

NORTHWEST REGIONAL PLANNING COMMISSION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2023 AND 2022



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**NORTHWEST REGIONAL PLANNING COMMISSION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwest Regional Planning Commission
Spooner, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Northwest Regional Planning Commission, as of and for the year ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Northwest Regional Planning Commission'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 financial position of Northwest Regional Planning Commission as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Northwest Regional Planning Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Northwest Regional Planning Commission'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 opinion. 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 Northwest Regional Planning Commission'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 Northwest Regional Planning Commission'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 discussion and analysis, schedule of proportionate share of Wisconsin retirement system net pension plan (asset) liability, schedule of contributions to Wisconsin retirement system pension plan, schedule of Commission's proportionate share of the net OPEB liability Wisconsin local retiree life insurance fund OPEB plan and schedule of commission's contributions to Wisconsin local retiree life insurance fund OPEB plan, as referenced 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Northwest Regional Planning Commission's basic financial statements. The accompanying individual and combining statements (supplementary information) is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal and state awards, as required by Title 2 *U.S. Code of Federal Requirements* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, is also presented for purposes of additional analysis and is 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 audits 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 accompanying supplementary information, schedule of expenditures of federal awards and schedule of expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of Northwest Regional Planning Commission'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 result of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 18, 2024

**NORTHWEST REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Northwest Regional Planning Commission's (NWRPC) Management Discussion and Analysis (MD&A) of its financial conditions provides an overview of financial activity, identifies changes in financial positions, and assists the reader in interpreting the basic financial statements by focusing on noteworthy financial issues.

While maintaining its financial health is crucial to the long-term viability of NWRPC, the primary mission of the Commission is to improve and enhance the economic conditions of the Region. Therefore, net assets are accumulated to ensure that there are sufficient reserve funds for future operations and implementation of new programs. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying basic financial statements.

This annual report consists of a series of basic financial statements, prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the revenue earned and expenses incurred during the year. Activities are reported as either operating or non-operating. In general, NWRPC has revenue sources primarily from federal grants, local contracts, and rental and interest income. Operating expenses consist mainly of salaries, fringe benefits, various contracts for services, and depreciation.

The following is a condensed version of the statement of revenue, expenses, and changes in net position:

	2023	2022	2021	Increase (Decrease) 2022 to 2023
Operating Revenue	\$ 3,020,452	\$ 5,906,692	\$ 4,458,453	\$ (2,886,240)
Operating Expenses	(3,548,389)	(5,807,732)	(4,370,770)	(2,259,343)
Nonoperating Revenue	228,611	204,325	(233,935)	24,286
Excess Revenue Over Expenses	<u>\$ (299,326)</u>	<u>\$ 303,285</u>	<u>\$ (146,252)</u>	<u>\$ (602,611)</u>

Some noteworthy results of operations for the current year are reflected below:

- Net position for the year decreased by \$299,326 from a 1/1/23 beginning balance of \$19,147,095 to a 12/31/23 ending balance of \$18,847,769. Contributing to these results was a budgeted payment to Bayfield County for the Iron River Enterprise Center and the net change in Wisconsin Retirement System Pension related balances.
- The majority of NWRPC's revenue is derived from federal and local sources and enterprise income. Member County levy accounts for \$211,828, which is 7.0% of total operating revenue. It continues to be the objective of the organization to become less dependent on member county levy funding support.
- NWRPC is a diverse organization made up of various component units. As the reader reviews individual aspects of the organization, it becomes evident that the parts do not contribute equally to the revenue stream. Historically, this has been the case and it will continue since activity in each unit varies from year to year. Conscientious management of the organizations' assets will continue to strengthen the total financial position.

**NORTHWEST REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Statement of Cash Flows

The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, capital, financing, and investing activities. This statement is important in evaluating NWRPC's ability to meet its financial obligations as they mature.

The following schedule shows the major components of the statement of cash flows:

Specific items related to the statement of cash flows include the following:

- A large component of cash used in operating activities was payments to employees for wages and benefits. These costs were approximately \$1.59 and \$1.45 million in 2023 and 2022, respectively.
- Long-term borrowing was \$100,000 in 2023 and \$200,000 in 2022. NWRPC continues to manage its needs to not need short-term borrow by carefully managing its cash flow and operations. Current year borrowing includes \$100,000 drawn on a loan from the Small Business Administration for the microloan program.
- Internal organization controls placed on purchasing activity as well as other day to day expenses for NWRPC continued to provide efficiencies that strengthened cash flow.
- Depreciation expense accounted for \$314,606 in 2023, compared to \$351,787 in 2022.
- Overall, there was net cash decrease during 2023 of \$1,340,407 which was primarily due to revolving loan activity. Cash and cash equivalent balances of approximately \$5.8 million is a sign of a strong organization.

Statement of Net Position

The statement of net position includes all assets and deferred outflows or resources (items NWRPC and its component units own and the amounts owed to the organization by others) and liabilities and deferred inflows of resources (amounts owed to others by NWRPC and what has been collected from others for which services still need to be performed). This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expense and liabilities are recognized when others provide the service to NWRPC, regardless of when payment is made.

**NORTHWEST REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Below are highlights of the components of the statement of net position:

	2023	2022	2021
Assets:			
Current Assets	\$ 8,118,510	\$ 9,076,795	\$ 10,077,897
Long-Term Receivables	8,795,729	7,485,634	6,699,754
Wisconsin Retirement System Net Pension Asset	-	445,338	356,259
Capital Assets	4,273,795	4,911,713	5,123,633
Investments, Net	108,592	324,635	326,832
Total Assets	<u>21,296,626</u>	<u>22,244,115</u>	<u>22,584,375</u>
Deferred Outflows of Resources:			
Deferred Outflow of Resources - WRS Pension Related	1,108,609	874,813	589,374
State Life Insurance Other Post Employment			
Benefits Related	<u>29,305</u>	<u>28,890</u>	<u>39,050</u>
Total Deferred Outflows of Resources	<u>1,137,914</u>	<u>903,703</u>	<u>628,424</u>
Liabilities:			
Current Liabilities	561,959	638,911	932,248
Wisconsin Retirement System Net Pension Liability	297,408	-	-
State Life Insurance Net Other Post Employment			
Benefits Liability	54,286	76,841	82,384
Compensated Absences	239,900	214,261	208,015
Long-Term Debt	<u>1,551,855</u>	<u>1,777,386</u>	<u>1,974,371</u>
Total Liabilities	<u>2,705,408</u>	<u>2,707,399</u>	<u>3,197,018</u>
Deferred Inflows of Resources:			
Deferred Inflow of Resources - WRS Pension Related	624,056	1,049,192	781,587
State Life Insurance Other Postemployment			
Benefits Related	45,879	19,053	16,152
Lease Receivable Related	<u>211,428</u>	<u>225,079</u>	<u>374,232</u>
Total Deferred Inflows of Resources	<u>881,363</u>	<u>1,293,324</u>	<u>1,171,971</u>
Net Position:			
Net Investment in Capital Assets	2,997,503	3,532,632	3,761,625
Restricted - Nonexpendable	(24,278)	26,363	28,438
Restricted	13,557,563	14,308,456	13,308,349
Unrestricted	<u>2,316,981</u>	<u>1,279,644</u>	<u>1,745,398</u>
Total Net Position	<u>\$ 18,847,769</u>	<u>\$ 19,147,095</u>	<u>\$ 18,843,810</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Specific analysis of the Statement of Net Position reveals the following:

- As indicated above, a large portion of NWRPC's assets are in property and equipment – appropriately 20%. These consist primarily of the property and buildings in the Commission's 164,500 sq. ft. Enterprise Center Network. NWRPC continues to become much more diversified in its asset base as the long-term receivables portion of the organization is at 41%. This diversification provides the organization more flexibility as it moves forward. About 61% of the organization consists of buildings, equipment, and long-term loans receivable.
- Receivables are primarily amounts due from various local units of government for services rendered. Long-term loan receivables are amounts due from a number of loan programs administered through the organization.
- Investment assets are those investments made through the venture capital fund and were re-evaluated based on current valuation.
- 57% of total liabilities consist of long-term debt. Total Net Position decreased by \$299,326 from 2022.

Capital Assets and Debt Administration

NWRPC continues to invest in its capital assets, primarily its Enterprise Center Network. The Network is an integral piece of the Commission's overall economic development strategy and will provide a reliable revenue source for future Commission operations.

NWRPC's total liabilities decreased by \$1,991 in 2023. The net decrease was primarily due to reduced long-term debt through regularly scheduled principal payments which were offset by the Wisconsin Retirement System pension changing from a net pension asset to a net pension liability.

For more information on capital assets and debt see Notes 5 and 6 within the financial statements.

Financial Position

NWRPC continued to maintain a strong financial position during the year ending December 31, 2023. The organization's cash position remains strong. Achieving a consistent and positive cash flow is a primary goal of the organization. Previous years of inconsistent cash flow had led to continual short-term borrowing and increased interest costs. Efforts to eliminate this problem have been successful and management continues to monitor operations.

NWRPC continues to seek ways in which to diversify its revenue sources and has become less reliant on its member counties for levy support. Currently, levy contributions account for 7.0% of the organizations total revenue and the rate of contribution by member counties remains relatively consistent. The organization prepares a realistic annual operating budget, and budget adherence is stressed to all management staff.

**NORTHWEST REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Economic Factors

Budget and policy decisions at the State and Federal level continue to filter down and affect the operations at NWRPC and local units of government. Counties, cities, villages and towns continue to be very budget conscious, wary of decreases in State revenue, and concerned with the imposition of state levy controls. As a result, NWRPC contracts with local units must continue to be refined to be as productive and efficient as possible. NWRPC will continue to explore other revenue sources so high levels of service can continue to be provided in the region. NWRPC is available to local units of government to assist them in dealing with difficult budget constraints and decreasing state funding.

NWRPC continues to monitor State and Federal activities in ways to be effective in providing the organization with opportunities to expand its level of services to assist communities and governmental units create jobs and share programs and services. The future continues to look bright and the NWRPC governing board is optimistic for achieving the goals and objectives of the organization. NWRPC will continue to focus its efforts on a regional growth approach.

NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,721,251	\$ 1,122,307
Cash and Cash Equivalents-Restricted	4,086,341	6,025,692
Receivables	718,021	753,556
Current Portion of Loans Receivable	1,491,892	1,168,053
Allowance for Loans Receivable	(103,700)	(120,400)
Current Portion of Lease Receivable	189,080	127,587
Prepaid Expenses	15,625	-
Total Current Assets	<u>8,118,510</u>	<u>9,076,795</u>
LONG-TERM RECEIVABLES		
Loans Receivable, Less Current Maturities	9,649,676	8,130,553
Allowance for Loans Receivable	(884,310)	(752,244)
Lease Receivable	30,363	107,325
Total Long-Term Receivables	<u>8,795,729</u>	<u>7,485,634</u>
CAPITAL ASSETS		
Capital Assets	9,066,447	10,042,799
Less Accumulated Depreciation	4,792,652	5,131,086
Total Capital Assets - Net	<u>4,273,795</u>	<u>4,911,713</u>
OTHER LONG-TERM ASSETS		
Investments, Net	108,592	324,635
Wisconsin Retirement System Net Pension Asset	-	445,338
Total Other Long-Term Assets	<u>108,592</u>	<u>769,973</u>
Total Assets	21,296,626	22,244,115
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	1,108,609	874,813
State Life Insurance Other Post Employment Benefits Related	29,305	28,890
Total Deferred Outflows of Resources	<u>1,137,914</u>	<u>903,703</u>
LIABILITIES		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	325,578	369,747
Accounts Payable	136,586	166,422
Accrued Expenses	87,697	86,842
Unearned Revenue	12,098	15,900
Total Current Liabilities	<u>561,959</u>	<u>638,911</u>
LONG-TERM LIABILITIES		
Wisconsin Retirement System Net Pension Liability	297,408	-
State Life Insurance Net Other Post Employment Benefits Liability	54,286	76,841
Compensated Absences	239,900	214,261
Long-Term Debt, Less Current Maturities	1,551,855	1,777,386
Total Long-Term Liabilities	<u>2,143,449</u>	<u>2,068,488</u>
Total Liabilities	2,705,408	2,707,399
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	624,056	1,049,192
State Life Insurance Other Post Employment Benefits Related	45,879	19,053
Lease Receivable Related	211,428	225,079
Total Deferred Inflows of Resources	<u>881,363</u>	<u>1,293,324</u>
NET POSITION		
Net Investment in Capital Assets	2,997,503	3,532,632
Restricted - Nonexpendable	(24,278)	26,363
Restricted	13,557,563	14,308,456
Unrestricted	2,316,981	1,279,644
Total Net Position	<u>\$ 18,847,769</u>	<u>\$ 19,147,095</u>

See accompanying Notes to Basic Financial Statements.

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Intergovernmental:		
Federal Sources	\$ 862,882	\$ 3,859,732
State Sources	73,606	73,355
Local Sources	1,118,413	965,613
Other:		
Loan Interest Income	298,648	248,933
Enterprise Center Income	666,903	759,059
Total Operating Revenues	<u>3,020,452</u>	<u>5,906,692</u>
OPERATING EXPENSES		
Salaries	1,050,729	1,056,653
Fringe Benefits	568,185	399,529
Professional Fees	55,531	60,427
Supplies and Repairs	169,146	167,227
Insurance	45,137	40,651
Postage and Printing	11,717	4,079
Telephone	15,100	14,118
Travel and Meeting Expense	61,779	50,173
Contractual	544,096	426,837
Training and Educational	5,332	4,599
Advertising	5,693	8,184
Utilities	236,815	277,645
Depreciation	314,606	351,787
Miscellaneous	331,411	97,662
Provision for Bad Debts	113,112	148,161
Mainstreet Bounceback Program Expenses	20,000	2,700,000
Total Operating Expenses	<u>3,548,389</u>	<u>5,807,732</u>
OPERATING INCOME (LOSS)	(527,937)	98,960
NONOPERATING REVENUES (EXPENSES)		
County Tax Levy	211,828	211,830
Other Nonoperating Expense	(81,343)	(3,881)
Investment Income	246,840	48,113
Unrealized Loss on Investments	(216,044)	(2,197)
Gain on Sale of Capital Assets	108,237	-
Interest Expense	(40,907)	(49,540)
Total Nonoperating Revenues	<u>228,611</u>	<u>204,325</u>
CHANGE IN NET POSITION	(299,326)	303,285
Net Position - Beginning of Year	<u>19,147,095</u>	<u>18,843,810</u>
NET POSITION - END OF YEAR	<u>\$ 18,847,769</u>	<u>\$ 19,147,095</u>

See accompanying Notes to Basic Financial Statements.

