

**MONROE COUNTY, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2011**

**MONROE COUNTY, WISCONSIN**

December 31, 2011

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## INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the County Board  
Monroe County  
Sparta, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Wisconsin ("the County") as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Monroe County's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and the human services special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A.5.j, the County has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions on pages 3 through 9 and 46 through 47 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The financial information listed in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants  
Green Bay, Wisconsin  
July 10, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MONROE COUNTY, WISCONSIN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2011

As management of the Monroe County, Wisconsin, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011.

**Financial Highlights**

- The assets of the County exceeded its liabilities as of December 31, 2011 by \$67.7 million (*net assets*). Of this amount, \$17.3 million (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$5.4 million comprised of a \$4.8 million increase in governmental activities and a \$0.6 million increase in business-type activities. This increase was due primarily to favorable budget variances of governmental funds and capital contributions for infrastructure projects.
- As of December 31, 2011, the County's governmental funds reported combined ending fund balances of \$18.3 million, an increase of \$3.1 million in comparison with the prior year. Approximately 56% of this total amount, \$10.2 million is *available for spending* at the County's discretion (*unassigned fund balance*).
- As of December 31, 2011, unassigned fund balance for the general fund was \$10.2 million.
- The County's total general-obligation debt decreased by \$590,000 during 2011.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, culture, recreation and education, and conservation and development. The business-type activities of the County include the County's nursing home, highway operations, landfill operations and economic revolving loan program.

The government-wide financial statements can be found on pages 10 - 12 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, human service special revenue and capital projects funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general and human service special revenue funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13 - 18 of this report.

**Proprietary funds.** The County maintains enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its nursing home, solid waste, highway and development loans.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the nursing home, solid waste and highway enterprise funds, which are considered to be major funds of the County.

The basic proprietary fund financial statements can be found on pages 19 - 21 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 22 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23 - 45 of this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the basic financial statements and can be found on pages 46 - 50.

**Government-wide Financial Analysis**

**Net assets.** As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$67.7 million at the close of 2011.

Monroe County, Wisconsin						
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 37,204,405	\$ 31,033,322	\$ 9,643,036	\$ 9,159,169	\$ 46,847,441	\$ 40,192,491
Capital assets	40,694,967	39,964,076	8,223,834	8,461,638	48,918,801	48,425,714
<b>Total Assets</b>	<b>77,899,372</b>	<b>70,997,398</b>	<b>17,866,870</b>	<b>17,620,807</b>	<b>95,766,242</b>	<b>88,618,205</b>
Long-term liabilities outstanding	3,670,707	4,255,919	2,149,701	2,041,335	5,820,408	6,297,254
Other liabilities	17,791,241	15,084,838	4,466,141	4,953,634	22,257,382	20,038,472
<b>Total Liabilities</b>	<b>21,461,948</b>	<b>19,340,757</b>	<b>6,615,842</b>	<b>6,994,969</b>	<b>28,077,790</b>	<b>26,335,726</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	40,694,967	39,964,076	8,223,834	8,461,638	48,918,801	48,425,714
Restricted	734,418	85,761	832,881	818,863	1,567,299	904,624
Unrestricted	15,008,039	11,606,804	2,194,313	1,345,337	17,202,352	12,952,141
<b>Total Net Assets</b>	<b>\$ 56,437,424</b>	<b>\$ 51,656,641</b>	<b>\$ 11,251,028</b>	<b>\$ 10,625,838</b>	<b>\$ 67,688,452</b>	<b>\$ 62,282,479</b>

By far the largest portion of the County's net assets (72%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (2.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$17 million) may be used to meet the County's ongoing obligations to citizens and creditors.



**Change in net assets.** Governmental activities increased the County's net assets by \$4,780,783 while business-type activities increased net assets by \$625,190. A summary of the changes in net assets follows:

<b>Monroe County, Wisconsin</b>						
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 4,362,879	\$ 4,085,515	\$ 11,278,172	\$ 10,807,912	\$ 15,641,051	\$ 14,893,427
Operating grants and contributions	7,996,554	7,429,665	1,044,198	967,550	9,040,752	8,397,215
Capital grants and contributions	827,835	49,567	-	-	827,835	49,567
<b>General Revenues</b>						
Property taxes	13,783,082	14,067,476	1,240,579	1,045,202	15,023,661	15,112,678
Sales tax	2,828,766	2,714,131	-	-	2,828,766	2,714,131
Other taxes	24,053	54,687	-	-	24,053	54,687
Grants and contributions not restricted to specific programs	2,805,718	2,745,404	-	-	2,805,718	2,745,404
Interest	775,215	600,073	9,851	12,929	785,066	613,002
Other	122,542	129,449	-	-	122,542	129,449
<b>Total Revenues</b>	<b>33,526,644</b>	<b>31,875,967</b>	<b>13,572,800</b>	<b>12,833,593</b>	<b>47,099,444</b>	<b>44,709,560</b>
<b>Expenses</b>						
General government	5,841,621	5,155,438	-	-	5,841,621	5,155,438
Public safety	6,222,171	6,418,120	-	-	6,222,171	6,418,120
Public works	3,824,190	4,085,638	-	-	3,824,190	4,085,638
Health and human services	10,517,092	10,355,976	-	-	10,517,092	10,355,976
Culture, recreation and education	911,454	861,710	-	-	911,454	861,710
Conservation and development	874,829	792,265	-	-	874,829	792,265
Interest on long-term debt	136,197	166,019	-	-	136,197	166,019
Nursing home	-	-	8,388,479	8,042,670	8,388,479	8,042,670
Solid waste	-	-	1,710,743	1,817,310	1,710,743	1,817,310
Highway	-	-	3,264,430	3,041,196	3,264,430	3,041,196
Economic revolving loan	-	-	2,265	-	2,265	-
<b>Total Expenses</b>	<b>28,327,554</b>	<b>27,835,166</b>	<b>13,365,917</b>	<b>12,901,176</b>	<b>41,693,471</b>	<b>40,736,342</b>
Change in Net Assets Before Transfers	5,199,090	4,040,801	206,883	(67,583)	5,405,973	3,973,218
Transfers	(418,307)	182,389	418,307	(182,389)	-	-
<b>Change in Net Assets</b>	<b>4,780,783</b>	<b>4,223,190</b>	<b>625,190</b>	<b>(249,972)</b>	<b>5,405,973</b>	<b>3,973,218</b>
Net Assets - January 1	51,656,641	47,433,451	10,625,838	10,875,810	62,282,479	58,309,261
<b>Net Assets - December 31</b>	<b>\$ 56,437,424</b>	<b>\$ 51,656,641</b>	<b>\$ 11,251,028</b>	<b>\$ 10,625,838</b>	<b>\$ 67,688,452</b>	<b>\$ 62,282,479</b>

## **Financial Analysis of the County's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2011, the County's governmental funds reported combined ending fund balances of \$18,282,491, an increase of \$3,130,345 in comparison with the prior year. Approximately 61% of this amount (\$10.2 million) constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been accounted. The *nonspendable* amounts include 1) advances to other funds that are not expected to be liquidated in the next year (\$1,557,735), 2) current year prepayments that benefit periods beyond the end of the current year (\$332,655), 3) the portion of delinquent taxes purchased from other taxing jurisdictions (\$3,966,127) and 4) nonspendable contributions for Wegner Grotto and Haney Reserve (\$51,000). The *restricted* include 1) amounts restricted for debt service (\$85,761), 2) amounts restricted by statutes (\$427,746), 3) amounts restricted by grant programs (\$132,059), and 4) amounts restricted by donors (\$81,328). The *committed* amount of \$319,307 is for various projects approved by the County Board in December 2011. The *assigned* amounts represent tentative management plans for certain items in the General Fund (\$47,191), Human Services special revenue fund (\$300,000), Capital projects (\$540,866), Senior Services special revenue fund (\$32,599), and the Local History Room special revenue fund (\$182,877).

The general fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$10,225,240 while total fund balance reached \$16,655,143. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 71% of total general fund expenditures, while total fund balance represents 116% of that same amount. Because the County annually transfers back unassigned fund balances of special revenue funds, the reader of the financial statements should also consider the expenditures of these funds when analyzing the County's general fund.

The County's general fund balance increased \$3,224,487 during the current year. Key factors in this growth are as follows:

- Positive revenue variance totaled \$487,103.
- Overall expenditure variances totaled \$2,506,183.
- General Government and Public Safety expenditures were under budget by \$1,308,140 and \$951,275, due primarily to meticulous fiscal management by the Department Heads.

The County's human services fund reported revenues in excess of expenditures of \$320,066, which was transferred to the general fund at year end. The surplus of funds was due to the following:

- Public charges for services exceeded budget by \$332,798.
- Human services expenses were under budget by \$119,997.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the County's government-wide financial statements, but in more detail.

