WMMIC was owned by 18 municipalities (3 cities and 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, 2023, was \$709,948 and represented 3.23% 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 2.89% for 2023. 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, Wisconsin 53704-7364.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 (IBNR) claims less SIR funds on deposit with WMMIC.

The self-funded liability insurance fund had a net position balance of \$3,561,867 at December 31, 2023.

The liability recorded for unpaid losses at December 31, 2023, was determined by WMMIC based on claim adjusters evaluations and other estimates. The liability includes those for IBNR 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 2023 and 2022 are:

	2023	2022
Estimated Claims Outstanding - January 1	\$ 480,132	\$ 476,932
Current Year Claims and Changes	631,757	500,939
Claim Payments	(519,731)	(497,739)
Estimated Claims Outstanding - December 31	<u>\$ 592,158</u>	<u>\$ 480,132</u>

D. Prior Period Adjustment

During the fiscal year ended December 31, 2023, the County restated the beginning of net position of the custodial funds. Amounts due to other governments were erroneously reported as net position in the prior year. As a result of this restatement, the net position was overstated and liabilities were understated by \$1,319,760.

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN

The County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The County engaged an actuary to determine the County's liability for postemployment health care benefits other than pensions.

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Single-Employer Plan Description

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, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefit Payments	17
Active Plan Members	-
Total	<u>17</u>

Total OPEB Liability

The County does not accumulate assets in a trust for payment of OPEB benefits. Accordingly, the County must report its total OPEB liability. The County's total OPEB liability was determined by an actuarial valuation as of December 31, 2023. At December 31, 2023, the County reported a total OPEB liability of \$49,655. There has been one substantive plan provision change since the last full valuation, which was for the fiscal year ended December 31, 2022. The retiree health plan was closed effective July 1, 2021. Only active employees who retire by this date are eligible for retiree health care coverage. Based on data provided by the County, 20% of the actives eligible to retire 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.

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Single-Employer Plan Description (Continued)

Total OPEB Liability (Continued)

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

	Total OPEB Liability
Balance - December 31, 2022	\$ 139,632
Changes for the Year:	
Interest	5,373
Change of Benefit Terms	(54,822)
Differences between Expected and Actual Experience	(11,108)
Assumption Changes	849
Benefit Payments	(30,269)
Net Changes	(89,977)
Balance - December 31, 2023	<u>\$ 49,655</u>

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	12/31/2023
Discount Rate	4.00%
20-Year Municipal Bond Yield	4.00%
Inflation Rate	3.00%
Salary Increases	3.00%
Medical Trend Rate	8.0% decreasing to 4.5% in 2029
Mortality:	
General Employees	SOA Pub-2010 General Headcount Weighted Mortality Table Fully Generational Using Scale MP-2021
Protective Employees	SOA Pub-2010 Public Safety Headcount Weighted Mortality Table Fully Generational Using Scale MP-2021
Surviving Spouses	SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table Fully Generational Using Scale MP-2021

Discount Rate

The discount rate used to measure the total OPEB liability was 4.31% which was increased from 2.25% in the prior actuarial valuation. The discount rate is based upon all years of projected payments discounted at a municipal bond rate of 4.31%.

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Single-Employer Plan Description (Continued)

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% lower or 1% higher than the current discount rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	<u>\$ 50,525</u>	<u>\$ 49,655</u>	<u>\$ 48,815</u>

Sensitivity of the Net OPEB Liability to Changes in the Health Care 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 health care cost trend rates that are 1% lower or 1% higher than the current health care cost trend rates:

	1% Decrease (7.0% Decreasing to 3.5%)	Health Care Cost Trend Rates (8.0% Decreasing to 4.5%)	1% Increase (9.0% Decreasing to 5.5%)
Total OPEB Liability	<u>\$ 48,584</u>	<u>\$ 49,655</u>	<u>\$ 50,746</u>

For the year ended December 31, 2023, the County recognized OPEB expense of \$1,211,358. At December 31, 2023, 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
Difference between Expected and Actual Experience	\$ -	\$ 1,290,398
Changes of Assumptions or Other Input	115,492	-
Total	<u>\$ 115,492</u>	<u>\$ 1,290,398</u>

**ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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:

<u>Year Ending December 31,</u>	<u>OPEB Expense</u>
2024	\$ (392,070)
2025	(392,070)
2026	(113,223)
2027	(113,228)
2028	(164,315)
Thereafter	-

ST. CROIX COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 FUND BALANCE CLASSIFICATIONS

