



# COLUMBIA COUNTY

## Guide to County Budget/Finances

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Fall 2023



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## ABOUT THIS REPORT

With the 2024 budget process complete, we must move forward managing old and new financial hurdles and begin planning for the 2025 budget.

This report examines the relationship between our finances, the budget, and the Levy Limit. It provides guidance on County financials and the budget process.

*Shonna Neary, CPA, MBA*  
Comptroller



# INTRODUCTION

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**Finances, accounting, restrictions, and budget/taxation are difficult concepts in Wisconsin county governments. This guide will clarify those topics and also provide specific Columbia County data.**

## FINANCES

Unlike the private sector, there is no “profit motive” in county government. Other differences in county government from the private sector:

- Property taxes, which represent the largest funding source for the county, are apportioned and billed to property owners.
- Many county expenditures are mandated services from the State of Wisconsin or Federal Government.
- Counties are governed by an elected board of supervisors.
- Services provided are separated by departments. Each department has very different operations and requirements, lead by department heads and governing committees.

## ACCOUNTING

Governmental accounting, though encompassing all basic accounting regulations, has unique and complex reporting requirements and presentation criteria. Someone who is fluent in standard profit and loss statements or balance sheets, will notice many differences in governmental accounting. Because of this, training and education for all decision-makers is a top priority.

## RESTRICTIONS

County government must meet objectives and provide public service needs, within the mandates of statutes, state and federal regulations, and a state mandated levy limit.

## BUDGET/TAXATION

Because property taxes are only assessed once per year, counties need to carefully prepare and follow a budget. Balancing the needs of our county, with available resources, is the budget’s most important goal.

## FORECASTING

County budgets must be prepared within the confines of restrictions and mandates. The need for financial planning has never been greater. Forecasting is an important tool to utilize before making current year decisions. Using long-term financial planning, funding and expenditure strategies can be developed, which can assist in balancing the budget while meeting needs.

# HISTORY OF SIGNIFICANT BUDGET ISSUES



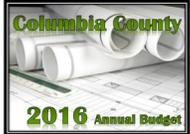
2014

County Board approved \$45.5 million for building/other projects.  
Co-Composting operations ceased in April 2014.



2015

Broke ground for the new buildings.



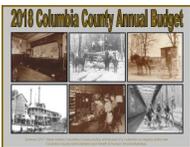
2016

Personnel adjustments from 2015 wage study, were budgeted for the first time.  
Highway authorized a new office and fuel system.



2017

Began funding operation costs of new buildings.  
Received a one-time payment of \$1.2 million from the American Transmission Co. Funds were designated for new Election equipment and an upgrade to the County 911 system.  
Utilized \$2.4 million in reserves to balance the budget.



2018

Completed building projects.  
All staff moved to new/remodeled locations.



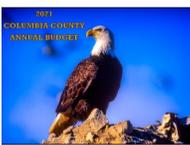
2019

Issued bonds for the Sheriff's Department to upgrade radios/towers and purchase software for a total of \$3.2 million.  
Interest earned on investments was budgeted with a 60% increase due to interest rates.



2020

Received Routes to Recovery and CARES Act funding to help offset unbudgeted expenditures due to Coronavirus.  
Interest earned on investments was budgeted with a 26% increase due to interest rates.



2021

Interest earned on investments was budgeted with a 39% decrease.  
A Capital Project for an upgrade to recycling operations was included in the budget.



2022

Interest earned on investments was budgeted with a 65% decrease.  
There was a 5% decrease in the County's mill rate.



2023

Equalized valuation increased 14%; mill rate decrease of 11%.  
Teen Court Program was discontinued and removed from budget.



2024

Equalized valuation increases 14%; mill rate decrease of 11%.  
Interest earned on investments was budgeted with an increase of \$1.35 million.  
The new supplemental state shared revenue has been budgeted.

# QUICK FACTS (AS OF 12/31/2022)

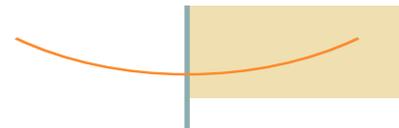
**\$140,137,500**

Value of County Capital Assets  
*(Includes Infrastructure)*



**\$44,100,000**

Total Outstanding Debt



**\$29,100,000**

Total Payroll

**\$800,000**

Payroll increase from 2021 to 2022.

## Snapshot of County Finances

### 2024 Budget

Total Expenditures	\$87,540,820
Total Revenue	(\$53,601,340)
Total Equity Applied	(\$4,625,170)
<b>Total 2024 County Levy</b>	<b>\$29,314,310</b>

