

BAYFIELD COUNTY

FUND BALANCES AND UTILIZATIONS 2022

When revenues exceed expenditures at the end of the year, the remainder goes to Fund Balance accounts. These balances are used as savings for expenditures in future years. Fund Balance is also held to ensure the county has adequate resources for schools and municipalities when taxes go unpaid. The County serves as the guarantor. County financial policies specify 25% of the General Fund expenditures to be kept in Fund Balance.

With multiple funds, each fund has its own fund balance. The County General Fund is the primary fund with the largest balance and largest tax amount. Balances are used to support and buffer finances between years, special projects and crisis situations. Balances are also used to fund large capital projects, purchases or service contracts in addition to providing cushion for unexpected events.

Bayfield County uses fund surpluses from one year to support capital purchases in the next. To do this Bayfield County uses transfers from the General Fund to the Highway and Capital Improvement Funds. As these are one-time funds, once spent, these funds are exhausted unless replenished by revenues over expenditures in future years. It is also dependent upon surpluses being available from one year to the next.

The 2022 Budget proposes the following Fund Balance Utilization:

- General Fund: \$1,963,098,098 is budgeted in 2022
(up from \$1,106,701 in 2021, \$2,199,571 in 2020)
 - \$500,000 Transfer to Highway
 - \$500,000 for Courthouse Roofing
 - \$30,000 Non-Lapsing Forestry Equipment Funds
 - \$763,098 to Capital Improvement
- Health Reserve Fund Balance: \$60,000
- Jail Assessment: \$5,000
- ARPA: \$1,460,283
- Dog License Fund: \$2,780
- Capital Improvement: \$882,659
- Highway: \$198,571

TOTAL BUDGETED FUND BALANCE: \$4,572,391

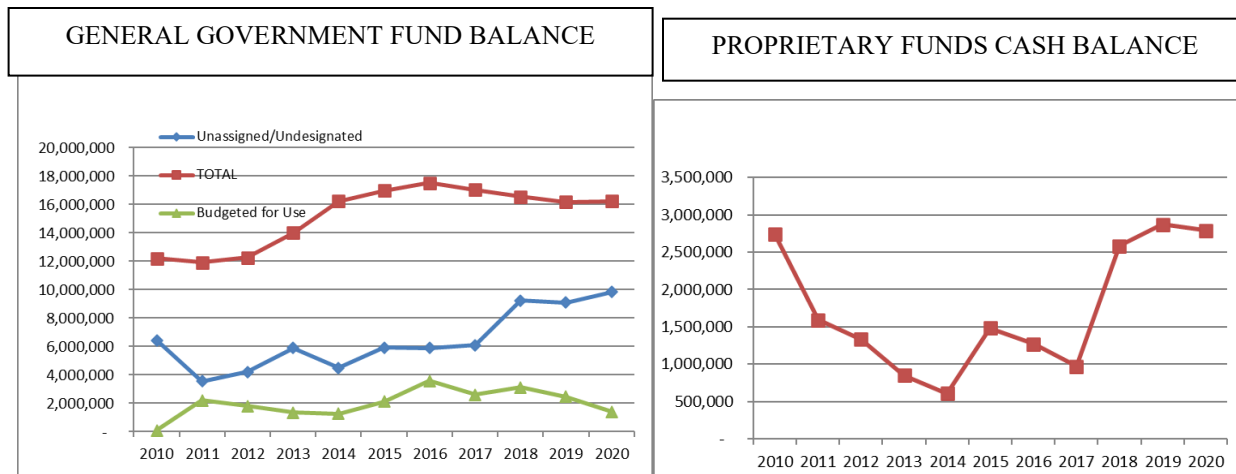
County Fund Balances have peaked in 2021 with COVID and ARPA funding.

CHANGES OCCURRING

Interest and forestry earnings in addition to sales tax are important revenue generators for the county accounting for over 30% of the Bayfield County Levy. In 2022, Treasury interest earnings are estimated to drop 80%. Sales tax is projected to remain strong with an increase to \$1.4 million proposed in 2022. Forestry earnings are projected to increase by \$50,000 over 2021, still down dramatically from 2017 but coming back.

The County actively tracks fund balances to ensure a cushion is available in difficult financial times. Those times are here now, sufficient balances are on hand. Continued monitoring is critical.

The following charts show the overall fund balance trend, assigned status and budgeted for use in each year, as well as the Proprietary Fund (Highway) balances



FUND BALANCE											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Non-Spendable		3,321,167	3,617,866	3,597,402	3,587,182	2,868,939	2,897,470	2,379,848	2,610,581	2,999,298	2,557,073
Restricted		77,735	87,343	110,119	110,172	109,195	112,994	118,019	187,782	309,692	317,958
Committed/Reserved	4,127,017	4,387,924	3,818,803	3,967,380	7,616,000	7,663,475	8,297,217	7,509,611	1,370,027	1,682,423	1,294,614
Assigned/Designated	1,659,113	580,736	526,866	442,887	408,482	402,467	339,177	935,568	3,153,796	2,081,246	2,209,312
Unassigned/Undesignated	6,428,154	3,563,437	4,221,569	5,889,911	4,505,741	5,929,070	5,886,817	6,082,334	9,224,583	9,101,248	9,847,094
TOTAL	12,214,284	11,930,999	12,272,447	14,007,699	16,227,577	16,973,146	17,533,675	17,025,380	16,546,769	16,173,907	16,226,051
Budgeted for Use	89,450	2,205,681	1,823,588	1,359,196	1,260,265	2,115,062	3,576,359	2,617,882	3,123,224	2,459,826	1,416,258
Proprietary Funds Cash Balance	2,747,151	1,589,747	1,332,414	850,833	609,628	1,482,279	1,271,101	972,722	2,585,300	2,870,029	2,788,999
<i>Business Type Activities</i>											

2020 updated balances as of June 2021:

	General Fund	Human Serv. Fund	Non-Major Funds	Total Gov Funds
Fund Balances				
Nonspendable	2,557,043	-	-	2,557,043
Restricted	448,054	148,631	190,553	787,238
Committed	115,763	435,000	1,105,966	1,656,729
Assigned	7,651,234	197,778	-	7,849,012
Unassigned	4,328,759	-	-	4,328,759
Total fund balances	15,100,853	781,409	1,296,519	17,178,781
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,152,103	\$ 3,725,969	\$ 2,698,346	\$ 29,576,418