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received for Public Support	\$ 2,302,677	\$ 4,554,363
Payments to Employees	(1,588,564)	(1,445,899)
Payments to Suppliers	(1,463,404)	(3,947,068)
Rental Income Received	668,721	749,226
Other Revenues Received	298,648	248,933
Net Cash Provided by Operating Activities	<u>218,078</u>	<u>159,555</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received for Property Tax Assessments	211,828	211,830
Nonoperating Revenue (Expense)	(50,547)	42,035
Net Cash Provided by Noncapital Financing Activities	<u>161,281</u>	<u>253,865</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Additions to Capital Assets	(12,353)	(139,867)
Proceeds from Disposal of Capital Assets	443,902	-
Principal Payments on Long-Term Debt	(231,407)	(282,178)
Interest Paid	(40,624)	(43,728)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>159,518</u>	<u>(465,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of Loan Receivables	(2,932,117)	(2,089,072)
Principal Payments on Long-Term Debt	(138,293)	(124,883)
Long-Term Borrowings	100,000	200,000
Interest Paid	(283)	(5,812)
Principal Payments Received on Loan Receivables	1,091,409	1,330,080
Net Cash Used by Investing Activities	<u>(1,879,284)</u>	<u>(689,687)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,340,407)</u>	<u>(742,040)</u>
Cash and Cash Equivalents - Beginning of Year	<u>7,147,999</u>	<u>7,890,039</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,807,592</u>	<u>\$ 7,147,999</u>
Cash and Cash Equivalents	\$ 1,721,251	\$ 1,122,307
Cash and Cash Equivalents - Restricted	4,086,341	6,025,692
Total Cash and Cash Equivalents	<u>\$ 5,807,592</u>	<u>\$ 7,147,999</u>
RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (527,937)	\$ 98,960
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	314,606	351,787
Provision for Bad Debts	113,112	148,161
Provision for Change in Value of Investments	216,043	2,197
Net Change in Wisconsin Retirement System Pension Balances	83,814	(106,913)
Net Change in State Life Insurance OPEB	3,856	7,518
Effects of Changes in Assets and Liabilities:		
Receivables	37,353	(66,320)
Prepaid Expenses	(15,625)	1,180
Accounts Payable	(29,836)	10,267
Accrued Expenses	855	(3,481)
Unearned Revenue	(3,802)	(290,047)
Compensated Absences	25,639	6,246
Net Cash Provided by Operating Activities	<u>\$ 218,078</u>	<u>\$ 159,555</u>

See accompanying Notes to Basic Financial Statements.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Northwest Regional Planning Commission (NWRPC or Commission) is a cooperative venture of local governments in a ten-county area of northwestern Wisconsin. NWRPC was created under Section 66.945 of the Wisconsin Statutes and is tax exempt under Sections 4055, 4221(a) (4), and 4292 of the Internal Revenue Code. The mission of NWRPC is to be an advocate for Northwest Wisconsin. NWRPC is a leader, a coordinator, and an advisor. NWRPC accomplishes this through implementation of core functions such as planning, community development, and economic development. NWRPC promotes recognition of common interests, researches area problems, provides technical assistance to communities, prepares area-wide plans, helps the area meet state and federal aid requirements, acts as a clearinghouse, and strives for better utilization of the region's resources. NWRPC receives funding from local, state, and federal government and private sources and must comply with the requirements of the financing source entities. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of NWRPC (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of NWRPC's operations. These entities are considered blended component units because they are legally separate organizations for which NWRPC is financially accountable or closely related. For each organization, NWRPC may appoint at least a voting majority of the governing body or can impose its will on the operations. Additionally, each organization provides services for the benefit of NWRPC or its mission even if the services are not provided directly to NWRPC. Each component unit has a December 31 year-end.

Component Units

Component units consist of the following:

Wisconsin Business Innovation Corporation (WBIC) – WBIC is a nonprofit corporation and is organized for the purpose of providing economic development and technical assistance services to businesses and start-up businesses in Northwestern Wisconsin. The Organization also operates a Revolving Loan Fund (RLF) and an IRP Revolving Loan Fund (IRP) that makes loans to Wisconsin manufacturing and agricultural businesses under the terms of an agreement with the United States Department of Commerce, Economic Development Administration (EDA), and United States Department of Agriculture, Rural Development, respectively.

WBIC has a majority interest in Wisconsin Rural Enterprise Fund, LLC (WREF), which is accounted for on the equity method. This entity provides reasonably priced equity and/or debt financing for startup, early stage, and growing businesses that will create or save high skilled and high wage jobs primarily targeted at economically distressed rural communities and create economic diversity and wealth.

Inter-company transactions and balances have been eliminated in consolidation.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units (Continued)

Northwest Wisconsin Business Development Corporation (NWBDC) – NWBDC is a nonprofit corporation organized under the laws of the state of Wisconsin and administers revolving loan funds to stimulate private sector job creation and capital formation in a ten-county area of Northwestern Wisconsin.

Northwest Wisconsin Regional Economic Development Fund, Inc. (NWRED) – NWRED is a nonprofit corporation organized, under the laws of the state of Wisconsin, in 2006 to administer revolving loan funds to stimulate private sector job creation and capital formation in a ten-county area of Northwestern Wisconsin. In seven of these counties of Northwestern Wisconsin, it can make revolving loan funds available for administering.

Northwest Wisconsin Affordable Housing, Inc. (NWAH) – NWAH is a nonprofit corporation organized under the laws of the state of Wisconsin. The Organization is located in Spooner, Wisconsin, and is organized to establish and maintain a system for the purpose of developing housing and administering housing related programs for low- and moderate-income persons. A substantial portion of Northwest Affordable Housing, Inc.'s revenue is earned providing home buyer assistance to persons who qualify.

Basis of Presentation

For financial statement reporting purposes the Northwest Regional Planning Commission is considered a special-purpose government engaged only in business-type activities. Accordingly, the basic financial statements have been prepared on the accrual basis of accounting, whereby all revenues are recorded when earned, and all expenses are recorded when incurred. This basis of accounting also requires the Northwest Regional Planning Commission to record depreciation expense related to capitalized fixed assets to spread the cost of these assets to the estimated period benefiting from them.

The Government Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements, (SBITA's)*. This standard requires the recognition of certain subscription based software. Under this standard, a subscription is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Northwest Regional Planning Commission adopted the requirements of the guidance effective January 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Northwest Regional Planning Commission considers all short-term investments with original maturities of three months or less from the date of acquisition to be cash equivalents. The Organization's cash and cash equivalents include cash on hand, demand deposits, and certificates of deposit.

Accounts Receivable and Credit Policies

Accounts receivable are uncollateralized obligations which generally are due upon receipt. Accounts receivable are stated at the invoice amount. Account balances with invoices over thirty days old are considered delinquent. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices.

A portion of accounts receivable is grants receivable, which consist of amounts due from government agencies. These amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

Loans Receivable and Credit Policies

The loans receivable earn interest at a rate of 0% - 20% and require payments of principal and interest. The loans are secured by a first lien security in certain equipment, and a second lien security interest in essentially all other assets of the debtor companies.

Allowance for loans receivable – Management reviews loans receivable and annually establishes an estimated allowance for doubtful loans based on loan experience, loan collectability, and loan history.

Investments

Wisconsin Business Innovation Corporation (WBIC) and Wisconsin Rural Enterprise Fund, LLC, a majority-owned subsidiary of WBIC, have purchased ownership interests in non-publicly traded companies. Management believes the fair value of investments exceeds the cost basis of investments, net of allowance for permanent decline in value of investments.

Investments are reported at cost, net of allowance for permanent decline in value of investments.

Allowance for Estimated Permanent Decline in Investments

The Organization's management reviews the investments in non-publicly traded companies annually and establishes an estimated allowance for the permanent decline in value of individual non-publicly traded companies. Future material adjustments to this allowance may be necessary if there are changes in economic conditions of the investees.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value at the time of receipt.

The costs of maintenance and repairs are charged to operations as incurred. Equipment having a cost of \$1,000 or more per unit and building or remodeling projects of \$1,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to relate the cost of the depreciable assets to operations on the straight-line basis over the estimated service lives, which range from 3-7 years for equipment, 15 years for land improvements, 20 years for remodeling, and 40 years for buildings.

Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Leases (Lessor)

The Northwest Regional Planning Commission determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position.

Lease receivables represent the Commission'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.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Lessor) (Continued)

The Commission 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.

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

The Commission 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 Commission treats the components as a single lease unit.

Income Taxes

Wisconsin Business Innovation Corporation – WBIC is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and under similar provisions of the Wisconsin Income Tax Act, except with respect to income generated from unrelated business activities.

With few exceptions, WBIC is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2020 (federal) and 2019 (state), respectively.

Wisconsin Rural Enterprise Fund, LLC (WREF) – WREF is a majority-owned subsidiary of WBIC and is treated as a partnership for federal income tax purposes. Consequently, all tax effects of WREF income or loss are passed through to the members individually.

With few exceptions, WREF is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2020 (federal) and 2019 (state), respectively.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Northwest Wisconsin Business Development Corporation (NWBDC) – NWBDC is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and under similar provisions of the Wisconsin Income Tax Act, except with respect to income generated from unrelated business activities.

With few exceptions, NWBDC is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2020 (federal) and 2019 (state), respectively.

Northwest Wisconsin Regional Economic Development Fund, Inc. (NWRED) – NWRED is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and under similar provisions of the Wisconsin Income Tax Act, except with respect to income generated from unrelated business activities.

With few exceptions, NWRED is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2020 (federal) and 2019 (state), respectively.

Northwest Wisconsin Affordable Housing, Inc. (NWAH) – NWAH is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and under similar provisions of the Wisconsin Income Tax Act, except with respect to income generated from unrelated business activities.

With few exceptions, NWAH is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2020 (federal) and 2019 (state), respectively.

Net Position

Net position is classified according to restrictions or availability of assets for satisfaction of Northwest Regional Planning Commission obligations. Net investment in capital assets represents the net value of property and equipment (capital assets less accumulated depreciation) less the debt incurred to acquire or construct the assets and the borrowed resources not yet expended but restricted for capital purchases. The restricted net position can only be used to fund revolving loan funds (principal, interest, and administrative fees) as they are received for that specific purpose or as a restriction to offset the Wisconsin Retirement System net pension asset. All remaining net position is unrestricted.

Restricted – Nonexpendable

The restricted – nonexpendable net position is the noncontrolling interest which includes investors in WREF for the years ended December 31, 2023 and 2022.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Wisconsin Retirement System Pension Plan Benefits

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

Deferred Outflows of Resources

Northwest Regional Planning Commission reports decreases in net position that relate to future periods as deferred outflows of resources in the statements of net position. A deferred outflow of resources is reported in these financial statements for Wisconsin Retirement System Pension and OPEB related items.

Deferred Inflows of Resources

The 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 Commission reports deferred inflows of resources for Wisconsin Retirement System Pension Plan, OPEB related items and leases.

Revenue Recognition

The Organization recognizes revenues from services when the services are provided. Interest on loans receivable and rental income is recognized in the period earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Revenue and Expenses

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with NWRPC's principal ongoing operations. The principal operating revenues of NWRPC are federal, state, and local grants, loan interest income, rental income, and services charged to customers for sales and services. Operating expenses include, but not limited to, the cost of sales and services, administrative expenses, interest expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is NWRPC's policy to use restricted resources first, then unrestricted resources as they are needed.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 CASH AND CASH EQUIVALENTS

Deposits

NWRPC's deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for interest bearing deposits and noninterest bearing deposits per financial institution. Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2023, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. At December 31, 2023 and 2022, the carrying amount of the NWRPC's deposits, certificates of deposit, and petty cash was \$5,807,592 and \$7,147,999, respectively. The bank balance was \$5,837,593 and \$7,890,181 at December 31, 2023 and 2022, respectively. Of the bank balances (deposits, certificates of deposit, and petty cash), \$353,766 and \$3,556,005 are not fully insured by FDIC or collateralization being held by the financial institutions at December 31, 2023 and 2022, respectively.

Cash and Cash Equivalents

NWRPC's cash and cash equivalents consist of the following amounts at December 31:

	2023	2022
Petty Cash Funds	\$ 100	\$ 100
Deposits in Bank (Carrying Amount)	5,807,492	7,147,899
Total Cash and Cash Equivalents	<u>\$ 5,807,592</u>	<u>\$ 7,147,999</u>

NWRPC's cash and cash equivalents are classified as follows at December 31:

	2023	2022
Restricted for Loan Service & Grant Activities	\$ 4,086,341	\$ 6,025,692
Unrestricted	1,721,251	1,122,307
Total Cash and Cash Equivalents	<u>\$ 5,807,592</u>	<u>\$ 7,147,999</u>

The portion of cash and cash equivalents restricted is for compliance with legal requirements and cannot be used for general purposes.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. NWRPC does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and Cash Equivalents (Continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. NWRPC's has no investment policy which minimizes credit risk by limiting investments to specific types of securities, other than state laws and regulations.

Concentration of Credit Risk – Concentration of credit risk refers to risk of loss attributable to any one issuer of investments or to any one financial institution. NWRPC places no limits on the amount the Organization may invest in any one issuer.