**25** # of Departments (approximately)  
with Numerous Divisions

**28** # of Elected County Board  
Supervisors

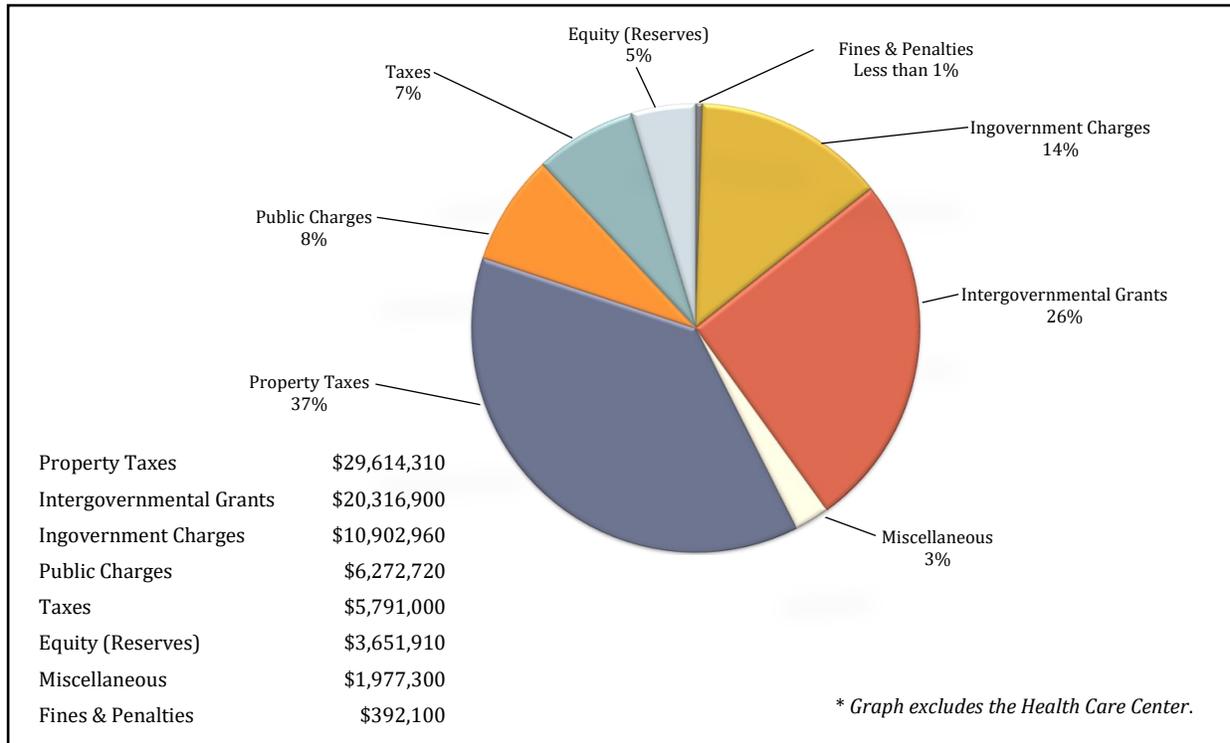
**640** # of Employees

# COUNTY REVENUES

## WHERE DOES THE MONEY COME FROM?

Columbia County’s 2024 budgeted revenues and equity applied, total \$87,540,820. The majority of this is from (3) sources:

- **Property Taxes:** Regulated by the State of Wisconsin, through a Levy Limit. They are computed during the budget process: Total Expenditures - Total Revenues and Equity Applied = Property Taxes.
- **Grants:** Awarded by the Federal and State Governments. There are a few grants awarded, with no required reporting or restrictions. However, the majority of grants are for pre-determined purposes and require detailed reporting to the grantor.
- **Intergovernmental Charges for Services:** Generated when a county department does work for another governmental agency. This can also account for in-county charges.



## DID YOU KNOW?

- **Sales Tax:** Columbia County adopted the .5% sales and use tax effective April 1, 1989.
- **State Shared Revenue:** Columbia County will receive additional county/municipal aid as well as a supplemental payment. State shared revenues have not been adjusted in over a decade.
- **Utility Aid:** Aid received for qualifying utilities in lieu of property taxes. The state increased the utility aid incentives to the County for 2024.

# COUNTY REVENUES

## HISTORY

SUMMARY OF COUNTY FUNDING SOURCE						
	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	% Change (2020-2024)
Property Taxes-Operating	\$22,192,380	\$22,435,280	\$22,721,030	\$23,062,410	\$23,354,580	5%
Property Taxes-Debt/Special	\$5,418,210	\$5,582,950	\$5,740,460	\$5,725,200	\$5,959,730	10%
<b>Total Property Taxes</b>	<b>\$27,610,590</b>	<b>\$28,018,230</b>	<b>\$28,461,490</b>	<b>\$28,787,610</b>	<b>\$29,314,310</b>	<b>6%</b>
Other Taxes	\$5,188,000	\$5,176,000	\$5,286,000	\$5,501,000	\$5,791,000	12%
Grants/Aids	\$22,971,760	\$23,840,300	\$23,949,940	\$23,334,150	\$25,060,310	9%
Fines/Penalties	\$372,400	\$370,900	\$377,400	\$385,400	\$407,100	9%
Public Charges	\$8,135,100	\$8,401,340	\$8,846,670	\$10,088,150	\$9,440,080	16%
Intergovernmental Chgs	\$10,347,180	\$10,564,330	\$11,570,960	\$11,267,720	\$10,902,960	5%
Miscellaneous	\$1,178,660	\$916,700	\$636,010	\$635,780	\$1,999,890	69%
General Fund	\$1,615,430	\$1,039,100	\$1,418,420	\$1,340,290	\$1,070,310	(34%)
General Fund—Capital Projects	\$0	\$2,183,450	\$0	\$0	\$0	
Other Equity	\$3,499,100	\$2,929,440	\$3,329,750	\$3,524,060	\$3,554,860	2%
<b>Total Revenue</b>	<b>\$80,918,220</b>	<b>\$83,439,790</b>	<b>\$83,876,640</b>	<b>\$84,864,160</b>	<b>\$87,540,820</b>	<b>8%</b>

## SYNOPSIS

The county's primary revenue source is property taxes. This is problematic because the State's Levy Limit restricts increases. The chart above illustrates an operating property tax levy, which has seen minimal increases in the last five years.