Net assets of the Rolling Hills Rehabilitation Center and Special Care at the end of the year amounted to a deficit of \$772,590, a decrease in the deficit of \$175,617 over the prior year.

Net assets of the solid waste fund at the end of the year amounted to \$2,977,887, a decrease of \$61,737 over the prior year.

Net assets of the highway fund at the end of the year amounted to \$8,228,643, an increase of \$500,440 over the prior year.

Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

**Capital Asset and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounts to \$48,918,801 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, public domain infrastructure (highways and bridges), and construction in progress. The total increase in the County's investment in capital assets for the current year was \$493,087 over last year.

<b>Monroe County, Wisconsin</b>						
(net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,328,985	\$ 1,328,985	\$ 415,316	\$ 415,316	\$ 1,744,301	\$ 1,744,301
Construction in progress	85,575	147,469	69,920	-	155,495	147,469
Land improvements	126,994	135,392	1,392,619	1,557,298	1,519,613	1,692,690
Buildings	981,145	947,147	1,513,890	1,637,630	2,495,035	2,584,777
Machinery and equipment	1,415,902	1,305,513	4,822,156	4,840,979	6,238,058	6,146,492
Infrastructure	36,756,366	36,099,570	-	-	36,756,366	36,099,570
Other assets	-	-	9,933	10,415	9,933	10,415
<b>Total</b>	<b>\$ 40,694,967</b>	<b>\$ 39,964,076</b>	<b>\$ 8,223,834</b>	<b>\$ 8,461,638</b>	<b>\$ 48,918,801</b>	<b>\$ 48,425,714</b>

**Long-term debt.** At the end of the current fiscal year, the County had total general obligation debt outstanding of \$2,960,000 backed by the full faith and credit of the government.

<b>Monroe County, Wisconsin's Outstanding Debt</b>						
General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
General Obligation Debt						
Bonds	\$ 1,365,000	\$ 1,470,000	\$ -	\$ -	\$ 1,365,000	\$ 1,470,000
Notes	1,595,000	2,080,000	-	-	1,595,000	2,080,000
<b>Total</b>	<b>\$ 2,960,000</b>	<b>\$ 3,550,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,960,000</b>	<b>\$ 3,550,000</b>

The County's general obligation debt decreased \$590,000 during the current fiscal year. State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized valuation. The current debt limitation for the County is \$134,751,690, which is significantly in excess of the County's \$2,960,000 in outstanding general obligation debt.

**Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 14345 Co Hwy B., Room 2, Sparta, WI 54656.

## **BASIC FINANCIAL STATEMENTS**

**MONROE COUNTY, WISCONSIN**  
Statement of Net Assets  
December 31, 2011

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 15,696,150	\$ 2,301,771	\$ 17,997,921
Receivables			
Taxes	11,499,194	3,750,527	15,249,721
Delinquent taxes	5,157,293	-	5,157,293
Accounts	1,772,109	2,471,410	4,243,519
Loans	-	280,549	280,549
Internal balances	2,724,047	(2,724,047)	-
Due from other governments	-	404,398	404,398
Inventories and prepaid items	332,655	911,458	1,244,113
Deferred charges	22,957	-	22,957
Restricted assets			
Cash and investments	-	2,246,970	2,246,970
Capital assets, nondepreciable			
Land	1,328,985	415,316	1,744,301
Construction in progress	85,575	69,920	155,495
Capital assets, depreciable			
Land improvements	231,903	4,527,265	4,759,168
Buildings and improvements	1,618,849	7,669,060	9,287,909
Machinery and equipment	2,765,099	14,375,157	17,140,256
Other assets	-	51,736	51,736
Infrastructure	53,725,224	-	53,725,224
Less: Accumulated depreciation	(19,060,668)	(18,884,620)	(37,945,288)
<b>TOTAL ASSETS</b>	<b>77,899,372</b>	<b>17,866,870</b>	<b>95,766,242</b>
<b>LIABILITIES</b>			
Accounts payable	1,091,676	494,138	1,585,814
Accrued and other current liabilities	2,704,059	158,256	2,862,315
Accrued interest payable	43,476	-	43,476
Due to other governments	2,375,864	399	2,376,263
Unearned revenues	11,576,166	3,796,369	15,372,535
Resident trust fund payable	-	16,979	16,979
Long-term obligations			
Due within one year	773,972	242,421	1,016,393
Due in more than one year	2,896,735	1,907,280	4,804,015
<b>TOTAL LIABILITIES</b>	<b>21,461,948</b>	<b>6,615,842</b>	<b>28,077,790</b>
<b>NET ASSETS</b>			
Invested in capital assets	40,694,967	8,223,834	48,918,801
Restricted for			
Debt service	42,285	-	42,285
Wegner Grotto	108,488	-	108,488
Haney Reserve	1,858	-	1,858
Child support technology purchases	51,329	-	51,329
Redaction fees	65,130	-	65,130
Land record fees	37,188	-	37,188
Dog control	19,325	-	19,325
Parks	2,657	-	2,657
Crep Program	30,678	-	30,678
Forestry maintenance - land acquisition	49,255	-	49,255
Wildlife habitat	797	-	797
Jail assessment	325,428	-	325,428
Resident trust	-	15,793	15,793
Community development	-	817,088	817,088
Unrestricted	15,008,039	2,194,313	17,202,352
<b>TOTAL NET ASSETS</b>	<b>\$ 56,437,424</b>	<b>\$ 11,251,028</b>	<b>\$ 67,688,452</b>

The notes to the basic financial statements are an integral part of this statement.

**MONROE COUNTY, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 5,841,621	\$ 1,946,082	\$ 291,541	\$ -
Public safety	6,222,171	308,474	1,268,736	-
Public works	3,824,190	82,215	38,033	827,835
Health and human services	10,517,092	1,858,160	5,561,768	-
Culture, recreation and education	911,454	103,819	238,434	-
Conservation and development	874,829	64,129	598,042	-
Interest and fiscal charges	136,197	-	-	-
<b>Total Governmental Activities</b>	<b>28,327,554</b>	<b>4,362,879</b>	<b>7,996,554</b>	<b>827,835</b>
<b>Business-type Activities</b>				
Nursing home	8,388,479	6,493,998	894,725	-
Solid waste	1,710,743	1,719,835	149,473	-
Highway	3,264,430	3,052,514	-	-
Economic revolving loan	2,265	11,825	-	-
<b>Total Business-type Activities</b>	<b>13,365,917</b>	<b>11,278,172</b>	<b>1,044,198</b>	<b>-</b>
<b>Total</b>	<b>\$ 41,693,471</b>	<b>\$ 15,641,051</b>	<b>\$ 9,040,752</b>	<b>\$ 827,835</b>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales tax

Other taxes

Federal and state grants and other contributions  
not restricted to specific functions

Interest and investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - January 1

Net assets - December 31

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total

\$ (3,603,998)	\$ -	\$ (3,603,998)
(4,644,961)	-	(4,644,961)
(2,876,107)	-	(2,876,107)
(3,097,164)	-	(3,097,164)
(569,201)	-	(569,201)
(212,658)	-	(212,658)
(136,197)	-	(136,197)
<u>(15,140,286)</u>	<u>-</u>	<u>(15,140,286)</u>

-	(999,756)	(999,756)
-	158,565	158,565
-	(211,916)	(211,916)
-	9,560	9,560
<u>-</u>	<u>(1,043,547)</u>	<u>(1,043,547)</u>

<u>(15,140,286)</u>	<u>(1,043,547)</u>	<u>(16,183,833)</u>
---------------------	--------------------	---------------------

13,347,791	1,240,579	14,588,370
435,291	-	435,291
2,828,766	-	2,828,766
24,053	-	24,053

2,805,718	-	2,805,718
775,215	9,851	785,066
122,542	-	122,542
(418,307)	418,307	-
<u>19,921,069</u>	<u>1,668,737</u>	<u>21,589,806</u>

4,780,783	625,190	5,405,973
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<u>51,656,641</u>	<u>10,625,838</u>	<u>62,282,479</u>
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<u>\$ 56,437,424</u>	<u>\$ 11,251,028</u>	<u>\$ 67,688,452</u>
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**MONROE COUNTY, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2011