Foreign Currency Risk – Foreign currency risk is the risk that deposits denominated in foreign currency are subject to the potential risk of loss from changes in exchange rates which can be significant. NWRPC does not have an investment policy which specifically address deposits denominated in foreign currency, but NWRPC did not hold any deposits denominated in foreign currency during the year, or as of December 31, 2023 and 2022.

NOTE 3 RECEIVABLES

Receivables at December 31 include the following elements:

	2023	2022
Accounts Receivable	\$ 430,797	\$ 466,332
Grants Receivable	287,224	287,224
Loans Receivable	3,694,886	3,649,442
Loans Receivable - RLF	5,386,668	3,547,226
Loans Receivable - IRP	459,325	451,688
Loans Receivable - IRP 2	132,977	160,184
Loans Receivable - TSF	7,230	10,584
Loans Receivable - HUD	1,460,482	1,479,482
Lease Receivable	219,443	234,912
Total	12,079,032	10,287,074
Less: Allowance for Loans Receivable	988,010	872,644
Net Receivables	<u>\$ 11,091,022</u>	<u>\$ 9,414,430</u>

As shown on Statements of Net Position:

	2023	2022
Receivables	\$ 718,021	\$ 753,556
Current Loans Receivable	1,491,892	1,168,053
Allowance for Loans Receivable - Current	(103,700)	(120,400)
Long-Term Loans Receivable	9,649,676	8,130,553
Allowance for Loans Receivable - Long-Term	(884,310)	(752,244)
Current Lease Receivable	189,080	127,587
Long-Term Lease Receivable	30,363	107,325
Net Receivables	<u>\$ 11,091,022</u>	<u>\$ 9,414,430</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 LEASE RECEIVABLES

The Commission, acting as a lessor, leases real property under long-term, noncancelable lease agreements. The leases expire at various dates through 2025 if all renewal options are exercised. During the year ended December 31, 2023, the Commission recognized \$220,364 and \$11,649 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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 receivable. Those variable payments are recognized as inflows of resources in the periods in which they payments are received. During the year ended December 31, 2023, the Commission received variable lease payments as required by lease agreements totaling \$233,832.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 76,962	\$ 2,238
2025	30,363	237
Total	<u>\$ 234,912</u>	<u>\$ 2,475</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 INVESTMENTS

WBIC and WREF, a majority owned subsidiary of WBIC, a component unit of NWRPC, provided equity financing by purchasing the common stock, preferred stock, or membership units of various non-publicly traded companies. The ownership interests in these companies are less than 20% and have been accounted for at the lower of cost or estimated net realizable value as follows:

	2023		2022	
	Shares	Cost	Shares	Cost
Sportsman's Marketing, Inc.	522	\$ 200,000	522	\$ 200,000
Fiberstar, Inc.	428,787	319,282	428,787	319,282
Paradigm Diagnostics, Inc.	116,081	116,081	116,081	116,081
Skyline Medical Inc.	12,440	65,337	12,440	65,337
D3 Services, Inc. (Preferred)	200,000	225,180	200,000	225,180
D3 Services, Inc. (Common)	20,000	25,000	20,000	25,000
D3 Services, Inc.	20,000	60,000	20,000	60,000
FreshAir Screen Technology, LLC	101	35,000	101	35,000
EnergyPrint, Inc.	123,809	66,667	123,809	66,667
US Foods & Pharmaceuticals, Inc.	40,000	200,000	40,000	200,000
RTT Mobile	387,930	225,000	387,930	225,000
Total Investments, at Cost		1,537,547		1,537,547
Allowance for Estimated Decline in Value of Investments		(1,428,955)		(1,212,912)
Total Investments at Net Realizable Value		<u>\$ 108,592</u>		<u>\$ 324,635</u>

The allowance for estimated decline in value is due to factors that now exist in the industries in which certain of the investees operate. Wisconsin Business Innovation Corporation and Wisconsin Rural Enterprise Fund, LLC have determined that the carrying value of its investments exceeds the estimated net realizable value. Accordingly, at December 31, 2023 and 2022, an allowance for the estimated decline in value of investments in the amount of \$1,428,955 has been established.

A concentration of credit risk exists when investments in any one issuer exceeds 5 percent of total investments. At December 31, 2023 and December 31, 2022, the only investment above with a net realizable value greater than 5 percent of the total investments was Fiberstar, Inc which represented 93.0% of total investments.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2023 and 2022, was as follows:

	2023			
	Beginning	Additions	Disposals	Ending
Capital Assets not Being Depreciated:				
Land	\$ 387,837	\$ -	\$ 55,746	\$ 332,091
Capital Assets Being Depreciated:				
Buildings and Improvements	9,411,459		932,959	8,478,500
Equipment	243,503	12,353	-	255,856
Total Cost of Capital Assets Being Depreciated	9,654,962	12,353	932,959	8,734,356
Less Accumulated Depreciation:				
Buildings and Improvements	4,945,422	290,887	653,040	4,583,269
Equipment	185,664	23,719	-	209,383
Total Accumulated Depreciation	5,131,086	314,606	653,040	4,792,652
Net Capital Assets Depreciated	4,523,876	(302,253)	279,919	3,941,704
Net Capital Assets	<u>\$ 4,911,713</u>	<u>\$ (302,253)</u>	<u>\$ 335,665</u>	<u>\$ 4,273,795</u>
	2022			
	Beginning	Additions	Disposals	Ending
Capital Assets not Being Depreciated:				
Land	\$ 387,837	\$ -	\$ -	\$ 387,837
Capital Assets Being Depreciated:				
Buildings and Improvements	9,271,592	139,867	-	9,411,459
Equipment	243,503	-	-	243,503
Total Cost of Capital Assets Being Depreciated	9,515,095	139,867	-	9,654,962
Less Accumulated Depreciation:				
Buildings and Improvements	4,618,189	327,233	-	4,945,422
Equipment	161,110	24,554	-	185,664
Total Accumulated Depreciation	4,779,299	351,787	-	5,131,086
Net Capital Assets Depreciated	4,735,796	(211,920)	-	4,523,876
Net Capital Assets	<u>\$ 5,123,633</u>	<u>\$ (211,920)</u>	<u>\$ -</u>	<u>\$ 4,911,713</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 LONG-TERM DEBT

Long-term debt consisted of the following for the year ended December 31, 2023:

	Principal Current Portion	Principal Balance	Interest Balance	Interest Current Portion
<u>Northwest Regional Planning Commission</u>				
U.S. Small Business Administration note dated August 1, 2014, for \$750,000. Due in monthly payments of \$7,586 at a fixed rate of 0.38%. Secured by microloan fund assets and loan loss reserve fund.	\$ 30,213	\$ 30,104	\$ 24	\$ 24
U.S. Small Business Administration note dated October 24, 2019, for \$300,000. Due in monthly payments of \$2,778 at a fixed rate of 1.75%. Secured by microloan fund assets and loan loss reserve fund.	34,763	205,356	3,097	963
Citizens Community Federal N.A. note dated September 27, 2019, for \$325,000. Due in monthly payments of \$5,060 at fixed rate of 3.75%. Final payment due October 2025. Secured by real property.	57,703	107,347	3,858	3,020
Citizens Community Federal N.A. note dated September 29, 2017, for \$1,002,222. Due in monthly payments of \$8,441 at fixed rate of 3.25% until October 2024 when the rate turns to variable. Final payment due October 2029. Secured by land and buildings.	84,653	536,810	60,395	16,855
Citizens Community Federal N.A. note dated September 29, 2017, for \$272,727. Due in monthly payments of \$2,297 at fixed rate of 3.25% until October 2024 when the rate turns to variable. Final payment due October 2029. Secured by land and buildings.	23,040	146,044	16,438	4,587

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 7 LONG-TERM DEBT (CONTINUED)

	Principal Current Portion	Principal Balance	Interest Balance	Interest Current Portion
<u>Northwest Regional Planning Commission (Continued)</u>				
Citizens Community Federal N.A. note dated September 29, 2017, for \$209,884. Due in monthly payments of \$1,768 at fixed rate of 3.25% until October 2024 when the rate turns to variable. Final payment due October 2029. Secured by land and buildings.	\$ 17,731	\$ 112,392	\$ 12,651	\$ 3,530
Citizens Community Federal N.A. note dated December 21, 2017, for \$155,360. Due in monthly payments of \$1,308 at fixed rate of 3.25% until October 2024 when the rate turns to variable. Final payment due December 2029. Secured by land and buildings.	13,076	86,597	8,840	2,178
U.S. Small Business Administration note dated May 23, 2022, for \$300,000. Due in monthly payments of \$2,778 at a fixed rate of 1.375%. Secured by microloan fund assets and loan loss reserve fund.	22,369	287,102	2,084	352
<u>Northwest Wisconsin Business Development Corporation</u>				
USDA Rural Development note dated May 1998 for \$500,000, due in annual principal and interest payments of \$24,463 until May 2026, at fixed rate of 1.00%. Secured by loans receivable and all IRP revolving fund assets.	23,747	71,451	1,431	715
<u>Wisconsin Business Innovation Corporation</u>				
USDA Rural Development note dated January 2008 for \$500,000, due in annual principal and interest payments of \$21,223 until January 2038, at fixed rate of 1.00%. Secured by loans receivable and all IRP revolving fund assets.	18,283	294,230	20,967	2,942
Total Long-Term Debt	<u>\$ 325,578</u>	<u>\$ 1,877,433</u>	<u>\$ 129,785</u>	<u>\$ 35,166</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 7 LONG-TERM DEBT (CONTINUED)

The activity within long-term debt for the years ended December 31, 2023 and 2022, consisted of the following:

	2023	2022
Notes Payable Beginning Balance	\$ 2,147,133	\$ 2,354,194
New Debt	100,000	200,000
Payments	(369,700)	(407,061)
Notes Payable Ending Balance	<u>\$ 1,877,433</u>	<u>\$ 2,147,133</u>

At December 31, 2023, the long-term debt installments are due as follows:

	Principal	Interest
2024	\$ 325,578	\$ 35,611
2025	291,558	30,602
2026	247,536	23,703
2027	229,820	17,429
2028	236,014	11,210
2029-2033	445,111	11,230
2034-2038	101,816	-
Total	<u>\$ 1,877,433</u>	<u>\$ 129,785</u>

NWRPC's outstanding notes from direct borrowings related to its activities of \$1,877,433 contain a provision that in an event of default, outstanding amounts become immediately due if NWRPC is unable to make payment.

NOTE 8 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS

General Information about the Pension Plan

Plan Description. The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone 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 Systems Financial Report, which can also be found using the website above.

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 8 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

General Information about the Pension Plan (Continued)

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

During the reporting period ending December 31, 2023, the WRS recognized \$70,217 in contributions from the employer.

Contribution rates at both December 31, 2023 and 2022 were as follows:

	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.80%	6.80%

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 8 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
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15

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

At December 31, 2023 and 2022, NWRPC reported an liability of \$297,408 and (\$445,338) respectively, for its proportionate share of the net pension liability/(asset). 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. NWRPC's proportion of the net pension liability was based on a projection of the Company's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2022, NWRPC's proportion was 0.00561392%, which was an increase of 0.00887500% from its proportion measured as of December 31, 2021.

For the years ended December 31, 2023 and 2022, NWRPC recognized pension expense of \$151,507 and (\$36,749) respectively.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 8 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

At December 31, 2023, the Company reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Projected and Actual Experience	\$ 473,679	\$ 622,309
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	505,230	-
Changes in Assumptions	58,482	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	1,001	1,747
Employer Contributions Subsequent to the Measurement Date	70,217	-
Total	<u>\$ 1,108,609</u>	<u>\$ 624,056</u>

At December 31, 2022, the Company reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Projected and Actual Experience	\$ 719,420	\$ 51,878
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	996,258
Changes in Assumptions	83,084	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,246	1,056
Employer Contributions Subsequent to the Measurement Date	70,063	-
Total	<u>\$ 874,813</u>	<u>\$ 1,049,192</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 8 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

At December 31, 2023 and 2022, \$70,217 and \$70,063, respectively, were reported as deferred outflows of resources related to pensions resulting from NWRPC contributions subsequent to the measurement date and will be recognized as a reduction/addition to the net pension liability/asset in the years ended December 2023 and 2022, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 16,776
2025	85,918
2026	88,014
2027	223,628

Actuarial Assumptions. The total pension liability in the December 31, 2022 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	6.80%
Discount Rate	6.80%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2020 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. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

Pension Assets, Liability, Expense, 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:

Core Fund Asset Class	Asset Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	48 %	7.6 %	5.0 %
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Cash	(15)	N/A	N/A
Total Core Fund	100	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%.

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%.

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 8 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

A single discount rate of 6.80% was used to measure the total pension liability, for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (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, 2022. 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 NWRPC's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents NWRPC's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 for 2023 and 2022, as well as what the NWRPC'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 or 1-percentage-point higher than the current rate:

2023			
	1% Decrease (5.80)%	Current Discount Rate (6.80)%	1% Increase (7.80)%
Commission's Proportionate Share of the Net Pension Liability (Asset)	\$ 987,090	\$ 297,408	\$ (177,032)

2022			
	1% Decrease (5.80)%	Current Discount Rate (6.80)%	1% Increase (7.80)%
Commission's Proportionate Share of the Net Pension Liability (Asset)	\$ 315,999	\$ (445,338)	\$ (867,001)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN

Plan Description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. 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 Retiree Life Insurance Financial Report, which can also be found using the website above.

Benefits Provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023 and 2022 were:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2022 are:

Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

During the Commission's reporting period January 1, 2023 through December 31, 2023, the LRLIF recognized \$297 in contributions from the Commission.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2023 and 2022, the Commission reported a liability of \$54,286 and \$76,841, respectively for its proportionate share of the net OPEB liability. The net OPEB liabilities were measured as of December 31, 2022 and 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022 and an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021, respectively. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Commission's proportion of the net OPEB liability was based on the Commission's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Commission's proportion was 0.01424900%, which was an increase of 0.12480000% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 and 2022, the Commission recognized OPEB expense of \$7,641 and \$9,305, respectively.