**Other Taxes:** Increase in sales tax revenue and managed forest land is being budgeted for the first time.

**Grants/Aids:** Increased services within Health & Human Services' Comprehensive Community Service and Children's Long Term Support programs. Utility aids and supplemental state shared revenue amounts increased.

**Public Charges:** Increase in Solid Waste garbage and recycling fees and volume and Jail Board of Prisoners, Health & Human Services and Health Care Center.

**Intergovernmental Chgs:** A decrease in general fund intergovernmental charges was due to worker's comp insurance, however, Highway saw an 8% increase in their intergovernmental charges for services.

**Miscellaneous:** Interest rate volatility resulted in an increase in Interest on Investments.

**General Fund:** General Fund is used to balance the budget.

Other equity, as listed above, represents specific earmarked funding, which is utilized to offset the budget. Examples: Highway internal reserves, nonlapsing funds, Health Care Center IGT reserves.

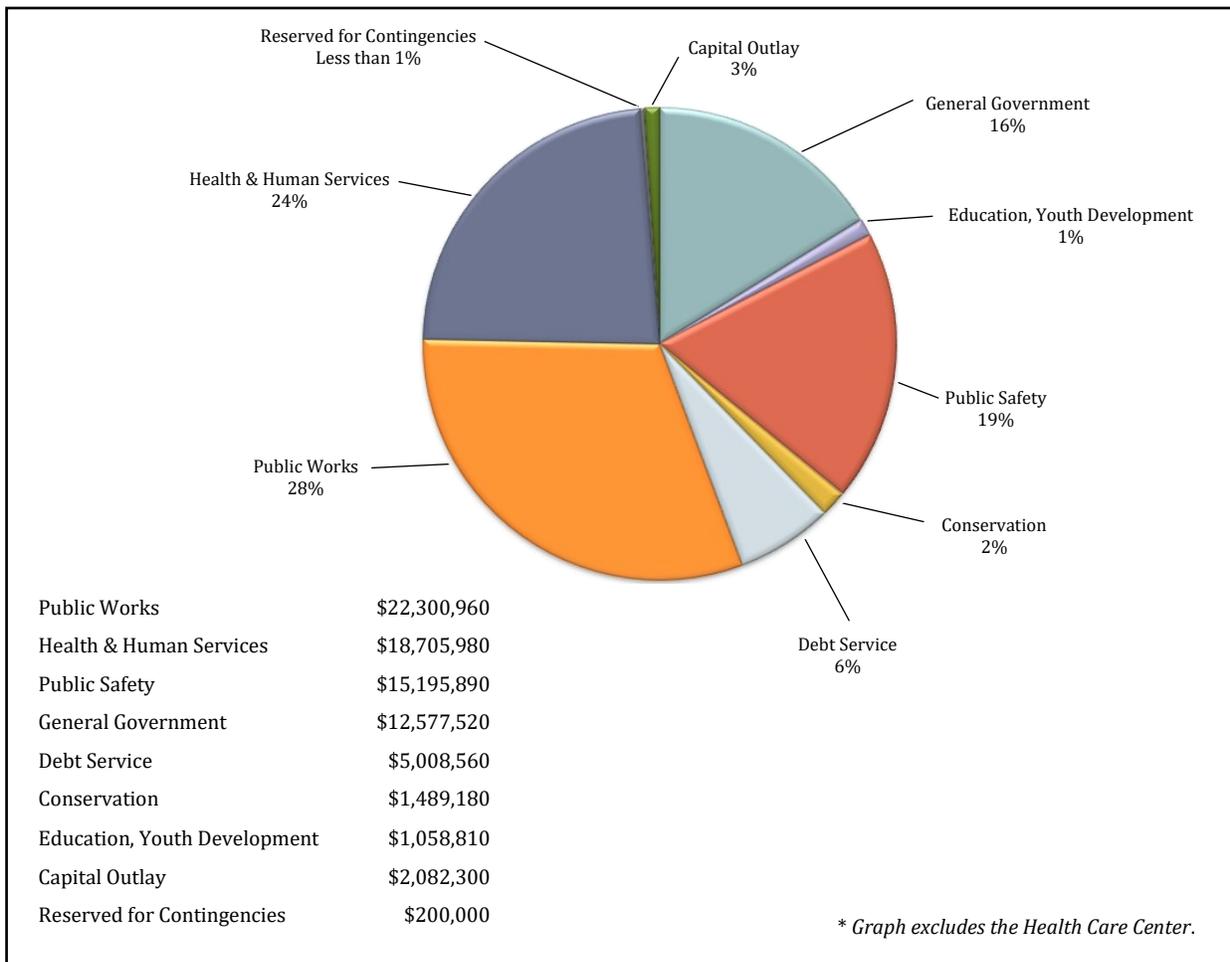
# COUNTY EXPENDITURES

## WHERE DOES THE MONEY GO?

Columbia County’s 2024 budgeted expenditures total \$87,540,820. The (3) largest categories are:

- **Health & Human Services:** This is the largest expenditure category (or function). This function includes all of the Health & Human Services Department, the Health Care Center, Veterans Services and Child Support. Though this category has the highest level of spending, it does not have the highest property tax funding.
- **Public Works:** This includes Highway and Solid Waste.
- **Public Safety:** The Sheriff’s Department utilizes the most property tax revenue compared with other functions.

These categories are divided by line item (object code). Countywide, personnel costs account for 51% of all expenditures. This is followed by contracted services at 12%.