The fund balance classifications of the governmental funds as of December 31, 2023, were as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
Major Funds:					
General Fund:					
Prepayments	\$ 20,940	\$ -	\$ -	\$ -	\$ 20,940
Receivable	1,065,279	-	-	-	1,065,279
Investment in WMMIC	720,214	-	-	-	720,214
Long-Term Receivables	97,565	-	-	-	97,565
Restricted (See Schedule B-2)	-	13,878	-	-	13,878
Assigned (See Schedule B-2)	-	-	1,688,064	-	1,688,064
Unassigned	-	-	-	24,109,620	24,109,620
Subtotal General Fund	<u>1,903,998</u>	<u>13,878</u>	<u>1,688,064</u>	<u>24,109,620</u>	<u>27,715,560</u>
Health and Human Services Fund:					
Donations	-	21,957	-	-	21,957
Health and Human Service Programs	-	-	4,178,733	-	4,178,733
Subtotal Health and Human Services Fund	<u>-</u>	<u>21,957</u>	<u>4,178,733</u>	<u>-</u>	<u>4,200,690</u>
Capital Projects Fund	-	-	60,644,094	-	60,644,094
Debt Service Fund	-	18,065	-	-	18,065
Nonmajor Funds:					
Special Revenue Funds:					
Jail Assessment Fund Projects	-	488,410	-	-	488,410
K-9 Program	-	12,367	-	-	12,367
Drug Task Force	-	41,648	-	-	41,648
County Drug Fund	-	48,919	-	-	48,919
Stop Drugs Funded Program	-	-	-	(10,903)	(10,903)
Land Records Fund	-	120,660	-	-	120,660
Dog License Fund Restricted for Animal Control	-	31,350	-	-	31,350
Total Governmental Fund Balances	<u>\$ 1,903,998</u>	<u>\$ 797,254</u>	<u>\$ 66,510,891</u>	<u>\$ 24,098,717</u>	<u>\$ 93,310,860</u>

REQUIRED SUPPLEMENTARY INFORMATION

**ST. CROIX COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 35,677,492	\$ 35,677,492	\$ 38,385,265	\$ 2,707,773
Intergovernmental	3,795,539	3,795,539	7,998,279	4,202,740
Licenses and Permits	446,500	446,500	388,097	(58,403)
Fines and Forfeits	601,000	601,000	200,577	(400,423)
Public Charges for Services	2,384,367	2,384,367	2,923,965	539,598
Intergovernmental Charges for Services	35,000	35,000	32,908	(2,092)
Miscellaneous:				
Investment Income	795,000	795,000	3,913,069	3,118,069
Rent	16,000	16,000	85,132	69,132
Other	137,400	137,400	23,557	(113,843)
Total Revenues	43,888,298	43,888,298	53,950,849	10,062,551
EXPENDITURES				
General Government	13,710,120	13,710,120	14,710,239	(1,000,119)
Public Safety	17,145,192	17,145,192	17,330,059	(184,867)
Transportation	8,906,331	8,906,331	8,920,277	(13,946)
Sanitation	313,058	313,058	291,995	21,063
Health and Human Services	1,169,489	1,169,489	1,184,786	(15,297)
Culture, Recreation, and Education	2,346,573	2,346,573	2,378,698	(32,125)
Conservation and Development	3,209,192	3,209,192	2,878,775	330,417
Capital Outlay	-	-	672	(672)
Total Expenditures	46,799,955	46,799,955	47,695,501	(895,546)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,911,657)	(2,911,657)	6,255,348	9,167,005
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(300,000)	(300,000)
Total Other Financing Sources (Uses)	-	-	(300,000)	(300,000)
NET CHANGE IN FUND BALANCE	<u>\$ (2,911,657)</u>	<u>\$ (2,911,657)</u>	5,955,348	<u>\$ 8,867,005</u>
Fund Balance - Beginning of Year			21,760,212	
FUND BALANCE - END OF YEAR			<u>\$ 27,715,560</u>	

See accompanying Note to Required Supplementary Information.

ST. CROIX COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2023
(BUDGETARY BASIS)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 7,891,840	\$ 7,891,840	\$ 7,891,840	\$ -
Intergovernmental	9,648,754	9,648,754	9,518,603	(130,151)
Public Charges for Services	8,330,066	8,330,066	8,505,389	175,323
Intergovernmental Charges for Services	5,000	5,000	11,072	6,072
Miscellaneous:				
Other	306,880	306,880	369,295	62,415
Total Revenues	26,182,540	26,182,540	26,296,199	113,659
EXPENDITURES				
Health and Human Services	26,175,316	26,175,316	27,479,377	(1,304,061)
NET CHANGE IN FUND BALANCE	<u>\$ 7,224</u>	<u>\$ 7,224</u>	(1,183,178)	<u>\$ 1,417,720</u>
Fund Balance - Beginning of Year			<u>5,383,868</u>	
FUND BALANCE - END OF YEAR			<u>\$ 4,200,690</u>	

See accompanying Note to Required Supplementary Information.

ST. CROIX COUNTY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF WISCONSIN
RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST TEN FISCAL YEARS*

<u>Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/2022	0.22927637%	\$ 12,146,382	\$ 35,625,961	34.09%	95.72%
12/31/2021	0.22887432%	(18,447,691)	34,722,717	-53.13%	106.02%
12/31/2020	0.22902798%	(14,298,534)	34,269,070	-41.72%	105.26%
12/31/2019	0.22620425%	(7,293,857)	32,517,475	-22.43%	102.96%
12/31/2018	0.22225145%	7,907,009	31,477,566	25.12%	96.45%
12/31/2017	0.21653928%	(6,429,308)	30,109,574	-21.35%	102.93%
12/31/2016	0.21478422%	1,770,334	28,587,877	6.19%	99.12%
12/31/2015	0.21616914%	3,512,707	27,892,981	12.59%	98.20%
12/31/2014	0.21970028%	(5,396,439)	28,226,246	-19.12%	102.74%