At December 31, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 5,312
Net Difference Between Projected and Investment Earnings on Plan Investments	1,018	-
Changes in Actuarial Assumptions	19,505	32,044
Change in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	8,485	8,523
Employer Contributions Subsequent to the Measurement Date	297	-
Total	<u>\$ 29,305</u>	<u>\$ 45,879</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

At December 31, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 3,909
Net Difference Between Projected and Investment Earnings on Plan Investments	1,000	-
Changes in Actuarial Assumptions	23,216	3,725
Change in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	4,522	11,419
Employer Contributions Subsequent to the Measurement Date	152	-
Total	<u>\$ 28,890</u>	<u>\$ 19,053</u>

\$297 and \$152 was reported as deferred outflows of resources at December 31, 2023 and 2022, respectively, related to OPEB resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2023 and 2022, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>OPEB Expense Amount</u>
2024	\$ (2,250)
2025	(2,005)
2026	(11)
2027	(2,998)
2028	(5,483)
2029	(4,124)

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.72%
Long-Term Expected Rate of Return	4.25%
Discount Rate	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2020 Mortality Table

*Based on the Bond Buyers GO Index

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. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto. Asset allocation targets and expected returns as of December 31, 2021 are as follows in the table on the following page.

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

**OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEBs (Continued)**

Long-Term Expected Return on Plan Assets (Continued).

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
U.S. Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate. A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the Commission's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76% for the current year and 2.17% for the prior year, as well as what the Commission's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	2023		
	1% Decrease to Discount Rate (2.76)%	Current Discount Rate (3.76)%	1% Increase to Discount Rate (4.76)%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 74,014	\$ 54,286	\$ 39,168

**NORTHWEST REGIONAL PLANNING COMMISSION
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

**OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEBs (Continued)**

	2022		
	1% Decrease to Discount Rate (1.17)%	Current Discount Rate (2.17)%	1% Increase to Discount Rate (3.17)%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 104,245	\$ 76,841	\$ 56,220

NOTE 10 COMPENSATED ABSENCES

Employees with at least ten years of service may convert unused sick leave upon termination/retirement to cash and/or health insurance benefits. The maximum number of hours that can be converted is 1,040. The benefit is paid at 25% for ten years of service and fully vests at 25 years of service. For each year of service between 10 - 25 years, the benefit increases 5%. Nine and ten employees were eligible for this benefit upon termination/retirement at December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022 the accrued liability and activity for this benefit was as follows:

2023			
Beginning	Increase	Decrease	Ending
\$ 214,261	\$ 25,639	\$ -	\$ 239,900

2022			
Beginning	Increase	Decrease	Ending
\$ 208,015	\$ 6,246	\$ -	\$ 214,261

NOTE 11 RISK MANAGEMENT

NWRPC purchases commercial insurance for property and liability, transferring the risk of loss to the insurance carrier.

There were no significant reductions in insurance coverage from coverage in the prior year, and there were no insurance claims or settlements exceeding insurance coverage in the last three years.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 12 SIGNIFICANT ESTIMATES

Generally accepted accounting principles require disclosure of information about certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

Allowance for Loans Receivable

The Organization has recorded an allowance for loans receivable of \$988,010 and \$872,644 for the years ended December 31, 2023 and 2022, respectively. This is an estimate based on management's analysis of loans receivable and prior experience. Actual loan receivable write-offs ultimately could differ materially from these estimates.

Allowance for Estimated Decline in Value of Investments

The Organization has recorded an allowance for estimated decline in value of investments of \$1,428,955 and \$1,212,912 for the years ended December 31, 2023 and 2022, respectively. This estimate is based on management's annual review of the investments in non-publicly traded companies and establishes an estimated allowance for the decline in value of individual non-publicly traded companies. Actual decline in value of investments could differ materially from these estimates.

NOTE 13 CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the NWRPC to concentrations of credit risk consist primarily of cash and trade and loans receivable.

Credit risk with respect to trade accounts receivable and loans receivable is generally diversified due to the large number of entities comprising the NWRPC's customer base. The NWRPC performs ongoing credit evaluations of its customer's financial condition and, generally requires collateral for notes receivable and no collateral from its customers for trade accounts receivable.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 14 CONDENSED COMBINING FINANCIAL INFORMATION

The following condensed financial information is presented to provide additional information on the Northwest Regional Planning Commission as well as the Wisconsin Business Innovation Corporation, the Northwest Wisconsin Business Development Corporation, the Northwest Wisconsin Regional Economic Development Fund, Inc., and the Northwest Affordable Housing, Inc., which are blended component units of the Northwest Regional Planning Commission as discussed in Note 1.

Condensed combining statements of net position for the years ended December 31:

	2023						
	NWRPC	WBIC	NWBDC	NWRED	NWAH	Reclassification and Consolidating Adjustments	Total
ASSETS							
Current Assets	\$ 3,117,450	\$ 1,470,391	\$ 1,464,870	\$ 2,069,617	\$ 72,126	\$ (75,944)	\$ 8,118,510
Long-Term Receivables	841,074	1,398,086	2,743,158	1,862,762	1,950,649	-	8,795,729
Net Capital Assets	4,273,795	-	-	-	-	-	4,273,795
Investments, Net	-	108,592	-	170,800	-	(170,800)	108,592
Total Assets	8,232,319	2,977,069	4,208,028	4,103,179	2,022,775	(246,744)	21,296,626
DEFERRED OUTFLOWS OF RESOURCES							
WRS Pension Related	1,108,609	-	-	-	-	-	1,108,609
State Life Insurance Other Post Employment Benefits Related	29,305	-	-	-	-	-	29,305
Total Deferred Outflows of Resources	1,137,914	-	-	-	-	-	1,137,914
LIABILITIES							
Current Liabilities	511,196	74,981	27,808	16,827	7,091	(75,944)	561,959
Noncurrent Liabilities	1,819,798	275,943	47,708	-	-	-	2,143,449
Total Liabilities	2,330,994	350,924	75,516	16,827	7,091	(75,944)	2,705,408
DEFERRED INFLOWS OF RESOURCES							
WRS Pension Related	624,056	-	-	-	-	-	624,056
State Life Insurance Other Post Employment Benefits Related	45,879	-	-	-	-	-	45,879
Lease Receivable Related	211,428	-	-	-	-	-	211,428
Total Deferred Inflows of Resources	881,363	-	-	-	-	-	881,363
NET POSITION							
Noncontrolling Interest	-	146,522	-	-	-	(170,800)	(24,278)
Net Investment in Capital Assets	2,997,503	-	-	-	-	-	2,997,503
Restricted	2,020,210	1,415,253	4,019,218	4,086,352	2,016,530	-	13,557,563
Unrestricted	1,140,163	1,064,370	113,294	-	(846)	-	2,316,981
Total Net Position	6,157,876	2,626,145	4,132,512	4,086,352	2,015,684	(170,800)	18,847,769
Total Liabilities and Net Position	<u>\$ 8,488,870</u>	<u>\$ 2,977,069</u>	<u>\$ 4,208,028</u>	<u>\$ 4,103,179</u>	<u>\$ 2,022,775</u>	<u>\$ (246,744)</u>	<u>\$ 21,553,177</u>

NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 14 CONDENSED COMBINING FINANCIAL INFORMATION (CONTINUED)

Condensed combining statements of net position for the years ended December 31:

	2022						
	NWRPC	WBIC	NWBDC	NWRED	NWAH	Reclassification Consolidating Adjustments	Total
ASSETS							
Current Assets	\$ 2,588,688	\$ 1,785,265	\$ 1,925,855	\$ 2,690,950	\$ 162,640	\$ (76,603)	\$ 9,076,795
Long-Term Receivables	1,009,218	1,110,548	2,273,160	1,132,397	1,983,236	(22,925)	7,485,634
Net Capital Assets	4,911,713	-	-	-	-	-	4,911,713
Investments, Net	445,338	324,635	-	211,304	-	(211,304)	769,973
Total Assets	8,954,957	3,220,448	4,199,015	4,034,651	2,145,876	(310,832)	22,244,115
DEFERRED OUTFLOWS OF RESOURCES							
WRS Pension Related	874,813	-	-	-	-	-	874,813
State Life Insurance Other Post Employment Benefits Related	28,890	-	-	-	-	-	28,890
Total Deferred Outflows of Resources	903,703	-	-	-	-	-	903,703
LIABILITIES							
Current Liabilities	590,010	73,892	29,056	6,819	3,750	(64,616)	638,911
Noncurrent Liabilities	1,737,723	294,225	71,452	-	-	(34,912)	2,068,488
Total Liabilities	2,327,733	368,117	100,508	6,819	3,750	(99,528)	2,707,399
DEFERRED INFLOWS OF RESOURCES							
WRS Pension Related	1,049,192	-	-	-	-	-	1,049,192
State Life Insurance Other Post Employment Benefits Related	19,053	-	-	-	-	-	19,053
Lease Receivable Related	225,079	-	-	-	-	-	225,079
Total Deferred Inflows of Resources	1,293,324	-	-	-	-	-	1,293,324
NET POSITION							
Noncontrolling Interest	-	237,667	-	-	-	(211,304)	26,363
Net Investment in Capital Assets	3,497,720	-	-	-	-	34,912	3,532,632
Restricted	2,648,199	1,541,357	3,949,797	4,027,832	2,141,271	-	14,308,456
Unrestricted	91,684	1,073,307	148,710	-	855	(34,912)	1,279,644
Total Net Position	6,237,603	2,852,331	4,098,507	4,027,832	2,142,126	(211,304)	19,147,095
Total Liabilities and Net Position	\$ 8,565,336	\$ 3,220,448	\$ 4,199,015	\$ 4,034,651	\$ 2,145,876	\$ (310,832)	\$ 21,854,494

NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 14 CONDENSED COMBINING FINANCIAL INFORMATION (CONTINUED)

Condensed combining statements of revenues, expenses, and changes in net position for the years ended December 31:

	2023						
	NWRPC	WBIC	NWBDC	NWRED	NWAH	Reclassification Consolidating Adjustments	Total
OPERATING REVENUE							
Intergovernmental:							
Federal Sources	\$ 733,279	\$ 79,094	\$ -	\$ -	\$ 50,509	\$ -	\$ 862,882
State Sources	72,760	-	-	-	846	-	73,606
Local Sources	1,034,149	84,074	-	-	190	-	1,118,413
Revenues:							
Loan Interest Income	49,036	93,717	65,988	89,907	-	-	298,648
Enterprise Center Income	666,903	-	-	-	-	-	666,903
Charges for Services	37,337	-	-	-	-	(37,337)	-
Total Operating Revenue	2,593,464	256,885	65,988	89,907	51,545	(37,337)	3,020,452
OPERATING EXPENSES							
Salaries	872,886	103,589	26,883	45,256	2,115	-	1,050,729
Fringe Benefits	485,983	47,880	12,426	20,918	978	-	568,185
Supplies and Repairs	163,617	1,505	1,651	1,973	400	-	169,146
Contractual	498,255	7,097	-	-	38,744	-	544,096
Utilities	236,815	-	-	-	-	-	236,815
Depreciation Expense	314,606	-	-	-	-	-	314,606
Provision for Bad Debts	3,112	110,000	-	-	-	-	113,112
Miscellaneous	494,128	36,150	24,844	32,113	1,802	(37,337)	551,700
Total Operating Expenses	3,069,402	306,221	65,804	100,260	44,039	(37,337)	3,548,389
NET OPERATING REVENUE OVER (UNDER) EXPENSES	(475,938)	(49,336)	184	(10,353)	7,506	-	(527,937)
NONOPERATING REVENUE (EXPENSE)							
County Tax Levy	211,828	-	-	-	-	-	211,828
Other Nonoperating Revenues (Expenses)	24,852	8,344	8,199	11,318	(134,056)	-	(81,343)
Investment Income Earned	88,456	33,803	26,414	98,059	108	-	246,840
Loss on Investment in Subsidiary	-	-	-	(40,504)	-	40,504	-
Unrealized Gain (Loss) on Investments	-	(216,044)	-	-	-	-	(216,044)
Interest Expense	(37,162)	(2,953)	(792)	-	-	-	(40,907)
Total Nonoperating Revenue (Expense)	396,211	(176,850)	33,821	68,873	(133,948)	40,504	228,611
CHANGE IN NET POSITION	(79,727)	(226,186)	34,005	58,520	(126,442)	40,504	(299,326)
Net Position - Beginning of Year	6,237,603	2,852,331	4,098,507	4,027,832	2,142,126	(211,304)	19,147,095
NET POSITION - END OF YEAR	<u>\$ 6,157,876</u>	<u>\$ 2,626,145</u>	<u>\$ 4,132,512</u>	<u>\$ 4,086,352</u>	<u>\$ 2,015,684</u>	<u>\$ (170,800)</u>	<u>\$ 18,847,769</u>

NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 14 CONDENSED COMBINING FINANCIAL INFORMATION (CONTINUED)

Condensed combining statements of revenues, expenses, and changes in net position for the years ended December 31:

	2022						
	NWRPC	WBIC	NWBDC	NWRED	NWAH	Reclassification Consolidating Adjustments	Total
OPERATING REVENUE							
Intergovernmental:							
Federal Sources	\$ 3,777,600	\$ 68,445	\$ -	\$ -	\$ 13,687	\$ -	\$ 3,859,732
State Sources	68,564	-	-	-	4,791	-	73,355
Local Sources	868,383	93,230	-	-	4,000	-	965,613
Revenues:							
Loan Interest Income	45,531	79,019	58,374	66,009	-	-	248,933
Enterprise Center Income	759,059	-	-	-	-	-	759,059
Charges for Services	32,037	-	-	-	-	(32,037)	-
Total Operating Revenue	5,551,174	240,694	58,374	66,009	22,478	(32,037)	5,906,692
OPERATING EXPENSES							
Salaries	925,248	93,984	17,956	19,465	-	-	1,056,653
Fringe Benefits	335,744	45,698	8,622	9,465	-	-	399,529
Supplies and Repairs	163,522	800	1,014	1,891	-	-	167,227
Contractual	415,677	7,200	-	-	3,960	-	426,837
Utilities	277,645	-	-	-	-	-	277,645
Depreciation Expense	351,787	-	-	-	-	-	351,787
Provision for Bad Debts	161	30,000	126,000	(8,000)	-	-	148,161
Miscellaneous	2,927,391	36,704	22,053	23,725	2,057	(32,037)	2,979,893
Total Operating Expenses	5,397,175	214,386	175,645	46,546	6,017	(32,037)	5,807,732
NET OPERATING REVENUE OVER (UNDER) EXPENSES	153,999	26,308	(117,271)	19,463	16,461	-	98,960
NONOPERATING REVENUE (EXPENSE)							
County Tax Levy	211,830	-	-	-	-	-	211,830
Other Nonoperating Revenues (Expenses)	81,516	3,715	6,617	6,798	(102,527)	-	(3,881)
Investment Income Earned	5,775	9,132	3,261	29,932	13	-	48,113
Loss on Investment in Subsidiary	-	-	-	(1,661)	-	1,661	-
Interest Expense	(45,211)	(3,135)	(1,194)	-	-	-	(49,540)
Total Nonoperating Revenue (Expense)	253,910	7,515	8,684	35,069	(102,514)	1,661	204,325
CHANGE IN NET POSITION	407,909	33,823	(108,587)	54,532	(86,053)	1,661	303,285
Net Position - Beginning of Year	5,829,694	2,818,508	4,207,094	3,973,300	2,228,179	(212,965)	18,843,810
NET POSITION - END OF YEAR	<u>\$ 6,237,603</u>	<u>\$ 2,852,331</u>	<u>\$ 4,098,507</u>	<u>\$ 4,027,832</u>	<u>\$ 2,142,126</u>	<u>\$ (211,304)</u>	<u>\$ 19,147,095</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 14 CONDENSED COMBINING FINANCIAL INFORMATION (CONTINUED)

Condensed combining statements of cash flows for the years ended December 31:

	2023					Reclassification Consolidating Adjustments	Total
	NWRPC	WBIC	NWBDC	NWRED	NWAH		
Net Cash Provided (Used) by Operating Activities	\$ (42,642)	\$ 260,464	\$ (4,367)	\$ (6,224)	\$ 10,847	\$ -	\$ 218,078
Net Cash Provided (Used) by Noncapital Financing Activities	325,136	(173,897)	34,613	109,377	(133,948)	-	161,281
Net Cash Provided (Used) by Capital and Related Financing Activities	169,965	(21,055)	(24,305)	-	-	34,913	159,518
Net Cash Provided (Used) by Investing Activities	35,648	(754,374)	(395,125)	(763,107)	32,587	(34,913)	(1,879,284)
Net Change in Cash	488,107	(688,862)	(389,184)	(659,954)	(90,514)	-	(1,340,407)
Cash - Beginning of Year	1,503,613	1,546,083	1,535,147	2,400,516	162,640	-	7,147,999
Cash - End of Year	<u>\$ 1,991,720</u>	<u>\$ 857,221</u>	<u>\$ 1,145,963</u>	<u>\$ 1,740,562</u>	<u>\$ 72,126</u>	<u>\$ -</u>	<u>\$ 5,807,592</u>

	2022					Reclassification Consolidating Adjustments	Total
	NWRPC	WBIC	NWBDC	NWRED	NWAH		
Net Cash Provided by Operating Activities	\$ 105,670	\$ 61,078	\$ 10,322	\$ 24,152	\$ 11,575	\$ (53,242)	\$ 159,555
Net Cash Provided (Used) by Noncapital Financing Activities	299,121	10,650	9,878	36,730	(102,514)	-	253,865
Net Cash Provided (Used) by Capital and Related Financing Activities	(378,229)	(21,058)	(82,425)	-	-	15,939	(465,773)
Net Cash Provided (Used) by Investing Activities	(313,642)	(178,594)	(229,710)	(141,610)	136,566	37,303	(689,687)
Net Change in Cash	(287,080)	(127,924)	(291,935)	(80,728)	45,627	-	(742,040)
Cash - Beginning of Year	1,790,693	1,674,007	1,827,082	2,481,244	117,013	-	7,890,039
Cash - End of Year	<u>\$ 1,503,613</u>	<u>\$ 1,546,083</u>	<u>\$ 1,535,147</u>	<u>\$ 2,400,516</u>	<u>\$ 162,640</u>	<u>\$ -</u>	<u>\$ 7,147,999</u>

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY
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	0.00561392 %	\$ 297,408	\$ 1,037,969	28.65 %	95.72 %
12/31/2021	0.00552517	(445,338)	930,783	(47.85)	106.02
12/31/2020	0.00570641	(356,733)	955,619	(37.33)	105.26
12/31/2019	0.00576016	(185,733)	873,734	(21.26)	102.96
12/31/2018	0.00589992	(209,900)	913,426	(22.98)	96.45
12/31/2017	0.00617130	(183,233)	874,656	(20.95)	102.93
12/31/2016	0.00659373	54,348	847,955	6.41	99.12
12/31/2015	0.00725417	117,879	961,424	12.26	98.20

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
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	\$ 70,217	\$ (70,217)	\$ -	\$ 1,040,246	6.75 %
12/31/2022	70,063	(70,063)	-	1,037,970	6.75
12/31/2021	64,504	(64,504)	-	930,783	6.93
12/31/2020	62,817	(62,817)	-	955,619	6.57
12/31/2019	57,230	(57,230)	-	873,734	6.55
12/31/2018	61,200	(61,200)	-	913,426	6.70
12/31/2017	59,477	(59,477)	-	874,656	6.80
12/31/2016	55,965	(55,965)	-	847,955	6.60

Changes of Benefit Terms

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

Changes of Assumptions

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The Organization is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF COMMISSION'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TO WISCONSIN LOCAL RETIREE LIFE
INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

OPEB Fiscal Year-End Date (Measurement Date)	Commision's Proportion of the Net OPEB Liability (Asset)	Commission's Proportionate Share of the Net OPEB Liability (Asset)	Commission's Covered Payroll	Commission's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2022	0.01424900 %	\$ 54,286	\$ 792,000	6.85 %	38.81 %
12/31/2021	0.01300100	76,841	726,000	10.58	29.57
12/31/2020	0.01497700	82,384	789,000	10.44	31.36
12/31/2019	0.01387900	59,099	662,000	8.93	37.58
12/31/2018	0.01273700	32,866	673,000	4.88	48.69
12/31/2017	0.01389100	41,792	584,156	7.15	44.81

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF COMMISSION'S CONTRIBUTIONS TO
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Client's Fiscal Year-End Date	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Commission's Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2023	\$ 297	\$ (297)	\$ -	\$ 792,000	0.04 %
12/31/2022	152	(152)	-	726,000	0.02
12/31/2021	294	(294)	-	789,000	0.04
12/31/2020	277	(277)	-	662,000	0.04
12/31/2019	245	(245)	-	673,000	0.04
12/31/2018	263	(263)	-	584,156	0.05

Changes of Benefit Terms

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

Changes of Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The Organization is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

SUPPLEMENTARY INFORMATION

**NORTHWEST REGIONAL PLANNING COMMISSION
COMBINING STATEMENTS OF NET POSITION
DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022**

	NWRPC	Component Units				Reclassification and Combining Adjustments	Totals	
	Total	WBIC	NWBDC	NWRED	NWAH		2023	2022
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 1,991,720	\$ 857,221	\$ 1,145,963	\$ 1,740,562	\$ 72,126	\$ (4,086,341)	\$ 1,721,251	\$ 1,122,307
Cash and Cash Equivalents-Restricted	-	-	-	-	-	4,086,341	4,086,341	6,025,692
Receivables	720,509	56,439	6,721	10,296	-	(75,944)	718,021	753,556
Current Portion of Loans Receivable	200,516	350,000	-	-	-	941,376	1,491,892	1,168,053
Current Portion of Loans Receivable - RLF	-	162,905	242,014	368,759	-	(773,678)	-	-
Current Portion of Loans Receivable - TSF	-	-	3,100	-	-	(3,100)	-	-
Current Portion of Loans Receivable - IRP	-	43,826	21,594	-	-	(65,420)	-	-
Current Portion of Loans Receivable - IRP 2	-	-	99,178	-	-	(99,178)	-	-
Allowance for Loans Receivable	-	-	(53,700)	(50,000)	-	-	(103,700)	(120,400)
Current Portion of Lease Receivable	189,080	-	-	-	-	-	189,080	127,587
Prepaid Expenses	15,625	-	-	-	-	-	15,625	-
Total Current Assets	3,117,450	1,470,391	1,464,870	2,069,617	72,126	(75,944)	8,118,510	9,076,795
LONG-TERM RECEIVABLES, Less Current Portion								
Loans Receivable	1,013,721	150,000	-	-	1,980,649	6,505,306	9,649,676	8,130,553
Loans Receivable - RLF	-	1,212,348	1,337,880	2,062,762	-	(4,612,990)	-	-
Loans Receivable - TSF	-	-	4,130	-	-	(4,130)	-	-
Loans Receivable - IRP	-	260,738	133,167	-	-	(393,905)	-	-
Loans Receivable - IRP 2	-	-	33,799	-	-	(33,799)	-	-
Loans Receivable - HUD	-	-	1,460,482	-	-	(1,460,482)	-	-
Allowance for Loans Receivable	(203,010)	(225,000)	(226,300)	(200,000)	(30,000)	-	(884,310)	(752,244)
Lease Receivable	30,363	-	-	-	-	-	30,363	107,325
Total Long-Term Receivables	841,074	1,398,086	2,743,158	1,862,762	1,950,649	-	8,795,729	7,485,634
CAPITAL ASSETS	9,066,447	-	-	-	-	-	9,066,447	10,042,799
Less Accumulated Depreciation	4,792,652	-	-	-	-	-	4,792,652	5,131,086
Total Capital Assets - Net	4,273,795	-	-	-	-	-	4,273,795	4,911,713
INVESTMENTS								
Investments, Net	-	108,592	-	170,800	-	(170,800)	108,592	324,635
Wisconsin Retirement System Asset	-	-	-	-	-	-	-	445,338
Total Investments - Net	-	108,592	-	170,800	-	(170,800)	108,592	769,973
Total Assets	8,232,319	2,977,069	4,208,028	4,103,179	2,022,775	(246,744)	21,296,626	22,244,115
DEFERRED OUTFLOW OF RESOURCES								
Wisconsin Retirement System Pension Related	1,108,609	-	-	-	-	-	1,108,609	874,813
State Life Insurance Other Postemployment Benefits Related	29,305	-	-	-	-	-	29,305	28,890
Total Deferred Outflow of Resources	1,137,914	-	-	-	-	-	1,137,914	903,703

NORTHWEST REGIONAL PLANNING COMMISSION
COMBINING STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

	NWRPC	Component Units				Reclassification and Combining Adjustments	Totals	
	Total	WBIC	NWBDC	NWRED	NWAH		2023	2022
CURRENT LIABILITIES								
Current Maturities of Long-Term Debt	\$ 283,548	\$ -	\$ -	\$ -	\$ -	\$ 42,030	\$ 325,578	\$ 369,747
Current Maturities of Notes Payable - IRP	-	18,283	-	-	-	(18,283)	-	-
Current Maturities of Notes Payable - IRP 2	-	-	23,747	-	-	(23,747)	-	-
Accounts Payable	136,653	48,376	3,583	16,827	7,091	(75,944)	136,586	166,422
Accrued Expenses	78,897	8,322	478	-	-	-	87,697	86,842
Unearned Revenue	12,098	-	-	-	-	-	12,098	15,900
Total Current Liabilities	511,196	74,981	27,808	16,827	7,091	(75,944)	561,959	638,911
LONG-TERM LIABILITIES								
Wisconsin Retirement System Pension Liability	297,408	-	-	-	-	-	297,408	-
Benefits Liability	54,286	-	-	-	-	-	54,286	76,841
Compensated Absences	239,900	-	-	-	-	-	239,900	214,261
Total Long-Term Liabilities	591,594	-	-	-	-	-	591,594	291,102
LONG-TERM DEBT, Less Current Maturities								
Loans Payable	1,228,204	-	-	-	-	323,651	1,551,855	1,777,386
Notes Payable - IRP	-	275,943	-	-	-	(275,943)	-	-
Notes Payable - IRP 2	-	-	47,708	-	-	(47,708)	-	-
Total Long-Term Debt	1,228,204	275,943	47,708	-	-	-	1,551,855	1,777,386
Total Liabilities	2,330,994	350,924	75,516	16,827	7,091	(75,944)	2,705,408	2,707,399
DEFERRED INFLOW OF RESOURCES								
Wisconsin Retirement System Pension Related	624,056	-	-	-	-	-	624,056	1,049,192
State Life Insurance Other Postemployment Benefits Related	45,879	-	-	-	-	-	45,879	19,053
Lease Receivable Related	211,428	-	-	-	-	-	211,428	225,079
Total Deferred Inflow of Resources	881,363	-	-	-	-	-	881,363	1,293,324
NET POSITION								
Net Investment in Capital Assets	2,997,503	-	-	-	-	-	2,997,503	3,532,632
Restricted - Nonexpendable	-	146,522	-	-	-	(170,800)	(24,278)	26,363
Restricted	2,020,210	1,415,253	4,019,218	4,086,352	2,016,530	-	13,557,563	14,308,456
Unrestricted	1,140,163	1,064,370	113,294	-	(846)	-	2,316,981	1,279,644
Total Net Position	\$ 6,157,876	\$ 2,626,145	\$ 4,132,512	\$ 4,086,352	\$ 2,015,684	\$ (170,800)	\$ 18,847,769	\$ 19,147,095