# COUNTY EXPENDITURES

## HISTORY

EXPENDITURES BY FUNCTION						
	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	% Change (2020-2024)
General Government	\$13,564,840	\$13,057,490	\$13,456,210	\$13,701,210	\$15,413,630	14%
Public Safety	\$12,977,960	\$13,022,410	\$13,214,730	\$13,771,080	\$14,439,630	11%
Public Works	\$20,835,970	\$21,072,340	\$22,973,940	\$22,770,880	\$22,151,240	6%
Health & Human Services	\$25,990,520	\$26,498,440	\$26,723,300	\$27,242,850	\$27,627,600	6%
Education & Conservation	\$1,464,730	\$1,726,340	\$1,437,930	\$1,448,440	\$1,748,990	19%
Debt Service	\$4,723,900	\$4,743,200	\$4,928,070	\$5,000,570	\$5,008,560	6%
Capital Projects	\$0	\$2,183,450	\$0	\$0	\$0	
Contingency Fund	\$588,920	\$200,000	\$230,070	\$150,000	\$200,000	(66%)
Exempt Levy Items	\$771,380	\$936,120	\$912,390	\$779,130	\$951,170	23%
<b>Total Expenditures</b>	<b>\$80,918,220</b>	<b>\$83,439,790</b>	<b>\$83,876,640</b>	<b>\$84,864,160</b>	<b>\$87,540,820</b>	<b>8%</b>

## SYNOPSIS

**General Government:** Increases relate to the Retirement Pool, MIS and wages and benefits. The Retirement Pool increased due to long-term employees retiring. MIS operations, due to the on-going demand for current technology, had a 35% increase.

**Facilities Management:** Increased costs in utilities. Utility Reserves were applied to help offset the rising costs. Capital Outlay requests had a 277% increase from 2020 and 608% over 2023.

**Public Safety:** Wages and benefits were the largest factor in the five year increase in costs.

**Health & Human Services:** The majority of the increase in HHS was for new positions granted, contracted services and out of home placements. (**Note:** this category includes the Health Care Center, Veterans Service, and Child Support.)

**Education & Conservation:** Increases are due to expenditures budgeted for conservation grant programs.

**Contingency Fund:** Used for unexpected expenditures not included in department budgets.

**Exempt Levy Items:** Library, State Charges, County Aid Bridge. Debt Service is also exempt, but is listed separately in this table.

# UNDERSTANDING THE BUDGET

## HOW IS THE BUDGET DEVELOPED?

Throughout the year, County Board Supervisors and Department Heads evaluate needs and available resources.

JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Departments are given guidelines on how to prepare the next year's budget.	Departments receive their budget preparation packets. All requested changes in personnel are submitted to Human Resources.	After budget materials are completed by departments, requests (including personnel requests) are reviewed by governing committees. All budgets must be approved by governing committees and submitted for review by the Accounting Department.	After compilation, all budgets are then reviewed by the Finance Committee and County Board Chair.	A Finance Committee recommended budget is presented to the County Board.	A public hearing is held. After that, the budget is approved.	Tax apportionment is completed and tax bills are generated.

## KEY TERMINOLOGY

**Tax Levy:** Amount of money to be raised by general property taxes for purposes specified in the County Board adopted budget.

**Equalized Valuation:** State's estimate of the full value of property. Used to apportion property tax levy among municipalities.

**Assessed Valuation:** Local assessor's value of property.

**Tax Rate (also referred to as the Mill Rate):** Amount of tax levied for each \$1,000 of valuation. The Tax Rate, for Wisconsin counties, is divided into three components:

- **Special:** Items exempted from the Levy Limit, including Libraries, Bridge Aid, State Special Charges and Debt Service.
- **Debt:** Expenditures related to debt service.
- **General:** All other operations.

Total Expenditures	\$87,540,820
Total Revenue Budgeted	(\$53,601,340)
Total Equity Applied	(\$4,625,170)
<b>Total 2023 County Levy</b>	<b>\$29,314,310</b>
Equalized Valuation	\$8,364,866,000
Tax Rate (per \$1,000 assessed property valuation)	3.504

# UNDERSTANDING THE BUDGET

## KEY TERMINOLOGY (continued)

**Levy Limit:** Beginning in year 2006, this limit was enacted for all Wisconsin counties. Excluded from the limit are:

- Debt Service
- County Bridge Aid
- State Charges
- Library Payments

Computation of the allowable increase has seen some minor changes since adoption.

Currently, the formula allows “0” percent or the percentage increase in valuation due to new construction, whichever is higher, along with any decrease that may result from terminating a tax incremental financing district.

## Dissecting the LEVY LIMIT

Years 2020-2024 the allowed increase to the operating levy is as follows:

COLUMBIA COUNTY OPERATIONAL LEVY		
Year	Total Operating Levy <i>Subject to Levy Limit</i>	Allowable Increase
2020	\$22,192,380	\$325,436
2021	\$22,435,280	\$242,900
2022	\$22,721,030	\$285,750
2023	\$23,062,410	\$341,380
2024	\$23,354,580	\$292,170

As illustrated above, the operating levy has increased minimally. Countywide, expenditures have increased 8%.

# ALL ABOUT PROPERTY TAXES

## HOW ARE YOUR COUNTY PROPERTY TAXES COMPUTED?

①

Each municipality is apportioned a share of the county property tax (which has been adopted by the Columbia County Board of Supervisors). This is based on equalized value.

②

The municipality computes the county property tax to be allocated to individual property owners.

This is done by calculating individual property assessment as a percentage of the municipalities' total assessment.

③

Multiply Step 1 by Step 2.

### *Example:*

A taxpayer lives in the Town of Wyocena.