	General	Human Services	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 14,163,658	\$ 236,943	\$ 552,819	\$ 742,730	\$ 15,696,150
Receivables					
Taxes	8,339,978	2,468,283	-	690,933	11,499,194
Delinquent taxes	5,157,293	-	-	-	5,157,293
Accounts	1,103,396	495,163	-	173,550	1,772,109
Due from other funds	2,770,280	-	-	-	2,770,280
Inventories and prepaid items	332,655	-	-	-	332,655
<b>TOTAL ASSETS</b>	<b>\$ 31,867,260</b>	<b>\$ 3,200,389</b>	<b>\$ 552,819</b>	<b>\$ 1,607,213</b>	<b>\$ 37,227,681</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 637,605	\$ 394,710	\$ 11,953	\$ 47,408	\$ 1,091,676
Due to other funds	-	-	-	46,233	46,233
Accrued and other current liabilities	2,641,155	37,396	-	25,508	2,704,059
Due to other governments	2,375,864	-	-	-	2,375,864
Deferred revenues	9,557,493	2,468,283	-	701,582	12,727,358
<b>Total Liabilities</b>	<b>15,212,117</b>	<b>2,900,389</b>	<b>11,953</b>	<b>820,731</b>	<b>18,945,190</b>
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Inventories and prepaid items	332,655	-	-	-	332,655
Delinquent property taxes	3,966,127	-	-	-	3,966,127
Long-term cash advance	1,557,735	-	-	-	1,557,735
Haney Reserve	1,000	-	-	-	1,000
Wegner Grotto	-	-	-	50,000	50,000
<b>Restricted for</b>					
Retirement of long-term debt	-	-	-	85,761	85,761
Wegner Grotto	-	-	-	58,488	58,488
Haney Reserve	858	-	-	-	858
Child support technology purchases	-	-	-	51,329	51,329
Redaction fees	65,130	-	-	-	65,130
Land records fees	37,188	-	-	-	37,188
Dog control	19,325	-	-	-	19,325
Parks	2,657	-	-	-	2,657
CREP Program	30,678	-	-	-	30,678
Forestry maintenance - land acquisition	49,255	-	-	-	49,255
Wildlife habitat	797	-	-	-	797
Jail assessment	-	-	-	325,428	325,428
Committed	319,307	-	-	-	319,307
Assigned	47,191	300,000	540,866	215,476	1,103,533
Unassigned, reported in					
General fund	10,225,240	-	-	-	10,225,240
<b>Total Fund Balances</b>	<b>16,655,143</b>	<b>300,000</b>	<b>540,866</b>	<b>786,482</b>	<b>18,282,491</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,867,260</b>	<b>\$ 3,200,389</b>	<b>\$ 552,819</b>	<b>\$ 1,607,213</b>	<b>\$ 37,227,681</b>

(Continued)

**MONROE COUNTY, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2011

Reconciliation to the Statement of Net Assets

Total Fund Balances as shown on previous page \$ 18,282,491

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 40,694,967

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.

Delinquent taxes, including accrued interest 1,132,154

Interest on investments 19,038

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable \$ (2,960,000)

Compensated absences (590,290)

Deferred charges - bond issues 22,957

Debt premium (18,548)

Post-employment health benefits payable (101,869)

Accrued interest on long-term obligations (43,476) (3,691,226)

Net Assets of Governmental Activities as Reported on the Statement of Net Assets  
(see page 10)

\$ 56,437,424

The notes to the basic financial statements are an integral part of this statement.

**MONROE COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2011

	General	Human Services	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 10,902,538	\$ 2,494,122	\$ -	\$ 1,034,564	\$ 14,431,224
Intergovernmental	4,097,453	4,207,460	-	1,335,027	9,639,940
Licenses and permits	198,991	-	-	-	198,991
Fines and forfeits	221,630	-	-	-	221,630
Public charges for services	860,450	1,262,696	-	531,492	2,654,638
Intergovernmental charges for services	1,185,039	-	-	-	1,185,039
Miscellaneous	318,226	-	1,494	52,132	371,852
<b>Total Revenues</b>	<b>17,784,327</b>	<b>7,964,278</b>	<b>1,494</b>	<b>2,953,215</b>	<b>28,703,314</b>
<b>Expenditures</b>					
Current					
General government	5,903,063	-	-	-	5,903,063
Public safety	6,200,034	-	-	-	6,200,034
Public works	186,385	-	-	-	186,385
Health and human services	225,577	7,986,000	-	2,365,197	10,576,774
Culture and recreation	925,014	-	-	-	925,014
Conservation and development	869,503	-	-	-	869,503
Debt service					
Principal	-	-	-	590,000	590,000
Interest and fiscal charges	-	-	-	144,054	144,054
Capital outlay	-	-	143,834	-	143,834
<b>Total Expenditures</b>	<b>14,309,576</b>	<b>7,986,000</b>	<b>143,834</b>	<b>3,099,251</b>	<b>25,538,661</b>
<b>Excess of Revenues Over (Under)</b>	<b>3,474,751</b>	<b>(21,722)</b>	<b>(142,340)</b>	<b>(146,036)</b>	<b>3,164,653</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	770,899	408,904	-	369,605	1,549,408
Transfers out	(1,021,163)	(387,182)	-	(175,371)	(1,583,716)
<b>Total Other Financing Sources (Uses)</b>	<b>(250,264)</b>	<b>21,722</b>	<b>-</b>	<b>194,234</b>	<b>(34,308)</b>
<b>Net Change in Fund Balances</b>	<b>3,224,487</b>	<b>-</b>	<b>(142,340)</b>	<b>48,198</b>	<b>3,130,345</b>
<b>Fund Balances - January 1</b>	<b>13,430,656</b>	<b>300,000</b>	<b>683,206</b>	<b>738,284</b>	<b>15,152,146</b>
<b>Fund Balances - December 31</b>	<b>\$ 16,655,143</b>	<b>\$ 300,000</b>	<b>\$ 540,866</b>	<b>\$ 786,482</b>	<b>\$ 18,282,491</b>

(Continued)

**MONROE COUNTY, WISCONSIN**

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Governmental Funds

For the Year Ended December 31, 2011

Reconciliation to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds from previous page		\$ 3,130,345
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures reported in governmental fund statements	\$ 1,617,122	
Capital grants received by County	827,835	
Depreciation expense reported in the statement of activities	<u>(1,638,274)</u>	
Amount by which capital asset purchases exceeds depreciation in current year		806,683
Loss on disposal of capital assets not recognized in the fund financial statements		(75,792)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by:		
		(7,896)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year is:		590,000
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.		
		8,597
Debt issuance costs are reported as expenditures in the fund financial statements but capitalized and amortized over the life of the bond issue in the government-wide financial statements. Amount by which debt issuance costs paid exceeds amortization in the current year.		
		(3,848)
Debt premium is reported as an other financing source in the fund financial statements but capitalized and amortized over the life of the bond issue in the government-wide financial statements. Amount by which debt premium received exceeds amortization in the current year.		
		3,108
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent taxes, including accrued interest		327,552
Interest on investments		<u>2,034</u>
Change in Net Assets of Governmental Activities as Reported on the Statement of Activities (pages 11 - 12)		<u>\$ 4,780,783</u>

The notes to the basic financial statements are an integral part of this statement.

**MONROE COUNTY, WISCONSIN**

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 10,292,883	\$ 10,339,295	\$ 10,902,538	\$ 563,243
Intergovernmental	3,773,911	4,055,498	4,097,453	41,955
Licenses and permits	154,477	172,579	198,991	26,412
Fines and forfeits	263,000	263,000	221,630	(41,370)
Public charges for services	934,354	938,929	860,450	(78,479)
Intergovernmental charges for services	1,098,955	1,210,431	1,185,039	(25,392)
Miscellaneous	296,219	317,492	318,226	734
<b>Total Revenues</b>	<b>16,813,799</b>	<b>17,297,224</b>	<b>17,784,327</b>	<b>487,103</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	6,783,996	7,211,203	5,903,063	1,308,140
Public safety	7,131,398	7,151,309	6,200,034	951,275
Public works	184,313	242,340	186,385	55,955
Health and human services	219,897	241,135	225,577	15,558
Culture and recreation	844,154	976,455	925,014	51,441
Conservation and development	778,232	993,317	869,503	123,814
<b>Total Expenditures</b>	<b>15,941,990</b>	<b>16,815,759</b>	<b>14,309,576</b>	<b>2,506,183</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>871,809</b>	<b>481,465</b>	<b>3,474,751</b>	<b>2,993,286</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	10,000	328,234	770,899	442,665
Transfers out	(881,809)	(1,060,041)	(1,021,163)	38,878
<b>Total Other Financing Sources (Uses)</b>	<b>(871,809)</b>	<b>(731,807)</b>	<b>(250,264)</b>	<b>481,543</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(250,342)</b>	<b>3,224,487</b>	<b>3,474,829</b>
<b>Fund Balance - January 1</b>	<b>13,430,656</b>	<b>13,430,656</b>	<b>13,430,656</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 13,430,656</b>	<b>\$ 13,180,314</b>	<b>\$ 16,655,143</b>	<b>\$ 3,474,829</b>

The notes to the basic financial statements are an integral part of this statement.