*Shown Prospectively from Year of Implementation

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

Last Ten Fiscal Years

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2023	\$ 3,028,484	\$ (3,028,484)	\$ -	\$ 37,841,345	8.00%
12/31/2022	2,652,232	(2,652,232)	-	35,625,961	7.44%
12/31/2021	2,646,480	(2,646,480)	-	34,722,717	7.62%
12/31/2020	2,621,770	(2,621,770)	-	34,269,070	7.65%
12/31/2019	2,370,927	(2,370,927)	-	32,517,475	7.29%
12/31/2018	2,343,433	(2,343,433)	-	31,477,566	7.44%
12/31/2017	2,038,523	(2,038,523)	-	30,109,574	6.77%
12/31/2016	2,039,909	(2,039,909)	-	28,587,877	7.14%
12/31/2015	2,026,705	(2,026,705)	-	27,892,981	7.27%

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

Notes to Schedules

Change of Benefit Terms.

There were no changes of benefit terms for any participating employer in WRS.

Change in Assumptions.

*Shown prospectively from year of implementation

ST. CROIX COUNTY, WISCONSIN
SCHEDULE OF CHANGES IN THE COUNTY'S
OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	2018	2019	2020	2021	2022	2023
TOTAL OPEB LIABILITY						
Interest	\$ 234,828	\$ 209,582	\$ 199,270	\$ 25,666	\$ 23,356	5,373
Changes of Benefit Terms	-	-	(3,446,018)	-	-	(54,822)
Differences between Expected and Actual Experience	(1,770,239)	69,350	(1,581,587)	(27,024)	(835,554)	(11,108)
Changes of Assumptions or Other Input	(460,537)	390,464	102,760	(5,801)	(7,090)	849
Benefit Payments	(176,480)	(114,118)	(178,741)	(173,468)	(157,379)	(30,269)
NET CHANGE IN TOTAL OPEB LIABILITY	(1,661,854)	969,621	(4,414,149)	(180,627)	(976,667)	(89,977)
Total OPEB Liability - Beginning	6,403,308	4,741,454	5,711,075	1,296,926	1,116,299	139,632
TOTAL OPEB LIABILITY - ENDING (a)	<u>\$ 4,741,454</u>	<u>\$ 5,711,075</u>	<u>\$ 1,296,926</u>	<u>\$ 1,116,299</u>	<u>\$ 139,632</u>	<u>\$ 49,655</u>
Covered Employee Payroll	\$ 28,838,950	\$ 33,094,609	\$ 32,235,819	\$ 33,202,894	\$ 30,874,438	\$ 31,800,671
County's Net OPEB Liability as a Percentage of Covered-Employee Payroll	0.16 %	0.17 %	0.04 %	3.36%	0.45%	0.16%

*Schedule is presented prospectively from implementation.

ST. CROIX COUNTY, WISCONSIN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023

BUDGETARY INFORMATION

GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, 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. Major Fund expenditures in excess of appropriations will be financed by future period appropriations or offset with intergovernmental revenues if applicable.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**ST. CROIX COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	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	Dog License Fund	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS									
Treasurer's Cash and Investments	\$ 505,188	\$ 9,450	\$ 51,211	\$ 45,224	\$ -	\$ 144,632	\$ 32,503	\$ 788,208	\$ 788,208
Departmental Cash	-	-	-	3,695	-	-	-	3,695	3,695
Accounts Receivable	-	-	-	-	-	320	-	320	320
Due from Other Governmental Units	4,764	4,717	5,315	-	-	-	-	14,796	14,796
Total Assets	<u>\$ 509,952</u>	<u>\$ 14,167</u>	<u>\$ 56,526</u>	<u>\$ 48,919</u>	<u>\$ -</u>	<u>\$ 144,952</u>	<u>\$ 32,503</u>	<u>\$ 807,019</u>	<u>\$ 807,019</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Vouchers Payable	\$ 21,320	\$ 1,800	\$ 13,507	\$ -	\$ -	\$ 21,312	\$ -	\$ 57,939	\$ 57,939
Accrued Payroll	-	-	-	-	-	2,980	-	2,980	2,980
Due Other Governmental Units	222	-	1,371	-	-	-	1,153	2,746	2,746
Due to Other Funds	-	-	-	-	10,903	-	-	10,903	10,903
Total Liabilities	21,542	1,800	14,878	-	10,903	24,292	1,153	74,568	74,568
FUND BALANCES									
Restricted	488,410	12,367	41,648	48,919	-	120,660	31,350	743,354	743,354
Unassigned	-	-	-	-	(10,903)	-	-	(10,903)	(10,903)
Total Fund Balances	<u>488,410</u>	<u>12,367</u>	<u>41,648</u>	<u>48,919</u>	<u>(10,903)</u>	<u>120,660</u>	<u>31,350</u>	<u>732,451</u>	<u>732,451</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 509,952</u>	<u>\$ 14,167</u>	<u>\$ 56,526</u>	<u>\$ 48,919</u>	<u>\$ -</u>	<u>\$ 144,952</u>	<u>\$ 32,503</u>	<u>\$ 807,019</u>	<u>\$ 807,019</u>