Town of Wyocena's share county property tax (based on apportionment) = \$1,030,014

Taxpayer's assessment of home = \$200,000

Town of Wyocena's total assessment = \$293,915,400

Taxpayer's assessment, as a percentage of the Town of Wyocena's assessment = .000680

**Columbia County Property Tax = \$701**

# ALL ABOUT PROPERTY TAXES

## WHAT IS INCLUDED ON A PROPERTY TAX BILL?

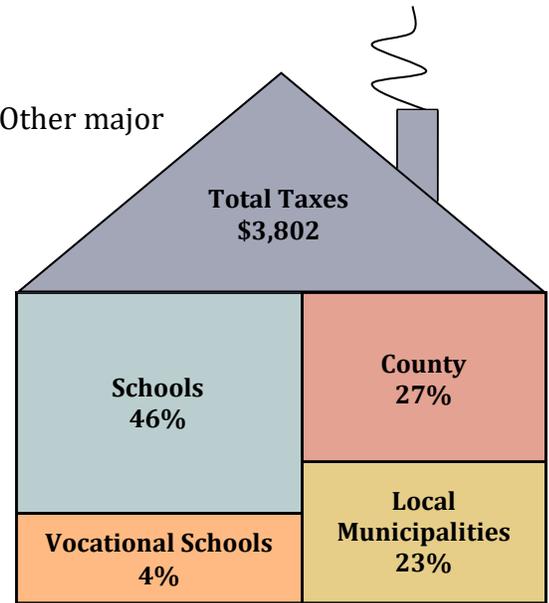
The Columbia County tax is only one portion of the total tax bill. Other major taxing jurisdictions include:

- State of Wisconsin
- Municipality
- School District
- Technical College

In Step 2 on page 10, municipalities also apportion these levies. In Columbia County, the average taxpayer has a property tax bill of \$3,802 which \$1,027 is for the County.

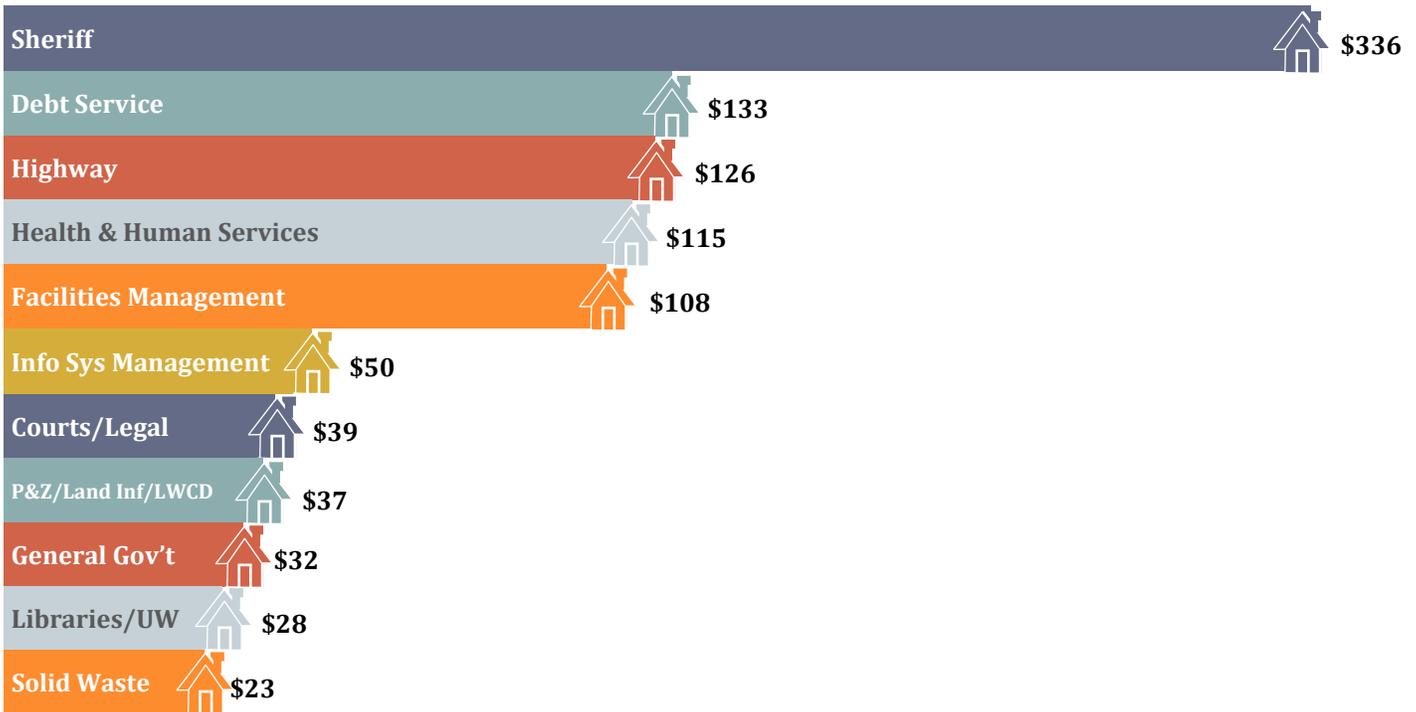
- Comparables:**
- ✓ The median property tax in WI is \$3,007.
  - ✓ Dane County collects the highest tax of \$4,149.
  - ✓ Iron County collects the lowest of \$1,520.