**MONROE COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Human Services Special Revenue Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,540,534	\$ 2,494,122	\$ 2,494,122	\$ -
Intergovernmental	4,447,277	4,321,414	4,207,460	(113,954)
Public charges for services	809,898	929,898	1,262,696	332,798
<b>Total Revenues</b>	<u>7,797,709</u>	<u>7,745,434</u>	<u>7,964,278</u>	<u>218,844</u>
<b>Expenditures</b>				
Current				
Health and human services	8,150,518	8,105,997	7,986,000	119,997
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(352,809)</u>	<u>(360,563)</u>	<u>(21,722)</u>	<u>338,841</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	352,809	427,678	408,904	(18,774)
Transfers out	-	(67,115)	(387,182)	(320,067)
<b>Total Other Financing Sources (Uses)</b>	<u>352,809</u>	<u>360,563</u>	<u>21,722</u>	<u>(338,841)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - January 1</b>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement.

**MONROE COUNTY, WISCONSIN**

Statement of Net Assets

Proprietary Funds

December 31, 2011

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund Revolving Loan	Total Enterprise Funds
<b>ASSETS</b>					
Current assets					
Cash and investments	\$ 500	\$ 717,233	\$ 1,047,499	\$ 536,539	\$ 2,301,771
Receivables					
Taxes	763,523	-	2,987,004	-	3,750,527
Accounts	1,576,026	309,508	585,876	-	2,471,410
Loans	-	-	-	280,549	280,549
Due from other governments	-	-	404,398	-	404,398
Inventories and prepaid items	36,707	-	874,751	-	911,458
<b>Total Current Assets</b>	<b>2,376,756</b>	<b>1,026,741</b>	<b>5,899,528</b>	<b>817,088</b>	<b>10,120,113</b>
Noncurrent assets					
Restricted assets					
Cash and investments	32,772	2,214,198	-	-	2,246,970
Capital assets, nondepreciable					
Land	7,269	225,000	183,047	-	415,316
Construction in progress	-	69,920	-	-	69,920
Capital assets, depreciable					
Land improvements	443,420	3,618,925	464,920	-	4,527,265
Buildings	4,610,915	96,027	2,962,118	-	7,669,060
Machinery and equipment	1,971,944	215,944	12,187,269	-	14,375,157
Other assets	-	-	51,736	-	51,736
Less: Accumulated depreciation	(6,164,592)	(2,736,252)	(9,983,776)	-	(18,884,620)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>868,956</b>	<b>1,489,564</b>	<b>5,865,314</b>	<b>-</b>	<b>8,223,834</b>
<b>Total Noncurrent Assets</b>	<b>901,728</b>	<b>3,703,762</b>	<b>5,865,314</b>	<b>-</b>	<b>10,470,804</b>
<b>TOTAL ASSETS</b>	<b>3,278,484</b>	<b>4,730,503</b>	<b>11,764,842</b>	<b>817,088</b>	<b>20,590,917</b>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts and claims payable	208,035	46,270	239,833	-	494,138
Accrued and other current liabilities	90,612	1,128	66,516	-	158,256
Due to other funds	1,166,312	-	-	-	1,166,312
Due to other governments	220	-	179	-	399
Deferred revenues	763,523	-	3,032,846	-	3,796,369
Compensated absences	148,054	4,725	89,642	-	242,421
<b>Total Current Liabilities</b>	<b>2,376,756</b>	<b>52,123</b>	<b>3,429,016</b>	<b>-</b>	<b>5,857,895</b>
Noncurrent Liabilities					
Resident trust fund payable	16,979	-	-	-	16,979
Post-employment health benefits payable	42,232	809	40,307	-	83,348
Compensated absences	57,372	3,782	66,876	-	128,030
Due to other funds	1,557,735	-	-	-	1,557,735
Post closure	-	1,695,902	-	-	1,695,902
<b>Total Noncurrent Liabilities</b>	<b>1,674,318</b>	<b>1,700,493</b>	<b>107,183</b>	<b>-</b>	<b>3,481,994</b>
<b>TOTAL LIABILITIES</b>	<b>4,051,074</b>	<b>1,752,616</b>	<b>3,536,199</b>	<b>-</b>	<b>9,339,889</b>
<b>NET ASSETS (DEFICIT)</b>					
Invested in capital assets	868,956	1,489,564	5,865,314	-	8,223,834
Restricted for					
Resident trust	15,793	-	-	-	15,793
Community development	-	-	-	817,088	817,088
Unrestricted (Deficit)	(1,657,339)	1,488,323	2,363,329	-	2,194,313
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>\$ (772,590)</b>	<b>\$ 2,977,887</b>	<b>\$ 8,228,643</b>	<b>\$ 817,088</b>	<b>\$ 11,251,028</b>

The notes to the basic financial statements are an integral part of this statement.

**MONROE COUNTY, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2011

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund Revolving Loan	Total Enterprise Funds
Operating Revenues					
Charges for services	\$ 6,493,998	\$ 1,719,835	\$ 3,052,514	\$ 11,825	\$ 11,278,172
Operating Expenses					
Operation and maintenance	8,212,908	1,458,515	5,892,777	2,265	15,566,465
Depreciation	175,571	252,228	769,283	-	1,197,082
Total Operating Expenses	8,388,479	1,710,743	6,662,060	2,265	16,763,547
Operating Income (Loss)	(1,894,481)	9,092	(3,609,546)	9,560	(5,485,375)
Nonoperating Revenues (Expenses)					
General property taxes	804,551	-	3,038,028	-	3,842,579
Intergovernmental aids	894,725	149,473	1,109,709	-	2,153,907
Interest income	-	8,541	-	1,310	9,851
Total Nonoperating Revenues (Expenses)	1,699,276	158,014	4,147,737	1,310	6,006,337
Net Income (Loss) before Transfers	(195,205)	167,106	538,191	10,870	520,962
Capital contributions from County	-	69,920	-	-	69,920
Transfers in	512,028	-	29,389	-	541,417
Transfers out	(141,206)	(298,763)	(67,140)	-	(507,109)
Change in Net Assets	175,617	(61,737)	500,440	10,870	625,190
Net Assets (Deficit) - January 1	(948,207)	3,039,624	7,728,203	806,218	10,625,838
Net Assets (Deficit) - December 31	\$ (772,590)	\$ 2,977,887	\$ 8,228,643	\$ 817,088	\$ 11,251,028

The notes to the basic financial statements are an integral part of this statement.



**MONROE COUNTY, WISCONSIN**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2011

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund Revolving Loan	Total Enterprise Funds
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	\$ 5,377,797	\$ 1,674,777	\$ 3,461,885	\$ 78,102	\$ 10,592,561
Cash payments to suppliers	(1,767,767)	(1,266,057)	(4,029,464)	(22,265)	(7,085,553)
Cash payments to employees	(6,349,951)	(141,941)	(1,862,816)	-	(8,354,708)
Net Cash Provided (Used) by Operating Activities	<u>(2,739,921)</u>	<u>266,779</u>	<u>(2,430,395)</u>	<u>55,837</u>	<u>(4,847,700)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
General property taxes	804,551	-	3,038,028	-	3,842,579
Intergovernmental grants received	894,725	149,473	1,109,709	-	2,153,907
Cash advance from general fund	760,899	-	-	-	760,899
Transfer in	512,028	-	29,389	-	541,417
Transfer out	(141,206)	(298,763)	(67,140)	-	(507,109)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,830,997</u>	<u>(149,290)</u>	<u>4,109,986</u>	<u>-</u>	<u>6,791,693</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of capital assets	(91,076)	(7,206)	(857,990)	-	(956,272)
Proceeds from sale of capital assets	-	-	66,915	-	66,915
Net Cash Used by Capital and Related Financing Activities	<u>(91,076)</u>	<u>(7,206)</u>	<u>(791,075)</u>	<u>-</u>	<u>(889,357)</u>
<b>Cash Flows from Investing Activities</b>					
Interest income received	-	8,541	-	1,310	9,851
Redemption of investments	-	(113,114)	-	-	(113,114)
Cash Flows Provided by Investing Activities	<u>-</u>	<u>(104,573)</u>	<u>-</u>	<u>1,310</u>	<u>(103,263)</u>
Change in Cash and Cash Equivalents	-	5,710	888,516	57,147	951,373
Cash and Cash Equivalents - January 1	500	711,523	158,983	479,392	1,350,398
Cash and Cash Equivalents - December 31	<u>\$ 500</u>	<u>\$ 717,233</u>	<u>\$ 1,047,499</u>	<u>\$ 536,539</u>	<u>\$ 2,301,771</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ (1,894,481)	\$ 9,092	\$ (3,609,546)	\$ 9,560	\$ (5,485,375)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:					
Depreciation	175,571	252,228	769,283	-	1,197,082
Cash restricted by donors	(704)	-	-	-	(704)
Changes in assets and liabilities					
Accounts receivable	(714,977)	(45,058)	79,405	46,277	(634,353)
Due from other governments	-	-	295,310	-	295,310
Inventories and prepaid expenses	(6,076)	-	73,492	-	67,416
Accounts payable	89,231	(59,783)	(89,020)	-	(59,572)
Accrued and other current liabilities	23,980	(81)	8,140	-	32,039
Due to other governments	220	-	179	-	399
Patient trust fund payable	(2,444)	-	-	-	(2,444)
Deferred revenues	(400,520)	-	34,656	-	(365,864)
Post closure	-	110,794	-	-	110,794
Post-employment health benefits payable	13,928	241	9,733	-	23,902
Compensated absences	(23,649)	(654)	(2,027)	-	(26,330)
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,739,921)</u>	<u>\$ 266,779</u>	<u>\$ (2,430,395)</u>	<u>\$ 55,837</u>	<u>\$ (4,847,700)</u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Capital assets contributed by County	\$ -	\$ 69,920	\$ -	\$ -	\$ 69,920

The notes to the basic financial statements are an integral part of this statement.