NORTHWEST REGIONAL PLANNING COMMISSION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022

	Component Units					Reclassification and Combining Adjustments	Totals	
	NWRPC	WBIC	NWBDC	NWRED	NWAH		2023	2022
OPERATING REVENUES								
Intergovernmental:								
Federal Sources	\$ 733,279	\$ 79,094	\$ -	\$ -	\$ 50,509	\$ -	\$ 862,882	\$ 3,859,732
State Sources	72,760	-	-	-	846	-	73,606	73,355
Local Sources	1,034,149	84,074	-	-	190	-	1,118,413	965,613
Revenues:								
Loan Interest Income	49,036	93,717	65,988	89,907	-	-	298,648	248,933
Enterprise Center Income	666,903	-	-	-	-	-	666,903	759,059
Charges for Services	37,337	-	-	-	-	(37,337)	-	-
Total Operating Revenues	2,593,464	256,885	65,988	89,907	51,545	(37,337)	3,020,452	5,906,692
OPERATING EXPENSES								
Salaries	872,886	103,589	26,883	45,256	2,115	-	1,050,729	1,056,653
Fringe Benefits	485,983	47,880	12,426	20,918	978	-	568,185	399,529
Professional Fees	19,615	12,136	11,115	11,907	758	-	55,531	60,427
Supplies and Repairs	163,617	1,505	1,651	1,973	400	-	169,146	167,227
Insurance	43,137	750	1,250	-	-	-	45,137	40,651
Advertising		1,744				-	1,744	-
Postage and Printing	11,717	-	-	-	-	-	11,717	4,079
Telephone	15,100	-	-	-	-	-	15,100	14,118
Travel and Meeting	89,676	4,570	1,831	2,751	288	(37,337)	61,779	50,173
Contractual	498,255	7,097	-	-	38,744	-	544,096	426,837
Training and Educational	4,337	663	141	191	-	-	5,332	4,599
Advertising	3,949	-	-	-	-	-	3,949	8,184
Utilities	236,815	-	-	-	-	-	236,815	277,645
Depreciation	314,606	-	-	-	-	-	314,606	351,787
Miscellaneous	327,388	542	1,213	1,618	25	625	331,411	97,662
Provision for Bad Debts	3,112	110,000	-	-	-	-	113,112	148,161
Mainstreet Bounceback	20,000	-	-	-	-	-	20,000	2,700,000
Indirect Costs	(40,791)	15,745	9,294	15,646	731	(625)	-	-
Total Operating Expenses	3,069,402	306,221	65,804	100,260	44,039	(37,337)	3,548,389	5,807,732
NET OPERATING REVENUE OVER (UNDER) EXPENSE	(475,938)	(49,336)	184	(10,353)	7,506	-	(527,937)	98,960
NONOPERATING REVENUES (EXPENSES)								
County Tax Levy	211,828	-	-	-	-	-	211,828	211,830
Other Nonoperating Revenues (Expenses)	24,852	8,344	8,199	11,318	(134,056)	-	(81,343)	(3,881)
Investment Income Earned	88,456	33,803	26,414	98,059	108	-	246,840	48,113
Loss on Investment in Subsidiary	-	-	-	(40,504)	-	40,504	-	-
Unrealized Loss on Investments	-	(216,044)	-	-	-	-	(216,044)	(2,197)
Gain on Sale of Capital Assets	108,237	-	-	-	-	-	108,237	-
Interest Expense	(37,162)	(2,953)	(792)	-	-	-	(40,907)	(49,540)
Total Nonoperating Revenues (Expenses)	396,211	(176,850)	33,821	68,873	(133,948)	40,504	228,611	204,325
CHANGE IN NET POSITION	(79,727)	(226,186)	34,005	58,520	(126,442)	40,504	(299,326)	303,285
Net Position - Beginning of Year	6,237,603	2,852,331	4,098,507	4,027,832	2,142,126	(211,304)	19,147,095	18,843,810
NET POSITION - END OF YEAR	<u>\$ 6,157,876</u>	<u>\$ 2,626,145</u>	<u>\$ 4,132,512</u>	<u>\$ 4,086,352</u>	<u>\$ 2,015,684</u>	<u>\$ (170,800)</u>	<u>\$ 18,847,769</u>	<u>\$ 19,147,095</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
COMBINING STATEMENTS OF NET POSITION –
PRIMARY GOVERNMENT ONLY
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,991,720	\$ 1,503,613
Receivables	720,509	770,819
Current Portion of Loans Receivable	200,516	186,669
Current Portion of Leases Receivable	189,080	127,587
Prepaid Expenses	15,625	-
Total Current Assets	<u>3,117,450</u>	<u>2,588,688</u>
LONG-TERM RECEIVABLES		
Loans Receivable	1,013,721	1,099,537
Leases Receivable	30,363	107,325
Allowance for Loans Receivable	(203,010)	(197,644)
Total Long-Term Receivables	<u>841,074</u>	<u>1,009,218</u>
CAPITAL ASSETS	9,066,447	10,042,799
Less Accumulated Depreciation	4,792,652	5,131,086
Total Capital Assets - Net	<u>4,273,795</u>	<u>4,911,713</u>
INVESTMENTS		
Wisconsin Retirement System Asset	-	445,338
Total Assets	<u>8,232,319</u>	<u>8,954,957</u>
DEFERRED OUTFLOW OF RESOURCES		
Wisconsin Retirement System Pension Related	1,108,609	874,813
State Life Insurance Other Postemployment Benefits Related	29,305	28,890
Total Deferred Outflow of Resources	<u>1,137,914</u>	<u>903,703</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	283,548	328,132
Accounts Payable	136,653	166,391
Accrued Expenses	78,897	79,587
Unearned Revenue	12,098	15,900
Total Current Liabilities	<u>511,196</u>	<u>590,010</u>
LONG-TERM LIABILITIES		
State Life Insurance Net Other Post Employment Benefits Liability	54,286	76,841
Compensated Absences	239,900	214,261
Long-Term Debt, Less Current Maturities	1,228,204	1,446,621
Total Long-Term Debt Liabilities	<u>1,819,798</u>	<u>1,737,723</u>
Total Liabilities	<u>2,330,994</u>	<u>2,327,733</u>
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	624,056	1,049,192
State Life Insurance Other Postemployment Benefits Related	45,879	19,053
Deferred Inflows Related to Leases	211,428	225,079
Total Deferred Outflow of Resources	<u>881,363</u>	<u>1,293,324</u>
NET POSITION		
Net Investment in Capital Assets	2,997,503	3,497,720
Restricted	2,020,210	2,648,199
Unrestricted	1,140,163	91,684
Total Net Position	<u>\$ 6,157,876</u>	<u>\$ 6,237,603</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PRIMARY GOVERNMENT ONLY
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Intergovernmental:		
Federal Sources	\$ 733,279	\$ 3,777,600
State Sources	72,760	68,564
Local Sources	1,034,149	868,383
Revenues:		
Loan Interest Income	49,036	45,531
Enterprise Center Income	666,903	759,059
Charges for Services	37,337	32,037
Total Operating Revenues	<u>2,593,464</u>	<u>5,551,174</u>
OPERATING EXPENSES		
Salaries	872,886	925,248
Fringe Benefits	485,983	335,744
Professional Fees	19,615	23,971
Supplies and Repairs	163,617	163,522
Insurance	43,137	37,983
Postage and Printing	11,717	3,978
Telephone	15,100	14,118
Travel and Meeting Expense	89,676	73,234
Contractual	498,255	415,677
Training and Educational	4,337	4,200
Advertising	3,949	8,184
Utilities	236,815	277,645
Depreciation	314,606	351,787
Miscellaneous	327,388	94,991
Provision for Bad Debts	3,112	161
Mainstreet Bounceback	20,000	2,700,000
Indirect Costs	(40,791)	(33,268)
Total Operating Expenses	<u>3,069,402</u>	<u>5,397,175</u>
NONOPERATING REVENUE (EXPENSE)		
County Tax Levy	211,828	211,830
Other Nonoperating Revenue	24,852	81,516
Investment Income Earned	88,456	5,775
Interest Expense	(37,162)	(45,211)
Total Nonoperating Revenue	<u>396,211</u>	<u>253,910</u>
CHANGE IN NET POSITION	(79,727)	407,909
Net Position - Beginning of Year	<u>6,237,603</u>	<u>5,829,694</u>
NET POSITION - END OF YEAR	<u><u>\$ 6,157,876</u></u>	<u><u>\$ 6,237,603</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
COMBINING STATEMENTS OF FINANCIAL POSITION – WBIC
DECEMBER 31, 2023 WITH COMPARATIVE TOTALS
FOR YEAR ENDED DECEMBER 31, 2022**

	WBIC	Component Unit WREF	Combining Adjustments	Totals	
				2023	2022
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 790,157	\$ 67,064	\$ -	\$ 857,221	\$ 1,546,083
Receivables	56,506	-	(67)	56,439	39,287
Current Loans Receivable	350,000	-	-	350,000	-
Current Loans Receivable - RLF	162,905	-	-	162,905	156,156
Current Loans Receivable - IRP	43,826	-	-	43,826	43,739
Total Current Assets	1,403,394	67,064	(67)	1,470,391	1,785,265
LONG-TERM RECEIVABLES					
Loans Receivable	150,000	-	-	150,000	350,000
Loans Receivable, RLF	1,212,348	-	-	1,212,348	615,926
Loans Receivable, IRP	260,738	-	-	260,738	259,622
Allowance for Loans Receivable	(225,000)	-	-	(225,000)	(115,000)
Total Long-Term Receivables	1,398,086	-	-	1,398,086	1,110,548
INVESTMENTS, Net	29,067	94,196	(14,671)	108,592	324,635
Total Assets	<u>\$ 2,830,547</u>	<u>\$ 161,260</u>	<u>\$ (14,738)</u>	<u>\$ 2,977,069</u>	<u>\$ 3,220,448</u>
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 48,376	\$ 67	\$ (67)	\$ 48,376	\$ 49,170
Current Maturities Notes Payable	18,283	-	-	18,283	18,102
Accrued Expenses	8,322	-	-	8,322	6,620
Total Current Liabilities	74,981	67	(67)	74,981	73,892
LONG-TERM DEBT	275,943	-	-	275,943	294,225
Total Liabilities	350,924	67	(67)	350,924	368,117
NET POSITION					
With Donor Restrictions - Nonexpendable	-	-	146,522	146,522	237,667
Members' Capital/Stock/APIC	-	161,193	(161,193)	-	-
With Donor Restrictions	1,415,253	-	-	1,415,253	1,541,357
Without Donor Restrictions	1,064,370	-	-	1,064,370	1,073,307
Total Net Position	2,479,623	161,193	(14,671)	2,626,145	2,852,331
Total Liabilities and Net Position	<u>\$ 2,830,547</u>	<u>\$ 161,260</u>	<u>\$ (14,738)</u>	<u>\$ 2,977,069</u>	<u>\$ 3,220,448</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – WBIC
YEAR ENDED DECEMBER 31, 2023 WITH COMPARATIVE TOTALS
FOR YEAR ENDED DECEMBER 31, 2022**