**ST. CROIX COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Special Revenue Funds							Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
	Jail Assessment Fund	K-9 Fund	St. Croix Valley Drug Task Force Fund	County Drug Fund	Stop Drugs Fund	Land Records Fund	Dog License Fund		
REVENUES									
Intergovernmental	\$ -	\$ -	\$ 46,126	\$ -	\$ -	\$ 71,000	\$ -	\$ 117,126	\$ 117,126
Fines, Forfeitures, and Penalties	57,061	-	-	24,153	-	-	-	81,214	81,214
Public Charges for Services	-	-	-	-	-	95,918	21,374	117,292	117,292
Miscellaneous:									
Other	-	43,130	-	26,614	7,100	-	-	76,844	76,844
Total Revenues	57,061	43,130	46,126	50,767	7,100	166,918	21,374	392,476	392,476
EXPENDITURES									
General Government	53,296	-	-	-	-	232,127	-	285,423	285,423
Public Safety	-	51,535	43,278	42,471	8,806	-	-	146,090	146,090
Health and Human Services	-	-	-	-	-	-	22,205	22,205	22,205
Total Expenditures	53,296	51,535	43,278	42,471	8,806	232,127	22,205	453,718	453,718
NET CHANGE IN FUND BALANCES	3,765	(8,405)	2,848	8,296	(1,706)	(65,209)	(831)	(61,242)	(61,242)
Fund Balances - Beginning of Year	484,645	20,772	38,800	40,623	(9,197)	185,869	32,181	793,693	793,693
FUND BALANCES - END OF YEAR	<u>\$ 488,410</u>	<u>\$ 12,367</u>	<u>\$ 41,648</u>	<u>\$ 48,919</u>	<u>\$ (10,903)</u>	<u>\$ 120,660</u>	<u>\$ 31,350</u>	<u>\$ 732,451</u>	<u>\$ 732,451</u>

**ST. CROIX COUNTY, WISCONSIN
DETAILED BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2023**

ASSETS

Treasurer's Cash and Investments	\$ 29,316,746
Taxes Receivable:	
Current Taxes Receivable	26,214,353
Delinquent Taxes Receivable	1,029,695
Tax Deeds Owned by County	35,584
Accounts Receivable	782,915
Due from Other Governments	2,652,514
Long-Term Receivables	97,565
Due from Other Funds:	
Cash Overdrafts at Year-End	10,903
Prepayments	20,940
Advances to Other Funds:	
Investment in Public-Entity Risk Pool	720,214
	<hr/>
Total Assets	<u><u>\$ 60,881,429</u></u>

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

LIABILITIES

Vouchers and Accounts Payable	\$ 883,573
Accrued Salaries and Wages	1,244,812
Payroll Deductions	427,986
Due to Other Governmental Units	318,377
Unearned Revenues:	
Unearned Grant Revenue	3,998,117
Special Deposits	13,248
Total Liabilities	<hr/> <u>6,886,113</u>

DEFERRED INFLOWS OF RESOURCES

Succeeding Year's Property Taxes	26,214,353
Deferred Inflows Related to Leases	65,403
Total Deferred Inflows of Resources	<hr/> <u>26,279,756</u>

FUND BALANCES

Nonspendable for:	
Delinquent Taxes	1,065,279
Investment in WMMIC	720,214
Prepayments	20,940
Long-Term Receivables	97,565
Restricted	13,878
Assigned	1,688,064
Unassigned	24,109,620
Total Fund Balances	<hr/> <u>27,715,560</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 60,881,429</u></u>
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**ST. CROIX COUNTY, WISCONSIN
STATEMENT OF CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	County Internal Fund Number	Balance - January 1, 2023	County Appropriations	Other Revenues	Transfers				Total Available	Expenditures	Balance - December 31, 2023
					General Fund		Other Funds				
					In	Out	In	Out			
Nonspendable:											
Delinquent Taxes		\$ 933,574	\$ -	\$ -	\$ 131,705	\$ -	\$ -	\$ -	\$ 1,065,279	\$ -	\$ 1,065,279
Investment in WMMIC		720,214	-	-	-	-	-	-	720,214	-	720,214
Prepayments		15,686	-	-	5,254	-	-	-	20,940	-	20,940
Long-Term Receivables		164,858	-	-		67,293	-	-	97,565	-	97,565
Total											
Nonspendable		1,834,332	-	-	136,959	67,293	-	-	1,903,998	-	1,903,998
Restricted:											
Sheriff Confiscated											
Property	110	196	-	-	-	-	-	-	196	-	196
Enforcement	110	12,888	-	-	-	-	-	-	12,888	-	12,888
Sheriff Counteract	110	794	-	-	-	-	-	-	794	-	794
Total Restricted		13,878	-	-	-	-	-	-	13,878	-	13,878
Assigned:											
Continuing											
Appropriations:											
REI Recycling Grant	125	-	-	208,796	-	1,396	-	-	207,400	207,400	-
Parks	120	1,285,225	395,188	563,040	-	-	-	-	2,243,453	957,537	1,285,916
Land and Water											
Conservation	130	365,843	255,531	560,677	-	-	-	-	1,182,051	783,176	398,875
Pesticide Training	270	3,013	-	260	-	-	-	-	3,273	-	3,273
Total Assigned											
Balances		1,654,081	650,719	1,332,773	-	1,396	-	-	3,636,177	1,948,113	1,688,064
Unassigned:											
Highway Appropriation and Aids		-	6,524,397	2,782,991	-	-	-	-	9,307,388	9,307,388	-
General County		18,257,921	17,541,224	25,118,745	136,959	205,229	-	300,000	60,549,620	36,440,000	24,109,620
Total Unassigned		18,257,921	24,065,621	27,901,736	136,959	205,229	-	300,000	69,857,008	45,747,388	24,109,620
Total General Fund		\$ 21,760,212	\$ 24,716,340	\$ 29,234,509	\$ 273,918	\$ 273,918	\$ -	\$ 300,000	\$ 75,411,061	\$ 47,695,501	\$ 27,715,560