**MONROE COUNTY, WISCONSIN**

Statement of Net Assets

Fiduciary Funds

December 31, 2011

	Agency Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 474,464
Taxes receivable	457,631
Total Assets	<u>\$ 932,095</u>
<b>LIABILITIES</b>	
Due to other governments	\$ 457,631
Deposits payable	474,464
Total Liabilities	<u>\$ 932,095</u>

The notes to the basic financial statements are an integral part of this statement.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of Monroe County ("the County"), Sparta, Wisconsin, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

1. Reporting Entity

Monroe County is a municipal corporation governed by an elected board. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement Nos. 14 and 39.

2. Related Organization

The County's officials are responsible for appointing the members of the board for the Monroe County Housing Authority and Monroe County Shelter Care but, the County's accountability for these organizations does not extend beyond making the appointments. Therefore these organizations are not included in the County's reporting entity.

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The County has no internal service funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

**GENERAL FUND**

This is the County's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**HUMAN SERVICES**

This fund accounts for programs operated by the County's Department of Human Services with financing provided by federal and state grants and property taxes.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**CAPITAL PROJECTS**

This fund accounts for capital improvements of the County.

The County implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. The County reports the following special revenue funds, including the purpose and significant revenue source:

Funds	Purpose	Significant Revenues
Human Services	Provide public awareness, resource and referral information, economic support, and direct provision of services to County residents.	Intergovernmental Grants, and Public Charges
Child Support	Provide child support services to County residents.	Intergovernmental Grants
Senior Services	Provide meals, transportation and other services for the older persons of Monroe County.	Intergovernmental Grants, and Public Charges
Health	Provide services to protect, promote and improve the health of County residents.	Intergovernmental Grants, and Public Charges
Jail Assessment	To account for a surcharge collected with citations to be used to construct, remodel, repair or improve the County's jail.	Fines and Forfeitures
Local History Room	To account for the operations of the local history room and museum.	Donations

The County reports the following major enterprise funds:

**ROLLING HILLS**

This fund accounts for the operation of a health care center supported by patient charges and property taxes.

**SOLID WASTE**

This fund accounts for waste disposal and recycling activities of the County and is financed by user charges and an intergovernmental grant.

**HIGHWAY**

This fund accounts for the highway department which maintains state, county and local roads and bridges and is financed on a cost reimbursement basis and property taxes.

Additionally, the government reports the following fund type:

The County accounts for assets held for individuals by various departments and funds held for other governmental agencies in an *agency fund*.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

4. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, 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 the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

5. Assets, Liabilities and Net Assets or Equity

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Accounts and Loans Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method with the exception of the Rolling Hills enterprise fund which has an allowance of \$100,000 at year end. No other allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net assets for internal balances represents the residual balance outstanding between the governmental and business-type activities.

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-type Activities
	Years	
<u>Assets</u>		
Land improvements	10 - 20	10 - 30
Buildings	10 - 20	25 - 50
Improvements other than buildings	10 - 100	25 - 100
Machinery and equipment	3 - 10	3 - 10
Infrastructure	15 - 70	-

g. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with County policy. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Employees who retire from the County are paid 25% of their accumulated sick leave at their current rate of pay. If an employee leaves for reasons other than retirement, all unused sick leave is forfeited.

h. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet recognizable.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

For the year ended December 31, 2011, the County implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement provides more clearly defined fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which fund balance amounts can be spent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the County Board. These constraints can only be removed or changed by the County Board using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of County management. The County Board has not authorized any personnel to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

GOVERNMENT-WIDE AND PROPRIETARY FUND FINANCIAL STATEMENTS

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Amount of net assets that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt

6. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.



**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. During November, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service and capital projects funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general, special revenue, debt service and capital projects funds.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
- e. Encumbrance accounting is not used by the County to record commitments related to unperformed contracts for goods or services.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2011.

2. Deficit Fund Equity

The following fund had deficit fund equity as of December 31, 2011:

Fund	Deficit Fund Equity
Enterprise	
Rolling Hills	\$ 772,590

The County anticipates funding the above deficit from future revenues and tax levies of the fund.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS**

1. Cash and Investments

The County maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$20,719,355 on December 31, 2011 as summarized below:

Petty cash and cash on hand	\$ 4,495
Deposits with financial institutions	19,344,748
Investments	
Deposits with the State of Wisconsin	1,211,292
Mutual funds	108,488
Local Government Investment Pool	50,332
	\$ 20,719,355

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 17,997,921
Restricted cash and investments	2,246,970
Fiduciary fund	
Agency fund	474,464
	\$ 20,719,355

Bank deposits of the County are subject to various risks. Presented below is a discussion of the specific risks and the County's policy related to the risk.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The County does not have an additional custodial credit risk policy.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. In addition, the County's non-interest bearing transaction accounts are fully insured through December 31, 2012. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2011, the County had \$178,367 of deposits with financial institutions in excess of federal depository insurance limits and uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name).

The County has on deposit with the State of Wisconsin \$1,211,292 for long-term care and closure requirements related to its solid waste enterprise fund. No information on the risk associated with its deposits held by the State of Wisconsin is available.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County does not have an additional credit risk policy. The County's investment in the Wisconsin local government investment pool and the mutual funds are not rated.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County 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. The investments held by the Wisconsin local government investment pool and the mutual funds mature in 12 months or less.

Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$50,332 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2011, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

2. Restricted Assets

Restricted assets on December 31, 2011 totaled \$2,246,970 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Business-Type Activities		
Rolling Hills Enterprise Fund		
Resident trust	\$ 16,979	Cash deposited by residents for their own use
	15,793	Cash received from non-resident sources to be used to benefit residents
Subtotal	<u>32,772</u>	
Solid Waste Enterprise Fund		
Ridgeview I Long-term Care	293,420	Restricted deposits held jointly by the County and the State of Wisconsin Department of Natural Resources to finance the County's closure and postclosure financial responsibilities
Ridgeview II Closure	917,871	
Ridgeview II Long-term Care	1,002,907	
Subtotal	<u>2,214,198</u>	
Total	<u>\$ 2,246,970</u>	

3. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred revenue at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's general fund in accordance with state statutes in order to provide the County with a statutory lien.

Property taxes recorded on December 31, 2011 for collection in 2011 consist of the County apportionment of \$15,249,721 for financing 2012 operations and will be transferred in 2012 from deferred revenue to current revenues of the County's governmental and proprietary funds. In addition, the County has recorded a receivable of \$457,631 in its agency fund for State of Wisconsin taxes collected and remitted by the County.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

4. Delinquent Property Taxes - General Fund

Delinquent property taxes of the general fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

The County's general fund showed an investment of \$5,157,293 in delinquent property taxes as follows:

Year Acquired	Total	County Purchased	County Levied
Tax Certificates			
1999	\$ 881	\$ 721	\$ 160
2000	944	761	183
2001	961	777	184
2002	984	984	-
2003	986	794	192
2004	985	765	220
2005	959	739	220
2006	115	89	26
2007	40,957	36,098	4,859
2008	347,047	288,152	58,895
2009	616,122	476,274	139,848
2010	3,437,747	3,123,901	313,846
	<u>4,448,688</u>	<u>3,930,055</u>	<u>518,633</u>
Tax Deeds	40,832	36,072	4,760
Interest	667,773	-	667,773
	<u>\$ 5,157,293</u>	<u>\$ 3,966,127</u>	<u>1,191,166</u>
Less: 2011 collections within 60 days			<u>59,012</u>
Deferred Revenue			<u>\$ 1,132,154</u>

Delinquent property taxes levied by the County are recorded as deferred revenue and excluded from fund balance until collected. Delinquent property taxes purchased from other taxing entities is reported as a reserved fund balance at year end.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

5. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,328,985	\$ -	\$ -	\$ 1,328,985
Construction in progress	147,469	77,741	139,635	85,575
Total capital assets, not being depreciated	<u>1,476,454</u>	<u>77,741</u>	<u>139,635</u>	<u>1,414,560</u>
Capital assets, being depreciated:				
Land improvements	231,903		-	231,903
Buildings	1,556,605	62,244	-	1,618,849
Machinery and equipment	2,474,494	416,239	125,634	2,765,099
Infrastructure	51,899,239	2,028,368	202,383	53,725,224
Subtotals	<u>56,162,241</u>	<u>2,506,851</u>	<u>328,017</u>	<u>58,341,075</u>
Less accumulated depreciation for:				
Land improvements	96,511	8,398	-	104,909
Buildings	609,458	28,246	-	637,704
Machinery and equipment	1,168,981	293,850	113,634	1,349,197
Infrastructure	15,799,669	1,307,780	138,591	16,968,858
Subtotals	<u>17,674,619</u>	<u>1,638,274</u>	<u>252,225</u>	<u>19,060,668</u>
Total capital assets, being depreciated, net	<u>38,487,622</u>	<u>868,577</u>	<u>75,792</u>	<u>39,280,407</u>
Governmental activities capital assets, net	<u>\$ 39,964,076</u>	<u>\$ 946,318</u>	<u>\$ 215,427</u>	<u>40,694,967</u>
Less related long-term debt outstanding				<u>-</u>
Invested in capital assets, net of related debt				<u>\$ 40,694,967</u>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 415,316	\$ -	\$ -	\$ 415,316
Construction in progress	-	69,920	-	69,920
Total capital assets, not being depreciated	<u>415,316</u>	<u>69,920</u>	<u>-</u>	<u>485,236</u>
Capital assets, being depreciated:				
Land improvements	4,415,193	112,072	-	4,527,265
Buildings	7,595,837	73,223	-	7,669,060
Machinery and equipment	14,167,941	734,045	526,829	14,375,157
Other assets	51,736	-	-	51,736
Subtotals	<u>26,230,707</u>	<u>919,340</u>	<u>526,829</u>	<u>26,623,218</u>
Less accumulated depreciation for:				
Land improvements	2,857,895	276,751	-	3,134,646
Buildings	5,958,207	196,963	-	6,155,170
Machinery and equipment	9,326,962	722,886	496,847	9,553,001
Other assets	41,321	482	-	41,803
Subtotals	<u>18,184,385</u>	<u>1,197,082</u>	<u>496,847</u>	<u>18,884,620</u>
Total capital assets, being depreciated, net	<u>8,046,322</u>	<u>(277,742)</u>	<u>29,982</u>	<u>7,738,598</u>
Business-type activities capital assets, net	<u>\$ 8,461,638</u>	<u>\$ (207,822)</u>	<u>\$ 29,982</u>	<u>8,223,834</u>
Less related long-term debt outstanding				<u>-</u>
Invested in capital assets, net of related debt				<u>\$ 8,223,834</u>
Depreciation expense was charged to functions of the County as follows:				
Governmental activities				
General government				\$ 69,479
Public safety				201,559
Public works				1,307,780
Health and human services				47,043
Culture, recreation, and education				8,191
Conservation and development				4,222
Total depreciation expense - governmental activities				<u>\$ 1,638,274</u>
Business-type activities				
Rolling Hills				\$ 175,571
Solid waste				252,228
Highway				769,283
Total depreciation expense - business-type activities				<u>\$ 1,197,082</u>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

6. Interfund Receivables/Payables and Transfers

Interfund receivables and payables on December 31, 2011 were as follows:

Receivable Fund	Payable Fund	Amount	Amount not Due Within One Year
General fund	Enterprise fund		
	Rolling Hills	\$ 2,724,047	\$ 1,557,735
	Nonmajor governmental funds		
General fund	Child support	37,065	-
General fund	Health	7,421	-
General fund	Local history room	1,747	-
		<u>\$ 2,770,280</u>	<u>\$ 1,557,735</u>

The interfund payables from Child Support and Health special revenue funds and Rolling Hills enterprise fund were cash advances to finance cash deficits. The interfund payable from local history room special revenue fund relates to operating costs paid by the general fund but not reimbursed until 2012.

Interfund transfers for the year ended December 31, 2011 were as follows:

Fund Transferred To	Fund Transferred From	Amount
	Special revenue funds	
General fund	Human services	\$ 387,182
	Senior services	36,068
	Child support	47,021
	Health	69,537
	Local history room	22,745
	Enterprise Funds	
	Rolling Hills Nursing Home	141,206
	Highway	67,140
		<u>770,899</u>
Special revenue funds		
Human services	General fund	408,904
Senior services	General fund	55,846
Health	General fund	14,996
		<u>479,746</u>
Debt Service	Solid waste	<u>298,763</u>
Enterprise funds		
Rolling Hills	General fund	512,028
Highway	General fund	29,389
		<u>541,417</u>
Subtotal - Fund Financial Statements		<u>\$ 2,090,825</u>
Government fund transfers in		\$ 1,549,408
Less: Fund eliminations		(2,090,825)
Add: Transfer from enterprise funds		507,109
Less: Contributions from capital projects fund to finance solid waste expansion project		(69,920)
Add: Highway project funds transferred to highway fund		(314,079)
Total Transfers - Government-wide Statement of Activities		<u>\$ (418,307)</u>



**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Operating transfers totaled \$2,090,825 and were made for the following purposes:

	Amount
Special revenue fund surpluses returned to the general fund	\$ 444,221
Reimbursement of indirect costs and other expenses paid by the general fund	22,745
Special revenue fund and enterprise fund retirement adjustments returned to general fund	303,932
General fund transfer to Rolling Hills, human services, public health, and senior services funds for salary rebates	131,822
General fund transfer to Rolling Hills, human services, public health, and senior services funds for information systems	162,228
Approved allocation of contingency funds	235,403
Finance department charges to human services, senior services, and Rolling Hills	491,711
Debt service transfer from the solid waste enterprise fund	298,763
	\$ 2,090,825

7. Deferred Revenues

Governmental funds report deferred revenue in connection with receivables for resources that are not considered to be available to liquidate liabilities of the current period. Governmental and proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet recognizable. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
<b>Governmental Activities</b>			
Subsequent year tax levy receivable			
General fund	\$ -	\$ 8,339,978	\$ 8,339,978
Special revenue funds			
Human services	-	2,468,283	2,468,283
Senior services	-	166,313	166,313
Health	-	350,237	350,237
Debt service fund	-	174,383	174,383
Delinquent property taxes			
General fund	1,132,154	-	1,132,154
Interest receivable			
General fund	19,038	-	19,038
Grant draw downs prior to meeting all eligibility requirements			
General fund	-	66,323	66,323
Special revenue funds			
Senior services	-	8,584	8,584
Health	-	2,065	2,065
Subtotal	1,151,192	11,576,166	12,727,358
<b>Business-type Activities</b>			
Subsequent year tax levy receivable			
Rolling Hills	-	763,523	763,523
Highway	-	2,987,004	2,987,004
Revenues received prior to meeting all eligibility requirements			
Highway	-	45,842	45,842
Subtotal	-	3,796,369	3,796,369
Total	\$ 1,151,192	\$ 15,372,535	\$ 16,523,727

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

8. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2011:

	Outstanding 1/1/11	Issued	Retired	Outstanding 12/31/11	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 1,470,000	\$ -	\$ 105,000	\$ 1,365,000	\$ 110,000
Notes	2,080,000	-	485,000	1,595,000	240,000
Total General Obligation Debt	3,550,000	-	590,000	2,960,000	350,000
Debt premium	21,656	-	3,108	18,548	-
Post-employment health benefits payable	69,513	50,947	18,591	101,869	-
Compensated absences	614,750	27,674	52,134	590,290	423,972
Governmental activities Long-term obligations	<u>\$ 4,255,919</u>	<u>\$ 78,621</u>	<u>\$ 663,833</u>	<u>\$ 3,670,707</u>	<u>\$ 773,972</u>
<b>Business-type activities:</b>					
Landfill closure/postclosure					
Ridgeville Cell I	\$ 320,046	\$ 14,924	\$ 60,408	\$ 274,562	\$ -
Ridgeville Cell II	1,265,062	156,278	-	1,421,340	-
Post-employment health benefits payable	59,446	37,636	13,734	83,348	-
Compensated absences	396,781	1,041	27,371	370,451	242,421
Business-type activities Long-term obligations	<u>\$ 2,041,335</u>	<u>\$ 209,879</u>	<u>\$ 101,513</u>	<u>\$ 2,149,701</u>	<u>\$ 242,421</u>

Total interest paid during the year on long-term debt totaled \$143,328.