*Source: Tax-rates.org*



## WHAT DOES YOUR \$1,027 (AVERAGE) IN COUNTY PROPERTY TAXES PAY FOR?

(**Note:** This chart computes amounts after general revenues have been allocated against all operations.)



# ALL ABOUT PROPERTY TAXES

## TAX RATE

The chart to the right, tracks 10 years of rates.

**What does this illustrate?** Tax rate is computed by dividing the equalized value by the levy. In the last 10 years, the general tax rate has decreased 1.531/\$1,000 assessed property valuation or \$306 on a \$200,000 home.

Adding in the other levies (exempt from Levy Limit) and debt, the tax rate has decreased 32% over the last 10 years.

10 YEAR TRACKING OF THE TAX RATE				
	General	Other	Debt	Total
2015	4.323	0.160	0.689	5.172
2016	4.243	0.149	0.774	5.166
2017	4.161	0.148	0.838	5.147
2018	4.112	0.152	0.877	5.141
2019	3.991	0.144	0.849	4.984
2020	3.846	0.120	0.819	4.785
2021	3.737	0.140	0.790	4.667
2022	3.530	0.142	0.750	4.422
2023	3.142	0.106	0.674	3.922
2024	2.792	0.114	0.598	3.504

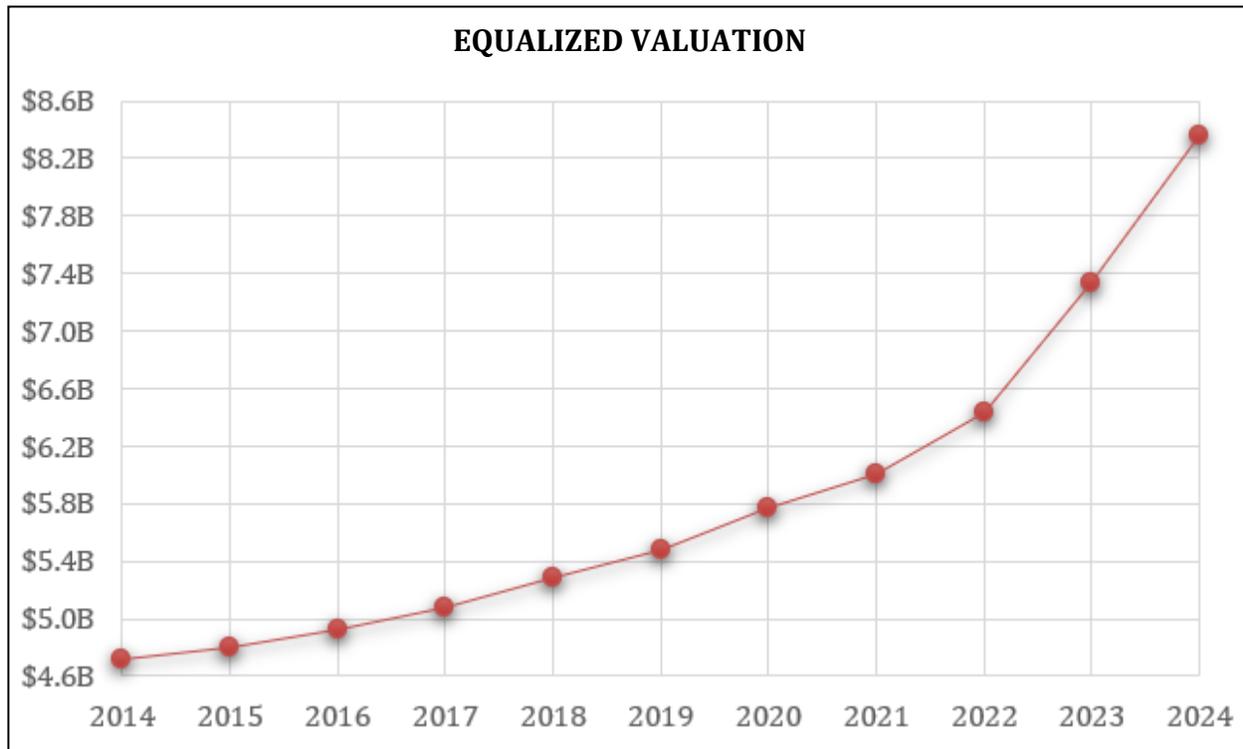
## EQUALIZED VALUATION

The chart below, tracks 10 years of values.

**What does this illustrate?** Since 2015, values have been on the rise again. Changes in equalized valuation directly impact taxes paid.

With a zero increase in levy, property taxes assessed may still increase if equalized valuation declines.

Reversing that scenario, property taxes assessed may decrease with the increases in equalized valuation. See the tax rates years 2015-2024. Though the Columbia County tax levy increased, the tax rate has dropped.



# DEBT

## THE BASICS OF BONDS (AND OTHER DEBT)

### BOND BASICS:

Bonds/notes are just like IOUs. Purchasers of this debt means they are lending out their money.

Bonds are also called fixed-income securities because the cash flow from them is fixed.

A bond is characterized by its face value, coupon rate, maturity, and issuer.

Stocks are equity; bonds/notes are debt.

Yield is the rate of return received on a bond/note.

When price goes up, yield goes down and vice versa.

When interest rates rise, the price of bonds in the market falls and vice versa.

Bills, notes, and bonds are all fixed-income securities classified by maturity.

Columbia County has issued both bonds and notes. Notes have shorter maturities; up to 10 years. A shorter maturity date means lower rates. Bonds have maturities longer than 10 years, and are more complicated.