ST. CROIX COUNTY, WISCONSIN
DETAILED SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General Property Taxes	\$ 24,716,340	\$ 24,716,340	\$ 25,030,286	\$ 313,946
Tax Incremental Districts Refunds	-	-	245,706	245,706
Forest Crop Taxes	16,152	16,152	21,555	5,403
Sales Tax	10,500,000	10,500,000	12,632,884	2,132,884
Interest on Taxes	295,000	295,000	301,330	6,330
Penalty on Taxes	150,000	150,000	153,504	3,504
Total Taxes	35,677,492	35,677,492	38,385,265	2,707,773
Intergovernmental:				
Federal Grants and Aids:				
State Shared Taxes:				
Shared Taxes from State	1,346,404	1,346,404	838,867	(507,537)
State Grants and Aids:				
Clerk of Courts	457,000	457,000	517,429	60,429
Circuit Court	-	-	100,000	100,000
Victim/Witness VOCA Grant	179,282	179,282	193,300	14,018
Information Technology	-	-	53,275	53,275
Facilities	-	-	1,309,446	1,309,446
Zoning	14,519	14,519	-	(14,519)
Law Enforcement	155,000	155,000	307,856	152,856
Law Enforcement - TAD Grant	304,875	304,875	389,827	84,952
Vest Grant	-	-	2,069	2,069
Jail	10,000	10,000	16,163	6,163
Emergency Government	94,973	94,973	93,740	(1,233)
General Transportation Aids	2,381,934	2,381,934	2,381,934	-
Recycling	199,150	199,150	199,056	(94)
Hazardous Waste	17,822	17,822	18,048	226
Child Support	913,025	913,025	915,623	2,598
Veterans Service Officer	18,250	18,250	57,152	38,902
Snowmobile Trail Maintenance	70,000	70,000	105,813	35,813
Land and Water Conservation	644,688	644,688	479,308	(165,380)
DOJ - Pierce/Polk/St. Croix Drug Program	-	-	19,373	19,373
Total Intergovernmental	3,795,539	3,795,539	7,998,279	4,202,740
Licenses and Permits:				
Zoning Permits	446,500	446,500	388,097	(58,403)
Fines, Forfeitures and Penalties:				
County Ordinance Forfeitures	601,000	601,000	200,577	(400,423)

**ST. CROIX COUNTY, WISCONSIN
DETAILED SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES (CONTINUED)				
Public Charges for Services:				
Register of Deeds Fees	\$ 1,000,000	\$ 1,000,000	\$ 859,153	\$ (140,847)
Clerk of Court Fees	149,933	149,933	596,992	447,059
NSF Checks - Clerk of Courts	400	400	175	(225)
Miscellaneous Circuit Court Fees	2,500	2,500	5,511	3,011
Medical Examiner Fees	75,000	75,000	89,975	14,975
District Attorney Fees	53,500	53,500	54,022	522
Tax Collection Fee	130,000	130,000	74,730	(55,270)
County Clerk Fees/Game Licenses	128,500	128,500	177,170	48,670
Sheriff Fees	357,800	357,800	489,698	131,898
Recycling Education Revenue	35,234	35,234	16,628	(18,606)
County Parks Revenue - Troy	381,500	381,500	461,458	79,958
University Extension Charges	1,000	1,000	1,468	468
Land and Water Conservation	69,000	69,000	63,955	(5,045)
Ag Use Penalty	-	-	33,030	33,030
Total Public Charges for Services	2,384,367	2,384,367	2,923,965	539,598
Intergovernmental Charges for Services:				
Local Governments:				
Elections	30,000	30,000	24,000	(6,000)
County Departments:				
Computer Repair and Replacements	5,000	5,000	8,882	3,882
Human Services Building Maintenance	-	-	26	26
Total Intergovernmental Charges for Services	35,000	35,000	32,908	(2,092)
Miscellaneous:				
Investment Income:				
General Investments	795,000	795,000	3,913,069	3,118,069
Other:				
Rent of County Buildings	16,000	16,000	85,132	69,132
Miscellaneous	137,400	137,400	23,557	(113,843)
Total Miscellaneous	948,400	948,400	4,021,758	3,073,358
Total Revenues	43,888,298	43,888,298	53,950,849	10,062,551