General Obligation Debt

The County has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt service requirements are direct obligations and pledge the full faith and credit of the County. General obligation debt outstanding on December 31, 2011 totaled \$2,960,000 and consisted of the following issues:

<b>Bonds</b>		
\$2,105,000 issued 8/15/01; \$110,000 to \$170,000 due annually through 2021; interest 3.80% to 5.00%		<u>\$ 1,365,000</u>
<b>Notes</b>		
\$2,500,000 issued 12/19/07; \$240,000 to \$295,000 due annually through 2017; interest 4.00%		<u>1,595,000</u>
Total Outstanding General Obligation Debt		<u><u>\$ 2,960,000</u></u>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$2,960,000 on December 31, 2011 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2012	\$ 350,000	\$ 123,020	\$ 473,020
2013	365,000	107,905	472,905
2014	380,000	92,152	472,152
2015	395,000	75,702	470,702
2016	410,000	58,533	468,533
2017-2021	1,060,000	104,986	1,164,986
	<u>\$ 2,960,000</u>	<u>\$ 562,298</u>	<u>\$ 3,522,298</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2011 was \$131,877,451 as follows:

Equalized valuation of the County	\$ 2,695,033,800
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	134,751,690
Total outstanding general obligation debt applicable to debt limitation	\$ 2,960,000
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>85,761</u>
Net outstanding general obligation debt applicable to debt limitation	2,874,239
Legal Margin for New Debt	<u><u>\$ 131,877,451</u></u>

9. Closure and Post closure Care Costs

Federal and state laws and regulations require the County to place covers on landfill increments as they are filled (closure costs) and to perform certain maintenance and monitoring functions (post closure care) of the landfill site for forty years after the landfill stops accepting waste. Most closure costs are paid when individual landfill increments reach capacity for accepting waste and post closure care costs will normally only be paid after the entire landfill stops accepting waste. In accordance with GASB Statement No. 18, the County annually records an estimate of these closure and post closure care costs as an operating expense during the life of its landfills based on landfill capacity used compared to total estimated capacity available. The resultant liabilities for these estimated operating expenses are reduced each year for actual payments made. An analysis of the estimated liabilities for closure and post closure care costs on December 31, 2011 and the recording of these costs as operating expenses follow:

	Landfill Closure and Postclosure Care		
	Ridgeville I	Ridgeville II	Total
Total estimated costs	\$ 274,562	\$ 2,934,835	
Percentage of storage capacity used	100%	48.43%	
	<u>\$ 274,562</u>	<u>\$ 1,421,340</u>	<u>\$ 1,695,902</u>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
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**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

The Ridgeville I landfill closed in 2002. Presented below is a summary of estimated closure and post closure care costs that will be charged to operations of future years based on landfill usage:

	Landfill Closure and Postclosure Care		
	Ridgeville I	Ridgeville II	Total
Total estimated costs	\$ 274,562	\$ 2,934,835	
Less: Charged to operations	274,562	1,421,340	
Future year closure and postclosure costs	<u>\$ -</u>	<u>\$ 1,513,495</u>	<u>\$ 1,513,495</u>

The above total costs for closure and post closure care are estimates and subject to changes resulting from inflation/deflation, technology, or changes in applicable laws or regulations.

A portion of the closure and post closure care financial requirements are being met through annual deposits into separate restricted cash escrow accounts held by local banks or the Wisconsin Department of Natural Resources as detailed in Note C. 2.

**10. Other Post Employment Benefits**

*Plan Description* – Early retirees, who are eligible and draw a monthly retirement annuity from the Wisconsin Retirement System through age 65, may remain in the County's health insurance group provided the retiree pays the full premium for the applicable coverage. After age 65, the retiree is eligible to remain in the County's health insurance group for an additional 18 months (36 months for the retiree's dependents) provided the retiree pays the full premium for the applicable coverage. There are 271 active and 10 retired employees in the plan. The County funds this cost on a pay-as-you-go or cash basis, recognizing the cost in their fund financial statements when paid.

*Annual OPEB Cost and Net OPEB Obligation* - The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Component	Amount
Annual required contribution	\$ 90,652
Interest on net OPEB	6,448
Adjustment to annual required contribution	<u>(8,517)</u>
Annual OPEB cost (expense)	88,583
Contributions made	<u>32,325</u>
Change in net OPEB obligation	56,258
OPEB obligation - beginning of year	128,959
OPEB obligation - end of year	<u>\$ 185,217</u>

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 5.0% discount rate, and (b) projected salary increases at 3.0%.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
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**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level percentage amount of projected payroll. The remaining amortization period at December 31, 2011 is 30 years, and the remaining amount is \$786,474.

*Trend Information* - The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 87,420	22.74%	\$ 67,537
12/31/2010	90,797	32.35%	128,959
12/31/2011	88,583	36.49%	185,217

*Funded Status and Funding Progress* - As of January 1, 2011, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$786,474. The annual payroll for active employees covered by the plan for the 2011 fiscal year was \$15,526,975 for a ratio of the UAAL to covered payroll of 5.07%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future.

*Actuarial Methods and Assumptions* - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2011 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 5.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 10% for medical, reduced by 1% per year down to an ultimate rate of 5% for medical after six years. The investment rate of return is 5% which includes an assumed rate of inflation of 4%. The UAAL is being amortized using the level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2011 was 30 years.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

11. Fund Equity

In the fund financial statements, portion of governmental fund balances are committed by County Board action. At December 31, 2011, fund balance was committed as follows:

General Fund

Committed for

New construction - Educational purposes (farm proceeds)	\$ 70,668
IT Infrastructure and upgrades	221,181
Jail/Courthouse construction fund	3,722
Justice Community Service Program supplies	500
Justice Community Service van replacement	4,689
Angelo Wayside Improvements	527
UW Extension Educational Programs	
Grant programs	6,076
Resource agent	617
Family living agent	995
Agriculture agent	4,742
Youth development agent	82
Pesticide certification	1,686
Risograph copy costs	1,124
Tri-Creek Watershed	2,698
	\$ 319,307

Also in the fund financial statements, portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2011, fund balance assigned was as follows:

General Fund

Assigned for

Retirement / fringe pool	\$ 47,191
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Special Revenue Funds

Assigned for

Human services	300,000
Senior services	32,599
Local history room	182,877
	515,476

Capital Projects

540,866

\$ 1,103,533

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Minimum Fund Balance Policy

The County Board has adopted a minimum cash fund balance policy that the amount of 25% of the total annual County operating budget excluding refundable prepayments and GAAP defined nonspendable, restricted, committed and assigned account balances. The minimum cash fund balance should also include \$1,000,000 as a provision to cover unexpected volatile operational costs, and \$2,000,000 as a provision to cover delinquent tax collections. The minimum fund balance amount is calculated as follows:

General fund cash balance December 31, 2011	\$ 14,184,105
Restricted funds	(303,447)
Committed funds	(319,307)
Assigned funds	(347,191)
Contingency fund balance	(601,577)
General fund balance less restricted, committed and assigned funds	\$ 12,612,583
Actual 2011 Total County Adopted Budgeted Expenditures	\$ 46,414,904
Minimum Fund Balance %	(x) 25%
Subtotal	11,603,726
Provision for unexpected volatile operational costs	1,000,000
Provision for future delinquent taxes	2,000,000
Minimum Fund Balance Amount	\$ 14,603,726

The contingency fund balance will lapse into the general fund balance at the end of 2011 as the required fund balance per policy was not attained.

**NOTE D - OTHER INFORMATION**

1. Retirement Commitments

All eligible County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees hired before July 1, 2011 and expected to work over 600 hours a year (440 hours for teachers and educational support employees) or hired on or after July 1, 2011 and expected to work over 1200 hours a year (880 hours for teachers and educational support employees) are eligible to participate in the WRS. Covered employees in the General/Teacher/ Educational Support Personnel category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security) to the plan. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for County employees covered by the WRS for the year ended December 31, 2011 was \$14,900,685; the employer's total payroll was \$15,526,975. The total required contribution for the year ended December 31, 2011 was \$1,834,702, which consisted of \$927,367 or 6.22% of payroll from the employer and \$907,335 or 6.09% of payroll from employees, which was paid for by County and employees' contributions during 2011. Total contributions for the years ending December 31, 2010 and 2009 were \$1,682,202 and \$1,567,253, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
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**NOTE D - OTHER INFORMATION (Continued)**

withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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 or after April 24, 1998 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. Risk Management

The County is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The County participates in a public entity risk pool called the Wisconsin County Mutual Insurance Corporation to provide coverage for general liability, automotive liability, and errors and omissions insurance and purchases insurance to provide coverage for losses from torts; thefts of, damage to, or destruction of assets; and health care for its employees. However, other risks such as workers compensation are accounted for in the County's general fund. A description of the County's self-insurance risk management programs is presented below:

Workers Compensation

The County is self-funded for workers compensation claims. Funding is provided by charges to County departments. The program is supplemented by stop loss protection, which limits the County's annual liability. Expenses consist of payments to a third-party administrator for claims, stop loss insurance premiums and administrative fees. On December 31, 2011, the County's general fund has a fund balance of \$2,064,817 assigned for workers compensation. The claims liability of \$1,890,947 reported in the fund at December 31, 2011 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for 2010 and 2011 follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2010	\$ 1,324,650	\$ 568,306	\$ 225,301	\$ 1,667,655
2011	1,667,655	536,329	313,037	1,890,947

Public Entity Risk Pool

Monroe County, along with other Wisconsin counties, jointly participates in the Wisconsin County Mutual Insurance Corporation for general liability, automobile liability, and errors and omission insurance. The creation of County Mutual Insurance Corporation required the establishment of capital reserves with each of the participating counties depositing amounts as specified in projected rates. This company began operations on January 1, 1989.