	WBIC	Component Unit WREF	Combining Adjustments	Totals	
				2023	2022
OPERATING REVENUES					
Intergovernmental:					
Federal Sources	\$ 79,094	\$ -	\$ -	\$ 79,094	\$ 68,445
Local Sources	84,074	-	-	84,074	93,230
Revenues:					
Loan Interest Income	93,717	-	-	93,717	79,019
Unrealized Loss on Investments	-	(173,441)	173,441	-	-
Total Operating Revenues	<u>256,885</u>	<u>(173,441)</u>	<u>173,441</u>	<u>256,885</u>	<u>240,694</u>
OPERATING EXPENSES					
Salaries	103,589	223	(223)	103,589	93,984
Fringe Benefits	47,880	103	(103)	47,880	45,698
Professional Fees	12,136	1,513	(1,513)	12,136	11,938
Supplies and Repairs	1,505	-	-	1,505	800
Insurance	750	-	-	750	750
Advertising	1,744	-	-	1,744	-
Postage and Printing	-	-	-	-	101
Travel and Meeting	4,570	-	-	4,570	4,365
Contractual	7,097	-	-	7,097	7,200
Training	663	-	-	663	133
Miscellaneous	542	26	(26)	542	392
Provision for Bad Debts	110,000	-	-	110,000	30,000
Indirect Costs	15,745	77	(77)	15,745	19,025
Total Operating Expenses	<u>306,221</u>	<u>1,942</u>	<u>(1,942)</u>	<u>306,221</u>	<u>214,386</u>
NONOPERATING REVENUE (EXPENSE)					
Other Nonoperating Revenue (Expense)	10,286	-	(1,942)	8,344	3,715
Investment Income Earned	30,555	3,248	-	33,803	9,132
Loss on Investment Subsidiary	(80,990)	-	80,990	-	-
Unrealized Gain (Loss) on Investments	(42,603)	-	(173,441)	(216,044)	(2,197)
Interest Expense	(2,953)	-	-	(2,953)	(3,135)
Total Nonoperating Expense	<u>(85,705)</u>	<u>3,248</u>	<u>(94,393)</u>	<u>(176,850)</u>	<u>7,515</u>
CHANGE IN NET POSITION	<u>(135,041)</u>	<u>(172,135)</u>	<u>80,990</u>	<u>(226,186)</u>	<u>33,823</u>
Net Position - Beginning of Year	<u>2,614,664</u>	<u>333,328</u>	<u>(95,661)</u>	<u>2,852,331</u>	<u>2,818,508</u>
NET POSITION - END OF YEAR	<u>\$ 2,479,623</u>	<u>\$ 161,193</u>	<u>\$ (14,671)</u>	<u>\$ 2,626,145</u>	<u>\$ 2,852,331</u>
BREAKDOWN OF CHANGE IN NET POSITION					
Noncontrolling Interest	\$ -	\$ -	\$ (91,145)	\$ (91,145)	\$ (3,736)
Controlling Interest	<u>(135,041)</u>	<u>(172,135)</u>	<u>172,135</u>	<u>(135,041)</u>	<u>37,559</u>
CHANGE IN NET POSITION	<u>\$ (135,041)</u>	<u>\$ (172,135)</u>	<u>\$ 80,990</u>	<u>\$ (226,186)</u>	<u>\$ 33,823</u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF FINANCIAL POSITION –
WISCONSIN BUSINESS INNOVATION CORPORATION
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 790,157	\$ 1,479,806
Receivables	56,506	39,872
Current Loans Receivable	350,000	-
Current Loans Receivable - RLF	162,905	156,156
Current Loans Receivable - IRP	43,826	43,739
Total Current Assets	<u>1,403,394</u>	<u>1,719,573</u>
LONG-TERM RECEIVABLES		
Loans Receivable	150,000	350,000
Loans Receivable, RLF	1,212,348	615,926
Loans Receivable, IRP	260,738	259,622
Allowance for Loans Receivable	(225,000)	(115,000)
Total Long-Term Receivables	<u>1,398,086</u>	<u>1,110,548</u>
INVESTMENTS, Net	<u>29,067</u>	<u>152,660</u>
Total Assets	<u><u>\$ 2,830,547</u></u>	<u><u>\$ 2,982,781</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 48,376	\$ 49,170
Current Maturities Notes Payable	18,283	18,102
Accrued Expenses	8,322	6,620
Total Current Liabilities	<u>74,981</u>	<u>73,892</u>
LONG-TERM DEBT	<u>275,943</u>	<u>294,225</u>
Total Liabilities	350,924	368,117
NET ASSETS		
With Donor Restrictions	1,415,253	1,541,357
Without Donor Restrictions	1,064,370	1,073,307
Total Net Assets	<u>2,479,623</u>	<u>2,614,664</u>
Total Liabilities and Net Assets	<u><u>\$ 2,830,547</u></u>	<u><u>\$ 2,982,781</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF ACTIVITIES –
WISCONSIN BUSINESS INNOVATION CORPORATION
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
REVENUES		
Intergovernmental:		
Federal Sources	\$ 79,094	\$ 68,445
Local Sources	84,074	93,230
Other Revenues	10,286	11,638
Loan Interest Income	93,717	79,019
Investment Income Earned	30,555	8,263
Loss on Investment in Subsidiary	(80,990)	(3,319)
Unrealized Loss on Investment	(42,603)	(2,196)
Total Revenues	<u>174,133</u>	<u>255,080</u>
EXPENSES		
Salaries	103,589	93,984
Fringe Benefits	47,880	45,698
Professional Fees	12,136	11,938
Supplies and Repairs	1,505	800
Insurance	750	750
Advertising	1,744	-
Postage and Printing	-	101
Travel and Meeting Expense	4,570	4,365
Contractual	7,097	7,200
Training	663	133
Interest Expense	2,953	3,135
Miscellaneous	542	392
Provision for Bad Debts	110,000	30,000
Indirect Costs	15,745	19,025
Total Expenses	<u>309,174</u>	<u>217,521</u>
CHANGE IN NET ASSETS	(135,041)	37,559
Net Assets - Beginning of Year	<u>2,614,664</u>	<u>2,577,105</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,479,623</u></u>	<u><u>\$ 2,614,664</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
BALANCE SHEETS – WISCONSIN RURAL ENTERPRISE FUND, LLC
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 67,064	\$ 66,277
INVESTMENTS, Net	<u>94,196</u>	<u>267,636</u>
Total Assets	<u><u>\$ 161,260</u></u>	<u><u>\$ 333,913</u></u>
LIABILITIES AND MEMBER EQUITY		
CURRENT LIABILITIES		
Due to WBIC - Managing Partner	\$ 67	\$ 585
MEMBER EQUITY	<u>161,193</u>	<u>333,328</u>
Total Liabilities and Member Equity	<u><u>\$ 161,260</u></u>	<u><u>\$ 333,913</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF OPERATIONS AND MEMBER EQUITY –
WISCONSIN RURAL ENTERPRISE FUND, LLC
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
REVENUE		
Interest	\$ 3,248	\$ 869
Gain on Sale of Investments	-	-
Unrealized Loss on Investments	<u>(173,441)</u>	<u>-</u>
Total Revenue	(170,193)	869
EXPENSES		
Salaries	223	192
Fringe Benefits	103	93
Miscellaneous	26	26
Professional Fees	1,513	1,538
Contractual	-	6,000
Indirect	<u>77</u>	<u>74</u>
Total Expenses	<u>1,942</u>	<u>7,923</u>
NET LOSS	(172,135)	(7,054)
Member Equity - Beginning of Year	<u>333,328</u>	<u>340,382</u>
MEMBER EQUITY - END OF YEAR	<u><u>\$ 161,193</u></u>	<u><u>\$ 333,328</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF FINANCIAL POSITION –
NORTHWEST WISCONSIN BUSINESS DEVELOPMENT CORPORATION
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,145,963	\$ 1,535,147
Receivables	6,721	3,649
Current Loans Receivable	-	11,987
Current Loans Receivable - RLF	242,014	346,809
Current Loans Receivable - TSF	3,100	2,929
Current Loans Receivable - IRP	21,594	37,725
Current Loans Receivable - IRP 2	99,178	58,009
Allowance for Loans Receivable	<u>(53,700)</u>	<u>(70,400)</u>
Total Current Assets	1,464,870	1,925,855
LONG-TERM RECEIVABLES		
Loans Receivable	-	22,925
Loans Receivable - RLF	1,337,880	759,921
Loans Receivable - TSF	4,130	7,655
Loans Receivable - IRP	133,167	110,602
Loans Receivable - IRP 2	33,799	102,175
Loans Receivable - HUD	1,460,482	1,479,482
Allowance for Loans Receivable	<u>(226,300)</u>	<u>(209,600)</u>
Total Long-Term Receivables	<u>2,743,158</u>	<u>2,273,160</u>
Total Assets	<u><u>\$ 4,208,028</u></u>	<u><u>\$ 4,199,015</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities Notes Payable - IRP 2	\$ 23,747	\$ 23,513
Accounts Payable	3,583	4,908
Accrued Expenses	<u>478</u>	<u>635</u>
Total Current Liabilities	27,808	29,056
LONG-TERM DEBT, Less Current Maturities		
Notes Payable - IRP 2	<u>47,708</u>	<u>71,452</u>
Total Long-Term Debt	<u>47,708</u>	<u>71,452</u>
Total Liabilities	75,516	100,508
NET ASSETS		
With Donor Restrictions	4,019,218	3,949,797
Without Donor Restrictions	<u>113,294</u>	<u>148,710</u>
Total Net Assets	<u>4,132,512</u>	<u>4,098,507</u>
Total Liabilities and Net Assets	<u><u>\$ 4,208,028</u></u>	<u><u>\$ 4,199,015</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF ACTIVITIES –
NORTHWEST WISCONSIN BUSINESS DEVELOPMENT CORPORATION
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
REVENUES		
Loan Interest Income	\$ 65,988	\$ 58,374
EXPENSES		
Salaries	26,883	17,956
Fringe Benefits	12,426	8,622
Professional Fees	11,115	10,245
Supplies and Repairs	1,651	1,014
Insurance	1,250	1,918
Travel and Meeting	1,831	2,202
Training	141	133
Miscellaneous	1,213	765
Provision for Bad Debts	-	126,000
Indirect Costs	9,294	6,790
Total Expenses	<u>65,804</u>	<u>175,645</u>
NONOPERATING REVENUE (EXPENSE)		
Interest Expense	(792)	(1,194)
Other Nonoperating Revenue	8,199	6,617
Investment Income Earned	26,414	3,261
Total Nonoperating Revenue	<u>33,821</u>	<u>8,684</u>
CHANGE IN NET ASSETS	34,005	(108,587)
Net Assets - Beginning of Year	<u>4,098,507</u>	<u>4,207,094</u>
NET ASSETS - END OF YEAR	<u><u>\$ 4,132,512</u></u>	<u><u>\$ 4,098,507</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF FINANCIAL POSITION –
NORTHWEST WISCONSIN REGIONAL ECONOMIC DEVELOPMENT FUND, LLC
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,740,562	\$ 2,400,516
Receivables	10,296	4,417
Current Loans Receivable - RLF	368,759	336,017
Allowance for Loans Receivable	<u>(50,000)</u>	<u>(50,000)</u>
Total Current Assets	2,069,617	2,690,950
LONG-TERM RECEIVABLES		
Loans Receivable - RLF	2,062,762	1,332,397
Allowance for Loans Receivable	<u>(200,000)</u>	<u>(200,000)</u>
Total Long-Term Receivables	1,862,762	1,132,397
INVESTMENTS, Net	<u>170,800</u>	<u>211,304</u>
Total Assets	<u><u>\$ 4,103,179</u></u>	<u><u>\$ 4,034,651</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 16,827	\$ 6,819
NET ASSETS		
With Donor Restrictions	<u>4,086,352</u>	<u>4,027,832</u>
Total Liabilities and Net Assets	<u><u>\$ 4,103,179</u></u>	<u><u>\$ 4,034,651</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF ACTIVITIES –
NORTHWEST WISCONSIN REGIONAL ECONOMIC DEVELOPMENT FUND, LLC
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
REVENUES		
Loan Interest Income	\$ 89,907	\$ 66,009
EXPENSES		
Salaries	45,256	19,465
Fringe Benefits	20,918	9,465
Professional Fees	11,907	12,350
Supplies and Repairs	1,973	1,891
Travel and Meeting	2,751	2,295
Training	191	133
Miscellaneous	1,618	1,494
Provision for (Recovery of) Bad Debts	-	(8,000)
Indirect Costs	15,646	7,453
Total Expenses	<u>100,260</u>	<u>46,546</u>
NONOPERATING REVENUE (EXPENSE)		
Other Nonoperating Revenue	11,318	6,798
Investment Income Earned	98,059	29,932
Loss on Investment in Subsidiary	<u>(40,504)</u>	<u>(1,661)</u>
Total Nonoperating Revenue	<u>68,873</u>	<u>35,069</u>
CHANGE IN NET ASSETS	58,520	54,532
Net Assets - Beginning of Year	<u>4,027,832</u>	<u>3,973,300</u>
NET ASSETS - END OF YEAR	<u><u>\$ 4,086,352</u></u>	<u><u>\$ 4,027,832</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF FINANCIAL POSITION –
NORTHWEST WISCONSIN AFFORDABLE HOUSING, INC.
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 72,126	\$ 162,640
LONG-TERM LOAN RECEIVABLES		
Loans Receivable - HOME	1,631,363	1,674,278
Loans Receivable - HCRI	349,286	338,958
Allowance for Loans Receivable	(30,000)	(30,000)
Total Long-Term Receivables	<u>1,950,649</u>	<u>1,983,236</u>
Total Assets	<u><u>\$ 2,022,775</u></u>	<u><u>\$ 2,145,876</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Due to Affiliated Organization	\$ 7,091	\$ 3,750
NET ASSETS		
With Donor Restrictions	2,016,530	2,141,271
Without Donor Restriction	(846)	855
Total Net Assets	<u>2,015,684</u>	<u>2,142,126</u>
Total Liabilities and Net Assets	<u><u>\$ 2,022,775</u></u>	<u><u>\$ 2,145,876</u></u>

**NORTHWEST REGIONAL PLANNING COMMISSION
STATEMENTS OF ACTIVITIES –
NORTHWEST WISCONSIN AFFORDABLE HOUSING, INC.
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Federal Sources	\$ 50,509	\$ 13,687
State Sources	846	4,791
Local Sources	190	4,000
Total Operating Revenues	<u>51,545</u>	<u>22,478</u>
OPERATING EXPENSES		
Salaries	2,115	-
Fringe Benefits	978	-
Professional Fees	758	1,923
Supplies and Repairs	400	-
Travel and Meeting	288	114
Contractual	38,744	3,960
Miscellaneous	25	20
Indirect Costs	731	-
Total Operating Expenses	<u>44,039</u>	<u>6,017</u>
NONOPERATING REVENUE (EXPENSE)		
Other Nonoperating Expense	(134,056)	(102,527)
Investment Income Earned	108	13
Total Nonoperating Expense	<u>(133,948)</u>	<u>(102,514)</u>
CHANGE IN NET ASSETS	(126,442)	(86,053)
Net Assets - Beginning of Year	<u>2,142,126</u>	<u>2,228,179</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,015,684</u></u>	<u><u>\$ 2,142,126</u></u>

SINGLE AUDIT REPORTS AND SCHEDULES



**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**

Board of Directors
Northwest Regional Planning Commission
Spooner, 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 Northwest Regional Planning Commission (Organization), as of and for the year ended December 31, 2023 and the related notes to the financial statements, and have issued our report thereon dated June 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northwest Regional Planning Commission'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Regional Planning Commission'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 Organization'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

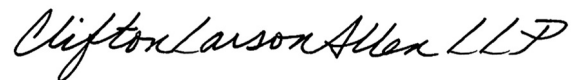
As part of obtaining reasonable assurance about whether Northwest Regional Planning Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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*.

Northwest Regional Planning Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Northwest Regional Planning Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization'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 Northwest Regional Planning Commission'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 18, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE *UNIFORM GUIDANCE* AND THE *STATE SINGLE AUDIT GUIDELINES***

Board of Directors
Northwest Regional Planning Commission
Spooner, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Northwest Regional Planning Commission's (Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2023. We have also audited the Organization's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs for the same period. The Organization's major federal programs and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Northwest Regional Planning Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northwest Regional Planning Commission and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Northwest Regional Planning Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Northwest Regional Planning Commission's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northwest Regional Planning Commission's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Northwest Regional Planning Commission's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and *State Single Audit Guidelines*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Northwest Regional Planning Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Northwest Regional Planning Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Northwest Regional Planning Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.


Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State Single Audit Guidelines. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 18, 2024

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass Through/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
FEDERAL PROGRAMS			
U.S. Department of Commerce			
ECONOMIC DEVELOPMENT ADMINISTRATION			
NORTHWEST REGIONAL PLANNING COMMISSION			
January 1, 2023 -December 31, 2025 Economic Assistance Project	11.302	ED17CHI3020006	\$ 62,660
Economic Development Adjustment Assistance-Disaster Supplement	11.307	06-69-06169	29,863
COVID-19 Economic Adjustment Assistance	11.307	ED20CHI3070057	134,147
Economic Development Adjustment Assistance-Outdoor Recreation & Tourism Study	11.307	06-69-06426	156,634
Economic Development Adjustment Assistance- CARES Act Revolving Loan Fund	11.307	06-79-06215	1,089,758
Subtotal 11.307			1,410,402
WISCONSIN BUSINESS INNOVATION CORPORATION			
February 1, 2023 - May 1, 2025 Public Service Commission	11.035	N/A	23,655
National Oceanic and Atmospheric Administration			
WISCONSIN DEPARTMENT OF ADMINISTRATION			
NORTHWEST REGIONAL PLANNING COMMISSION			
July 1, 2022 - June 30, 2023 Coastal Management Program	11.419	AD229118-023.31	12,061
July 1, 2023 - June 30, 2024 Coastal Management Program	11.419	AD229118-023.34	12,401
Subtotal 11.419			24,462
U.S. Department of Transportation			
HIGHWAY PLANNING AND CONSTRUCTION			
WISCONSIN DEPARTMENT OF TRANSPORTATION			
NORTHWEST REGIONAL PLANNING COMMISSION			
January 1, 2023 - December 31, 2023 Regional Transportation Planning	20.205	395.202	51,959
January 1, 2023 - December 31, 2023 MIC Work Program	20.205	395.202	68,124
Subtotal 20.205			120,083
U.S. Department of Treasury			
WISCONSIN DEPARTMENT OF ADMINISTRATION			
NORTHWEST REGIONAL PLANNING COMMISSION			
COVID-19 Mainstreet Bounceback Grant	21.027	MS-BB FY22-52908	20,000
U.S. Small Business Administration			
NORTHWEST REGIONAL PLANNING COMMISSION			
July 1, 2022 - June 30, 2023 Microloan Program Technical Assistance	59.046	(A) SBAOCAML210238	63,654
July 1, 2023 - June 30, 2024 Microloan Program Technical Assistance	59.046	(A) SBAOCAML220408-01-00	55,129
Subtotal 59.046			118,783
SBA Micro Lender Intermediary Program	59.046	(A)	660,855
			779,638
U.S. Department of Health and Human Services			
NORTHWEST REGIONAL PLANNING COMMISSION			
Wisconsin Lead Safe Home Program	93.767	435100-G23-LEADSAFEPRO-23 M1	32,220
Wisconsin Lead Safe Home Program	93.767	435100-G23-LEADSAFEPRO-23 M1	36,428
Subtotal 93.767			68,648
U.S. Department of Agriculture			
RURAL DEVELOPMENT			
WISCONSIN BUSINESS INNOVATION CORPORATION			
Rural Business Development Grant 2022	10.351	N/A	24,296
Rural Business Development Grant 2023	10.351	N/A	31,144
Subtotal 10.351			55,440
U.S. Department of Housing and Urban Development			
NORTHWEST WISCONSIN AFFORDABLE HOUSING, INC			
July 1, 2022 - December 31, 2023 HOME Homebuyer & Rehabilitation Program	14.239	HHR 19.08	55,560
Subtotal 14.239			55,560

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass Through	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
WISCONSIN BUSINESS INNOVATION CORPORATION			
Intermediary Relending Program	10.767	N/A	\$ 312,237
NORTHWEST WISCONSIN BUSINESS DEVELOPMENT CORPORATION			
Intermediary Relending Program	10.767	N/A	94,965
Subtotal 10.767			<u>407,202</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 3,027,750</u>

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2023**

State Grantor/Pass Through	State ID Number	State Expenditures
Wisconsin Department of Transportation		
NORTHWEST REGIONAL PLANNING COMMISSION		
Planning Commission Program		
January 1, 2023 - December 31, 2023 Regional Transportation Planning	395.202	\$ 6,495
January 1, 2023 - December 31, 2023 MIC Work Program	395.202	3,166
Wisconsin Department of Administration		
NORTHWEST WISCONSIN AFFORDABLE HOUSING, INC.		
July 1, 2021 - September 30, 2023 Housing Cost Reduction Initiative - Homebuyer HCRI 21-17	505.703A	846
Wisconsin Department of Agriculture, Trade and Consumer Protection		
NORTHWEST REGIONAL PLANNING COMMISSION		
January 1, 2023 - December 31, 2023 Agricultural Clean Sweep - Household Hazardous Waste Grant	115.04	75,085
January 1, 2023 - December 31, 2023 Agricultural Clean Sweep - Agricultural Prescriptions	115.04	1,229
TOTAL STATE FINANCIAL ASSISTANCE		\$ 86,821

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2023**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Northwest Regional Planning Commission and its blended component units and are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and the *Wisconsin State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 IDENTIFICATION OF COMPONENT UNITS

<u>Name</u>	<u>Employer Identification Number</u>
Northwest Regional Planning Commission	39-1313215
Northwest Wisconsin Business Development Corporation	39-1474812
Wisconsin Rural Enterprise Fund, Inc.	39-2013290
Wisconsin Business Innovation Corporation	39-1850370
Northwest Affordable Housing, Inc.	39-1848899
Northwest Wisconsin Regional Economic Development, Inc.	20-4322834

NOTE 3 REVOLVING LOAN FUNDS

The Economic Development Revolving Loan Funds (RLF) expenditure balances reported within the schedule of expenditures of federal awards is based on:

1. Balance of RLF loans outstanding at the end of the year.
2. Cash and investment balance in the RLF at the end of the year.
3. Administrative expenses paid out of RLF during the year.

Calculated expenditures for the year ended December 31, 2023 are as follows:

<u>Loan Fund</u>	<u>06-79-06215</u>
Balance of RLF Loans Outstanding at 12/31/22	\$ 274,147
Cash and Investments in RLF Accounts at 12/31/22	815,611
Subtotal	\$ 1,089,758
Federal Percent	100%
Reported Expenditure	<u>\$ 1,089,758</u>

NOTE 4 YEAR-END LOAN RECEIVABLE BALANCES

At December 31, 2023 loan receivable balances attributable to both federal and local funding were as follows:

Economic Development Revolving Loan Fund	\$ 407,202
Small Business Administration	398,625

**NORTHWEST REGIONAL PLANNING COMMISSION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2023**

NOTE 5 SUBRECIPIENT PAYMENTS

There were no subrecipient payments during the year ended December 31, 2023.

NOTE 6 INDIRECT COSTS

Northwest Regional Planning Commission does not use the 10% de minimus rate.

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ x _____ yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes _____ x _____ no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ yes _____ x _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes _____ x _____ no

Identification of Major Federal Program

Assistance Listing Number(s)

59.046

Name of Federal Program or Cluster

Small Business Administration Microloan Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low risk auditee?

_____ x _____ yes _____ no

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors' Results (Continued)

State Awards

4. Internal control over major federal programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

5. Type of auditors' report issued on compliance for major federal programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with *State Single Audit Guidelines*? _____ yes x no

Identification of Major State Program

State – Wisconsin Department of Administration

State Number(s)

115.04

Name of State Program

Agricultural Clean Sweep

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 250,000

Auditee qualified as low risk auditee?

 x yes _____ no

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings

2023-001 Limited Segregation of Duties

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: The lack of available staff precludes a proper separation of duties to assure adequate internal control.

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.

Effect: The potential exists that the design of the internal controls over financial reporting could affect the ability of the Organization to record, process, summarize, and report financial data consistently with the assertions of management in the financial statements. In addition, this lack of segregation of duties may result in the Organization's inability to prevent/detect misappropriation of Organization assets.

Cause: The condition is due to limited staff available.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-001.

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

Views of Responsible Officials and Planned Corrective Actions: The Organization continues to work to achieve an appropriate segregation of duties whenever cost effective. Specific actions will involve review of processes and controls over disbursements, receipts, and journal entries. The Executive Director is the official responsible for ensuring corrective action of the deficiency.

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings (Continued)

2023-002 Audit Adjusting Journal Entries

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: The audit firm proposed and Northwest Regional Planning Commission posted to its general ledger accounts journal entries to correct misstatements.

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

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

Cause: Audit procedures determined that one entry significant enough to trigger a significant deficiency was necessary in order to adjust year end balances in accordance with GAAP.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-001.

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

Views of Responsible Officials and Planned Corrective Actions: The Organization will review auditor proposed entries in order to modify year-end reconciling procedures to ensure all accounts are adjusted in accordance with GAAP. Management will review and approve the auditor proposed entries prior to recording them. The Executive Director is the official responsible for ensuring corrective action of the deficiency.

**NORTHWEST REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section III – Federal and State Award Findings and Questions Costs

FINDINGS RELATED TO MAJOR FEDERAL PROGRAM AWARDS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS

Our audit did not disclose any matters required to be reported in accordance with *State Single Audit Guidelines*.


FINDINGS RELATED TO STATE GENERAL REQUIREMENTS

Our audit did not disclose any matters required to be reported in accordance with *State Single Audit Guidelines*.

Section IV – Other Issues

- | | |
|--|-----|
| 1) Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as the auditee's ability to continue as a going concern? | No |
| 2) Does the audit report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> ? | |
| Department of Agriculture, Trade and Commerce | No |
| Department of Safety and Professional Services | No |
| Department of Natural Resources | No |
| Department of Transportation | No |
| Department of Corrections | No |
| Department of Health Services | No |
| Department of Children and Families | No |
| Department of Justice | No |
| Department of Military Affairs | No |
| Department of Administration | No |
| 3) Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |

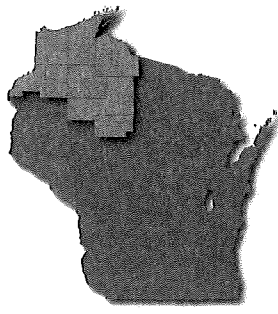
Name and Signature of Partner/Principal



Brock Geyen, CPA

Date of Report

June 18, 2024



Northwest Regional Planning Commission

NWRPC

keeping your future as our focus

*Serving communities within and counties of
ASHLAND, BAYFIELD, BURNETT,
DOUGLAS, IRON, PRICE, RUSK, SAWYER,
TAYLOR, & WASHBURN*

*And the Tribal Nations of
BAD RIVER, LAC COURTE ORIELLES, LAC DU
FLAMBEAU, RED CLIFF, & ST. CROIX*

To State and Federal Awarding Agencies

Northwest Regional Planning Commission respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2023.

Current audit period: January 1, 2023 – December 31, 2023

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2022-001 Limited Segregation of Duties

Condition: The lack of available staff precludes a proper separation of duties to assure adequate internal control.

Status: See current year finding 2023-001.

Reason for finding's recurrence: Changes to processes and controls over significant audit areas were not made during the period under audit to sufficiently mitigate the finding.

Corrective Action: The organization continues to work to achieve an appropriate segregation of duties whenever cost effective. Specific action will involve review of processes and controls over disbursements and receipts.

2022-002 Material Audit Adjustments

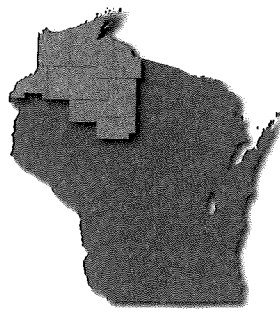
Condition: The audit firm proposed and Northwest Regional Planning Commission posted to its general ledger accounts journal entries to correct misstatements related to lease activity and change in investment activity.

Status: See current year finding 2023-001.

Reason for finding's recurrence: As a finding, audit adjusting journal entries is a repeat of a finding in the immediately prior year.

Corrective Action: The Organization will review and modify the year end reconciling process in order to adjust all accounts in accordance with generally accepted accounting principles. The 2023 audit adjustment will be reviewed in an effort to avoid duplication of a similar entry during the 2024 audit.

Any questions regarding this schedule can be directed to the Office of the Executive Director at 1400 South River Street, Spooner, WI 54801 or 715-635-2197.



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To State and Federal Awarding Agencies

Northwest Regional Planning Commission respectfully submits the following corrective action plan for the year ended December 31, 2023.

Audit period: January 1, 2023 - December 31, 2023

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2023-001 Limited Segregation of Duties

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

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: The Organization continues to work to achieve an appropriate segregation of duties whenever cost effective. During fiscal year 2024 the Organization will review compensating controls and mitigating factors. Specific actions will involve review of processes and controls over disbursements and receipts documentation of current processes and controls to include flow charts; reviewing level of utilization of automated control capabilities of our finance system and review of these with the auditors.

Name(s) of the contact person(s) responsible for corrective action: Sheldon Johnson, Executive Director.

Planned completion date for corrective action plan: The review of processes and controls will be completed by December 31, 2024.

SIGNIFICANT DEFICIENCY

2023-002 Audit Adjusting Journal Entries

Recommendation: The Organization 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 Generally Accepted Accounting Principles (GAAP).

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: The Organization will review auditor proposed entries in order to modify year-end reconciling procedures to ensure all accounts are adjusted in accordance with GAAP.

Name(s) of the contact person(s) responsible for corrective action: Sheldon Johnson, Executive Director.

Planned completion date for corrective action plan: The Organization will complete the review of both the 2023 audit entry and the year-end reconciling process by December 31, 2024.

Any questions regarding these corrective action plans can be directed to the Office of the Executive Director at 1400 South River Street, Spooner, WI 54801 or 715-635-2197.