**ST. CROIX COUNTY, WISCONSIN
DETAILED SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
County Board	\$ 159,763	\$ 159,763	\$ 136,918	\$ 22,845
Clerk of Courts	2,069,133	2,069,133	2,166,974	(97,841)
Circuit Court	1,002,933	1,002,933	1,093,784	(90,851)
Drug Court	-	-	9,192	(9,192)
Medical Examiner	364,561	364,561	362,134	2,427
Corporation Counsel	700,879	700,879	629,552	71,327
Victim/Witness Program	360,780	360,780	417,056	(56,276)
Victim/Witness - VOCA	18,314	18,314	16,912	1,402
District Attorney	900,947	900,947	805,358	95,589
District Attorney Diversion Coordinator	101,783	101,783	132,909	(31,126)
Administrator	480,939	480,939	462,718	18,221
County Clerk	334,746	334,746	364,472	(29,726)
Elections	75,610	75,610	64,924	10,686
Personnel and Recruitment	607,033	607,033	494,204	112,829
Information Technology	2,701,866	2,701,866	4,209,814	(1,507,948)
Finance Department	658,404	658,404	588,245	70,159
County Treasurer	414,906	414,906	362,226	52,680
General County Buildings	2,267,914	2,267,914	1,965,961	301,953
Register of Deeds	489,609	489,609	426,886	62,723
Total General Government	13,710,120	13,710,120	14,710,239	(1,000,119)
Public Safety:				
Sheriff	9,095,916	9,095,916	9,263,479	(167,563)
Sheriff Towing	-	-	15,066	(15,066)
TAD Grant	565	565	471	94
Central Communications Center	-	-	13,865	(13,865)
Community Justice Collaborating Council	834,832	834,832	911,126	(76,294)
County Jail	4,603,751	4,603,751	4,634,235	(30,484)
Emergency Planning (SARA)	-	-	3,478	(3,478)
Emergency Government	2,610,128	2,610,128	2,488,339	121,789
Total Public Safety	17,145,192	17,145,192	17,330,059	(184,867)
Public Works:				
Transportation:				
Highway Department (see Schedule C-1)	8,906,331	8,906,331	8,920,277	(13,946)
Sanitation:				
Hazardous Waste Disposal	93,674	93,674	84,595	9,079
Recycling	219,384	219,384	207,400	11,984
Total Sanitation	313,058	313,058	291,995	21,063
Total Public Works	9,219,389	9,219,389	9,212,272	7,117
Health and Human Services:				
Child Support	838,494	838,494	828,104	10,390
Veterans Service Officer	330,995	330,995	356,682	(25,687)
Total Health and Human Services	1,169,489	1,169,489	1,184,786	(15,297)

**ST. CROIX COUNTY, WISCONSIN
DETAILED SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Culture, Recreation, and Education:				
Municipal Library Allocations	\$ 1,113,922	\$ 1,113,922	\$ 1,113,924	\$ (2)
Parks Admin	897,188	897,188	819,713	77,475
Snowmobile Trail Maintenance	-	-	137,930	(137,930)
Fairgrounds Maintenance	80,000	80,000	80,000	-
University Extension	255,463	255,463	227,131	28,332
Total Culture, Recreation, and Education	2,346,573	2,346,573	2,378,698	(32,125)
Conservation and Development:				
Economic Development Grant	117,000	117,000	116,335	665
Zoning	2,022,973	2,022,973	1,999,197	23,776
Conservation Programs	-	-	165	(165)
Land Conservation	1,069,219	1,069,219	739,228	329,991
Wildlife Damage Claims	-	-	23,850	(23,850)
Total Conservation and Development	3,209,192	3,209,192	2,878,775	330,417
Capital Outlay:				
Capital Outlays	-	-	672	(672)
Total Expenditures	46,799,955	46,799,955	47,695,501	(895,546)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPEND	(2,911,657)	(2,911,657)	6,255,348	9,167,005
OTHER FINANCING SOURCES (USES)				
Transfers Out:				
To Internal Service Funds	-	-	(300,000)	(300,000)
Total Other Financing Sources (Uses)	-	-	(300,000)	(300,000)
NET CHANGE IN FUND BALANCE	<u>\$ (2,911,657)</u>	<u>\$ (2,911,657)</u>	5,955,348	<u>\$ 8,867,005</u>
Fund Balance - Beginning of Year			21,760,212	
FUND BALANCE - END OF YEAR			<u>\$ 27,715,560</u>	

ST. CROIX COUNTY, WISCONSIN
DETAILED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
HIGHWAY DEPARTMENT ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2023

OPERATING REVENUES

Charges for Services:	
County Highway Maintenance and Construction ⁽¹⁾	\$ 9,307,388
State Highway Maintenance and Construction	3,328,121
Local Districts - County Aid Bridge	71,512
Local Districts - Other	6,986,059
Miscellaneous:	
Other Revenue from State:	
Other	481,868
Miscellaneous Highway Revenues	1,085,502
Vehicle Registration Fees	906,691
Total Operating Revenues	<u>22,167,141</u>

OPERATING EXPENSES

Administration and General:	
Administration	1,043,342
Public Liability Insurance	71,893
Surveying	206,853
Engineering	223,838
Transportation Cost Pools:	
Machinery Operations	273,732
Gravel Pits and Quarries	(115,036)
Services Provided:	
State Performance Based Maintenance	186,452
County:	
General Maintenance	3,837,404
State:	
Highway Maintenance and Construction	8,754,746
County Aid Bridge Construction	4,469
Other Governmental Units	7,093,456
Local Departments	385,769
Other:	
Net Change in Accrued Leave/OPEB Liabilities	(102,341)
Total Operating Expenses	<u>21,864,577</u>

CHANGE IN NET POSITION

302,564

Net Position - Beginning of Year

44,337,173**NET POSITION - END OF YEAR**\$ 44,639,737

(1) Charges to County for Highway Maintenance and Construction Consisted of the Following:

County Appropriations	\$ 6,524,397
State Transportation Aids	<u>2,782,991</u>
Total	<u><u>\$ 9,307,388</u></u>

**ST. CROIX COUNTY, WISCONSIN
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023**

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	County Fleet	Total
ASSETS						
Treasurer's Cash and Investments	\$ 3,779,108	\$ 1,241,693	\$ 3,796,446	\$ 2,193,219	\$ 140,904	\$ 11,151,370
Cash and Investments Held by Fiscal Agent	-	37,945	350,000	-	-	387,945
Accounts Receivable	207,829	-	7,579	-	2,819	218,227
Total Assets	3,986,937	1,279,638	4,154,025	2,193,219	143,723	11,757,542
LIABILITIES						
Accounts Payable	1,287,471	-	-	-	1,995	1,289,466
Accrued Claims/Losses Payable	711,912	439,007	592,158	-	-	1,743,077
Total Liabilities	1,999,383	439,007	592,158	-	1,995	3,032,543
NET POSITION - UNRESTRICTED	<u>\$ 1,987,554</u>	<u>\$ 840,631</u>	<u>\$ 3,561,867</u>	<u>\$ 2,193,219</u>	<u>\$ 141,728</u>	<u>\$ 8,724,999</u>

ST. CROIX COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	County Fleet	Total
OPERATING REVENUES						
Charges for Services	\$ 10,404,385	\$ 604,032	\$ 885,000	\$ -	\$ 152,248	\$ 12,045,665
Other	4,208,978	-	145,462	-	-	4,354,440
Total Operating Revenues	14,613,363	604,032	1,030,462	-	152,248	16,400,105
OPERATING EXPENSES						
Premiums and Claims	15,264,913	550,104	773,041	186,282	-	16,774,340
Fleet Costs	-	-	-	-	181,204	181,204
Administrative	601,329	82,691	372,006	-	-	1,056,026
Total Operating Expenses	15,866,242	632,795	1,145,047	186,282	181,204	18,011,570
OPERATING LOSS	(1,252,879)	(28,763)	(114,585)	(186,282)	(28,956)	(1,611,465)
NONOPERATING REVENUES						
Interest Revenue	-	-	33,316	-	-	33,316
LOSS BEFORE OTHER FINANCING SOURCES	(1,252,879)	(28,763)	(81,269)	(186,282)	(28,956)	(1,578,149)
OTHER FINANCING SOURCES						
Transfers In	-	-	-	300,000	-	300,000
CHANGE IN NET POSITION	(1,252,879)	(28,763)	(81,269)	113,718	(28,956)	(1,278,149)
Net Position - Beginning of Year	3,240,433	869,394	3,643,136	2,079,501	170,684	10,003,148
NET POSITION - END OF YEAR	<u>\$ 1,987,554</u>	<u>\$ 840,631</u>	<u>\$ 3,561,867</u>	<u>\$ 2,193,219</u>	<u>\$ 141,728</u>	<u>\$ 8,724,999</u>

ST. CROIX COUNTY, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	County Fleet	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received for Goods and Services:						
County/Departments	\$ 14,443,431	\$ 604,032	\$ 1,024,524	\$ -	\$ 150,732	\$ 16,222,719
Cash Payments for Claims/Premiums/Administration	<u>(15,534,473)</u>	<u>(632,795)</u>	<u>(1,033,020)</u>	<u>(186,282)</u>	<u>(179,218)</u>	<u>(17,565,788)</u>
Net Cash Used by Operating Activities	(1,091,042)	(28,763)	(8,496)	(186,282)	(28,486)	(1,343,069)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	300,000	-	300,000
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investments	<u>-</u>	<u>-</u>	<u>33,316</u>	<u>-</u>	<u>-</u>	<u>33,316</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>33,316</u>	<u>-</u>	<u>-</u>	<u>33,316</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,091,042)	(28,763)	24,820	113,718	(28,486)	(1,009,753)
Cash and Cash Equivalents - Beginning of Year	<u>4,870,150</u>	<u>1,308,401</u>	<u>4,121,626</u>	<u>2,079,501</u>	<u>169,390</u>	<u>12,549,068</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 3,779,108</u></u>	<u><u>\$ 1,279,638</u></u>	<u><u>\$ 4,146,446</u></u>	<u><u>\$ 2,193,219</u></u>	<u><u>\$ 140,904</u></u>	<u><u>\$ 11,539,315</u></u>