The governing body is made up of directors from participating counties. The directors have the authority to adopt a budget and control the financial affairs of the corporation.

The County's uninsured risk of loss is \$50,000 per incident and \$250,000 in aggregate for liability claims in a policy year. For errors and omission claims, the uninsured risk of loss is \$50,000 per incident and \$250,000 in aggregate for a policy year. The County is a member of a risk pool for claims in excess of those amounts. Settled claims have not exceeded the risk pool coverage in any of the past three years.



**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE D - OTHER INFORMATION (Continued)**

3. Contingencies

- a. The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under OMB Circular A-133 has been conducted but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.
- b. From time to time, the County is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations

4. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns and counties. For the 2011 budget year, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the County's January 1 equalized value as a result of net new construction or 3.0% per year. The actual limit for the County for the 2011 budget was 3.0%. For the 2012 budget year, Wisconsin statutes limit the increase in the maximum allowable tax levy to the change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2012 budget was 1.98%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**REQUIRED SUPPLEMENTAL INFORMATION**

**MONROE COUNTY, WISCONSIN**  
 Schedule of Funding Progress  
 Other Post-employment Benefit Plan  
 December 31, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
1/1/2009	\$ -	\$ 712,240	0.00%	\$ 712,240	\$ 14,997,307	4.75%
1/1/2011	-	786,474	0.00%	786,474	15,526,975	5.07%

See Notes to Required Supplemental Information.

**MONROE COUNTY, WISCONSIN**  
 Schedule of Employer Contributions  
 Other Post-employment Benefit Plan  
 December 31, 2011

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 19,883	\$ 87,420	22.74%
2010	29,375	91,814	31.99%
2011	32,325	90,652	35.66%

See Notes to Required Supplemental Information.

**MONROE COUNTY, WISCONSIN**  
Notes to Required Supplemental Information  
December 31, 2011

**NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 45**

The County implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" for the fiscal year ended December 31, 2009. Information for prior years is not available.

**NOTE B - SCHEDULE OF FUNDING PROGRESS**

The January 1, 2011 actuarial valuation differs from the January 1, 2009 actuarial valuation due to the following factor:

The January 1, 2009 valuation assumed 15% of the active employees currently electing medical coverage would elect to self-pay the full medical premium upon retirement. The January 1, 2011 valuation assumed 25% of active employees currently electing medical coverage would elect to self-pay the full medical premium upon retirement and 50% of active employees currently selecting family coverage would switch to single coverage.

## **SUPPLEMENTAL INFORMATION**

**MONROE COUNTY, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2011

	Special Revenue						Debt Service	Total Nonmajor Governmental Funds
	Senior Services	Child Support	Health	Jail Assessment	Local History Room	Total		
<b>ASSETS</b>								
Cash and investments	\$ 43,733	\$ -	\$ -	\$ 320,124	\$ 293,112	\$ 656,969	\$ 85,761	\$ 742,730
Receivables								
Taxes	166,313	-	350,237	-	-	516,550	174,383	690,933
Accounts	41,849	98,569	27,828	5,304	-	173,550	-	173,550
<b>TOTAL ASSETS</b>	<b>\$ 251,895</b>	<b>\$ 98,569</b>	<b>\$ 378,065</b>	<b>\$ 325,428</b>	<b>\$ 293,112</b>	<b>\$ 1,347,069</b>	<b>\$ 260,144</b>	<b>\$ 1,607,213</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 36,366	\$ 5,033	\$ 6,009	\$ -	\$ -	\$ 47,408	\$ -	\$ 47,408
Accrued and other current liabilities	8,033	5,142	12,333	-	-	25,508	-	25,508
Due to other funds	-	37,065	7,421	-	1,747	46,233	-	46,233
Deferred revenues	174,897	-	352,302	-	-	527,199	174,383	701,582
<b>Total Liabilities</b>	<b>219,296</b>	<b>47,240</b>	<b>378,065</b>	<b>-</b>	<b>1,747</b>	<b>646,348</b>	<b>174,383</b>	<b>820,731</b>
<b>Fund Balances</b>								
<b>Nonspendable</b>								
Wegner Grotto	-	-	-	-	50,000	50,000	-	50,000
<b>Restricted for</b>								
Retirement of long-term debt	-	-	-	-	-	-	85,761	85,761
Wegner Grotto	-	-	-	-	58,488	58,488	-	58,488
Child support technology purchases	-	51,329	-	-	-	51,329	-	51,329
Jail assessment	-	-	-	325,428	-	325,428	-	325,428
<b>Assigned for</b>								
Special revenue funds	32,599	-	-	-	182,877	215,476	-	215,476
<b>Total Fund Balances</b>	<b>32,599</b>	<b>51,329</b>	<b>-</b>	<b>325,428</b>	<b>291,365</b>	<b>700,721</b>	<b>85,761</b>	<b>786,482</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 251,895</b>	<b>\$ 98,569</b>	<b>\$ 378,065</b>	<b>\$ 325,428</b>	<b>\$ 293,112</b>	<b>\$ 1,347,069</b>	<b>\$ 260,144</b>	<b>\$ 1,607,213</b>

**MONROE COUNTY, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2011

	Special Revenue						Debt Service	Total Nonmajor Governmental Funds
	Senior Services	Child Support	Health	Jail Assessment	Local History Room	Total		
<b>Revenues</b>								
Taxes	\$ 233,443	\$ -	\$ 365,830	\$ -	\$ -	\$ 599,273	\$ 435,291	\$ 1,034,564
Intergovernmental	498,722	463,911	372,394	-	-	1,335,027	-	1,335,027
Public charges for services	290,712	-	185,454	55,326	-	531,492	-	531,492
Miscellaneous	5,683	5,656	-	5,506	35,287	52,132	-	52,132
<b>Total Revenues</b>	<b>1,028,560</b>	<b>469,567</b>	<b>923,678</b>	<b>60,832</b>	<b>35,287</b>	<b>2,517,924</b>	<b>435,291</b>	<b>2,953,215</b>
<b>Expenditures</b>								
Current								
Health and human services	1,073,514	422,546	869,137	-	-	2,365,197	-	2,365,197
Debt service								
Principal	-	-	-	-	-	-	590,000	590,000
Interest and fiscal charges	-	-	-	-	-	-	144,054	144,054
<b>Total Expenditures</b>	<b>1,073,514</b>	<b>422,546</b>	<b>869,137</b>	<b>-</b>	<b>-</b>	<b>2,365,197</b>	<b>734,054</b>	<b>3,099,251</b>
<b>Excess of Revenues Over (Under)</b>								
Expenditures	(44,954)	47,021	54,541	60,832	35,287	152,727	(298,763)	(146,036)
<b>Other Financing Sources (Uses)</b>								
Transfers in	55,846	-	14,996	-	-	70,842	298,763	369,605
Transfers out	(36,068)	(47,021)	(69,537)	-	(22,745)	(175,371)	-	(175,371)
<b>Total Other Financing Sources (Uses)</b>	<b>19,778</b>	<b>(47,021)</b>	<b>(54,541)</b>	<b>-</b>	<b>(22,745)</b>	<b>(104,529)</b>	<b>298,763</b>	<b>194,234</b>
<b>Net Change in Fund Balances</b>	<b>(25,176)</b>	<b>-</b>	<b>-</b>	<b>60,832</b>	<b>12,542</b>	<b>48,198</b>	<b>-</b>	<b>48,198</b>
<b>Fund Balances - January 1</b>	<b>57,775</b>	<b>51,329</b>	<b>-</b>	<b>264,596</b>	<b>278,823</b>	<b>652,523</b>	<b>85,761</b>	<b>738,284</b>
<b>Fund Balances - December 31</b>	<b>\$ 32,599</b>	<b>\$ 51,329</b>	<b>\$ -</b>	<b>\$ 325,428</b>	<b>\$ 291,365</b>	<b>\$ 700,721</b>	<b>\$ 85,761</b>	<b>\$ 786,482</b>