## MOODY'S RATING

Moody's and Standard & Poor's are the best-known and most influential credit rating agencies. Columbia County bonds have always been rated by Moody's. Their role as raters is to assess the risk of bonds/notes through the study of all information provided to the public, and to assign to the issue and issuing company grades that accurately reflect the ability to meet the promised principal and interest payments.

Bond pricing and coupon are affected by the credit rating. Columbia County refunded existing debt in 2018 and 2019. 2019 had additional debt issued for upgrading Sheriff's radio towers and equipment. For each issuance, Columbia County was rated. Our current credit rating, issued by Moody's Investor Service, is Aa1.

BOND RATING CODES	
<u>Credit Worthiness</u>	<u>Moody's</u>
• An obligor has EXTREMELY STRONG capacity to meet its financial commitments.	Aaa
• High Quality	Aa
• Upper Medium Quality	A
• Medium Grade	Baa
• Somewhat Speculative	Ba
• Low Grade, Speculative	B
• Low Grade, Default Possible	Caa
• Low Grade, Partial Recovery Possible	Ca
• Default, Recovery Unlikely	C

# DEBT

## SUMMARY OF LONG TERM DEBT

<u>Debt Service Impact</u>	COLUMBIA COUNTY SUMMARY OF DEBT ISSUED			
Debt service payments for years 2022 and 2023 will average \$5.0 million per year. Of this, an average \$4,300,000 is for the 2014-2018 County building/other projects.  An average taxpayer with a \$200,000 home will pay an additional amount, not to exceed \$40.00, to fund the building project.	Debt Issued	Purpose	Outstanding Balance 12/31/23	
	<b>2016</b>	\$35,510,000	Space Needs 2 & 3	\$25,100,000
	<b>2018</b>	\$14,900,000	Refunding	\$12,350,000
	<b>2019</b>	\$7,045,000	Refunding/Sheriff Proj	\$3,000,000
	<b>Total</b>			<b>\$40,450,000</b>

## LEGAL DEBT LIMIT

The County has the power to incur indebtedness for County purposes specified by statute (Chapter 67, Wisconsin Statutes) in an aggregate amount, not exceeding five percent of the equalized value of taxable property in the County, as last determined by the State of Wisconsin Department of Revenue. In general, such indebtedness may be in the form of bonds and promissory notes for various public purposes. The County's unused borrowing capacity is as follows:

Equalized Value of Taxable Property in the County for 2023	\$8,364,866,000
Outstanding General Obligation Debt as of December 31, 2023	\$40,450,000
Legal Debt Capacity (5% of Equalized Value)	\$418,243,300
Unused Margin of Indebtedness	\$377,793,300
Unused Legal Debt Capacity	90.33%

DEBT AS A PERCENTAGE OF EXPENDITURES					
Year	Total Outstanding Debt	Total Debt Service	Total Expenditures	Total Levy	% Debt Service to Expend
<b>2020</b>	\$50,800,000	\$4,723,400	\$80,918,220	\$27,610,590	5.8%
<b>2021</b>	\$47,600,000	\$4,743,200	\$83,439,790	\$28,018,230	5.7%
<b>2022</b>	\$44,100,000	\$4,928,070	\$83,876,640	\$28,461,490	5.9%
<b>2023</b>	\$40,450,000	\$5,000,570	\$84,864,160	\$28,787,610	5.9%
<b>2024</b>	\$36,700,000	\$5,008,560	\$87,540,820	\$29,314,310	5.7%

## WHAT'S AHEAD?

In 2024, our annual debt service is approximately \$5.0 million. For the average taxpayer, this computes to \$120. \$118 of this is attributable to the 2014-2018 building/remodeling project. (**Note:** amounts are gross, before the general revenue allocation.) Columbia County will work on refinancing two of our debt structures for the 2025 budget and beyond.

# RESERVES

## GENERAL RESERVES

Fund balance, as defined in the context of financial reporting, is used to describe the net position of funds. It must be calculated in accordance with generally accepted accounting principles. Governmental Accounting Standards Board (GASB) Statement No. 54, requires fund balance to be divided into five components.

### Nonspendable

Not in spendable form or legally required to remain intact. These are non-cash assets. Examples: prepaid expenses, inventories, delinquent taxes.

### Restricted

Externally enforceable limitations on use of proceeds. Externally imposed by creditors, grantors, laws of other governments, outside parties, enabling legislation. Examples: jail bond or note proceeds, nonlapsing balances (attributed to State regulations), CDBG housing program.

### Committed

Self imposed limitations. Binding unless removed by county. Formal action needed to impose, remove, modify. Examples: equity applied to future budgets, nonlapsing balances, encumbrances.

### Assigned

Limitation resulting from less formal action. Established by governing body or official delegated by governing body. Allows authority to be delegated to some other body/official. Examples: insurance fund, fuel/utility, capital improvements.

### Unassigned

The last category - Unassigned - represents our **General Fund**. The unreserved portion of the fund balance (General Fund) serves as a key component of government fiscal stability. Adequate levels are essential to:

- a. Provide sufficient cash flow for financial needs during the year,
- b. Secure and maintain investment grade bond ratings and at the same time, keep long term investments intact, which translates into favorable interest rates when incurring debt,
- c. Offset significant economic downturns or revenue shortfalls, and
- d. Provide funds for unforeseen expenditures related to emergencies.