**ST. CROIX COUNTY, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Self-Funded Health Insurance	Self-Funded Workers' Compensation Insurance	Self-Funded Liability Insurance	Retirement Health Savings Account	County Fleet	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES						
Operating Loss	\$ (1,252,879)	\$ (28,763)	\$ (114,585)	\$ (186,282)	\$ (28,956)	\$ (1,611,465)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:						
Change in Assets and Liabilities:						
(Increase) Decrease in:						
Accounts Receivable	(169,932)	-	(5,938)	-	(1,516)	(177,386)
Increase (Decrease) in:						
Accounts Payable	189,726	-	-	-	1,986	191,712
Accrued Claims/Losses Payable	142,043	-	112,027	-	-	254,070
Net Cash Used by Operating Activities	<u>\$ (1,091,042)</u>	<u>\$ (28,763)</u>	<u>\$ (8,496)</u>	<u>\$ (186,282)</u>	<u>\$ (28,486)</u>	<u>\$ (1,343,069)</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS						
Cash and Investments:						
Treasurer's Cash and Investments	\$ 3,779,108	\$ 1,241,693	\$ 3,796,446	\$ 2,193,219	\$ 140,904	\$ 11,151,370
Cash and Investments Held by Fiscal Agent	-	37,945	350,000	-	-	387,945
Cash and Cash Equivalents	<u>\$ 3,779,108</u>	<u>1,279,638</u>	<u>\$ 4,146,446</u>	<u>\$ 2,193,219</u>	<u>\$ 140,904</u>	<u>\$ 11,539,315</u>

ST. CROIX COUNTY, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023

	<u>Tax Agency</u>	<u>Sheriff</u>	<u>Register of Deeds</u>	<u>Clerk of Court</u>	<u>Permitting and Platting Escrow</u>	<u>Total</u>
ASSETS						
Treasurer's Cash and Investments	\$ 20,831,168	\$ -	\$ 183,757	\$ -	\$ 43,569	\$ 21,058,494
Departmental Cash and Investments	-	232,613	-	2,230,112	-	2,462,725
Special Assessments Receivable	48,951	-	-	-	-	48,951
Total Assets	<u>20,880,119</u>	<u>232,613</u>	<u>183,757</u>	<u>2,230,112</u>	<u>43,569</u>	<u>23,570,170</u>
LIABILITIES						
Due to Other Governments	18,171,135	-	183,757	1,300,258	43,569	19,698,719
Due to Individuals	24,276	-	-	-	-	24,276
Accounts Payable	3,832	-	-	-	-	3,832
Total Liabilities	<u>18,199,243</u>	<u>-</u>	<u>183,757</u>	<u>1,300,258</u>	<u>43,569</u>	<u>19,726,827</u>
DEFERRED INFLOWS OF RESOURCES						
Succeeding Year's Property Taxes	<u>2,680,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,680,876</u>
NET POSITION						
Restricted for:						
Individuals, Organizations, and Other Governments	<u>\$ -</u>	<u>\$ 232,613</u>	<u>\$ -</u>	<u>\$ 929,854</u>	<u>\$ -</u>	<u>\$ 1,162,467</u>

ST. CROIX COUNTY, WISCONSIN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>Tax Agency</u>	<u>Sheriff</u>	<u>Register of Deeds</u>	<u>Clerk of Courts</u>	<u>Permitting and Platting Escrow</u>	<u>Total</u>
ADDITIONS						
Contributions:						
Individuals	\$ -	\$ 751,208	\$ -	\$ -	\$ -	\$ 751,208
Property Tax Collections for Other Governments	56,642,020	-	-	-	-	56,642,020
Fines and Forfeitures	-	-	-	2,414,610	-	2,414,610
License and Fees Collected for State	-	-	5,388,093	-	1,700	5,389,793
Total Additions	<u>56,642,020</u>	<u>751,208</u>	<u>5,388,093</u>	<u>2,414,610</u>	<u>1,700</u>	<u>65,197,631</u>
DEDUCTIONS						
Payments of Property Tax to Other Governments	56,642,020	760,810	-	-	-	57,402,830
Payments to Other Governments	-	-	-	2,415,908	1,700	2,417,608
Distribution to Participants	-	-	5,388,093	-	-	5,388,093
Total Deductions	<u>56,642,020</u>	<u>760,810</u>	<u>5,388,093</u>	<u>2,415,908</u>	<u>1,700</u>	<u>65,208,531</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	(9,602)	-	(1,298)	-	(10,900)
Fiduciary Net Position - Beginning of Year as Previously Reported	-	242,215	174,729	2,022,958	53,225	2,493,127
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>(174,729)</u>	<u>(1,091,806)</u>	<u>(53,225)</u>	<u>(1,319,760)</u>
Fiduciary Net Position - Beginning of Year	<u>-</u>	<u>242,215</u>	<u>-</u>	<u>931,152</u>	<u>-</u>	<u>1,173,367</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 232,613</u>	<u>\$ -</u>	<u>\$ 929,854</u>	<u>\$ -</u>	<u>\$ 1,162,467</u>

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, Wisconsin
Hudson, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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, 2023, 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 24, 2024.

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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses listed as items 2023-001 through 2023-002, that we consider to be material weaknesses.

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, Wisconsin'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 responses. 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

Hudson, Wisconsin
July 24, 2024

**ST. CROIX COUNTY, WISCONSIN, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

FINDING: 2023-001 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.
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:	Yes 2022-001.
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.
Management's Response	The County agrees with the finding and 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. 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 accounting principles generally accepted in the United States of America (GAAP). Management will review and approve those entries prior to recording them.

**ST. CROIX COUNTY, WISCONSIN, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

FINDING: 2023-002 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.
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:	Yes 2022-002.
Recommendation:	The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.
Management's Response:	The County agrees with this finding and continues to achieve segregation of duties whenever cost effective. The Finance Director is the official responsible for ensuring corrective action of the deficiency. The limited segregation of duties condition is applicable to the receipting, disbursement and journal entry transaction cycles as well as financial reporting functions of the County.