# RESERVES

## HOLDING THE CONVERSATION...WHAT IS THE RIGHT LEVEL OF RESERVES?

Columbia County’s Financial Handbook defines the level of reserves as follows:

The Government Finance Officers Association (GFOA) recommends, at the very minimum, the County’s general fund should maintain a level no less than two to three months of operating expenditures. For budget 2024, three months equates to \$21,885,205. GFOA also recommends the adequacy of reserves should take into account each government’s unique circumstances. Use of funds should be prohibited as a source for ongoing operating expenditures.

Columbia County’s historical general fund balances can be attributed to conservative budget practices and careful planning for the future. Below is a history of our General Fund, along with other comparative data.

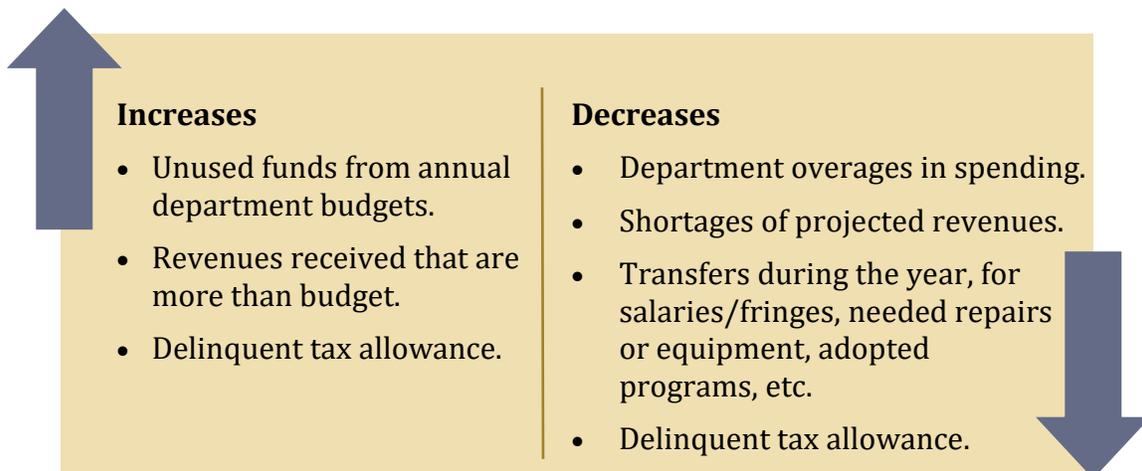
ANALYSIS OF RESERVES TO EXPENDITURES			
Year	Reserves Applied to Budget *	General & HHS Expenditures**	Reserves Used as a Percent of Expenditures
2018	\$1,503,320	\$46,370,870	3.24%
2019	\$1,561,940	\$48,084,210	3.25%
2020	\$1,615,430	\$50,559,980	3.20%
2021	\$1,039,100	\$50,767,690	2.05%
2022	\$1,418,420	\$52,012,250	2.73%
2023	\$1,340,290	\$54,024,780	2.48%
2024	\$1,070,370	\$56,567,730	1.89%

COLUMBIA COUNTY SUMMARY OF GENERAL FUND UNDESIGNATED RESERVES, AND CLOSEOUTS		
Year	General Fund/ Undesignated Reserves 12/31 Balance	Year End Department Closeouts
2018	\$23,231,350	\$2,772,143
2019	\$22,440,345	\$2,629,567
2020	\$22,534,126	\$2,070,109
2021	\$23,534,164	\$1,786,165
2022	\$24,476,785	\$2,743,247

\* Reserves were also applied to the Health Care Center and Highway budgets, using their own internal funds.

\*\* In this chart, only General and Health & Human Service expenditure totals are used. Debt Service has its own levy. Health Care Center and Highway apply their own reserves.

## HOW DO RESERVES CHANGE?



# RESERVES

## QUESTIONS & ANSWERS

### Does the General Fund represent cash in the bank?

*No. Our fund balances contain other items such as inventories, receivables, and prepaid expenses. Many of these items are not available for spending.*

### Is the General Fund the difference between revenues and expenditures for the year?

*No. The General Fund balance is cumulative. It includes balances and deficits from previous years.*

### How can money come out of the General Fund and be used for specific purposes?

*Columbia County Standing Rules - Rule 5 (4)  
Resolutions to make transfers from the General Fund or the Contingency Fund shall be referred to the Finance Committee for its recommendation back to the Board, and shall require a two-thirds vote of the entire membership of the Board to obtain passage, pursuant to Sec. 65.90 (5)(a), Wis. Stats.*

### What are some needs for a General Fund?

- *Planning - Reserves are a critical factor in the County's ability to plan and budget for the future.*
- *Cash Flow - Revenue receipts and expenditures are not spread evenly throughout the year, so cash flow has low points. Reserves ensure money is in the bank to pay our employees, vendors, contracts, and debt service. As the County grows (expenditures have risen 8% since 2020), the need for available and stable reserves is critical.*
- *Unforeseen expenditures or emergencies:*
  - ⇒ *More clients in the Health & Human Service Child and Family Services Division*
  - ⇒ *Heavier winter snow or ice*
  - ⇒ *Equipment breakdowns and required upgrades*
  - ⇒ *State/Federal mandates*
  - ⇒ *Other*
- *Bond Ratings - Fund balances have a direct impact on bond ratings. The lower the reserves, the higher the interest rate that will be paid. In the October 10, 2018 Moody's Credit Report, Columbia County was assigned an Aa1 rating. They acknowledge that we are "small for the rating category". However, they list the "proactive management and the maintenance of strong reserves" as a factor in our rating. It is noted that "narrowing of reserves or liquidity" could lead to a downgrade.*
- *Revenue Shortfalls - Revenue projections adopted in the budget may run short.*