

MONROE COUNTY, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2014

MONROE COUNTY, WISCONSIN

December 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the County Board
Monroe County
Sparta, Wisconsin

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general and human services special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note D.5, the County recorded a prior period adjustment of \$1,323,041 in the internal service fund and governmental activities to adjust the workers compensation incurred but not reported liability at year end. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress and the schedule of employer contributions on pages 3 through 9 and 48 through 49 be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants
Green Bay, Wisconsin
July 7, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

MONROE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2014

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, 2014.

Financial Highlights

- The assets of the County exceeded its liabilities and deferred inflow of resources as of December 31, 2014 by \$81.6 million (*net position*). Of this amount, \$24.1 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$6.8 million. This increase was due primarily to favorable revenue and expenditure budget variances of the County's governmental funds.
- As of December 31, 2014, the County's governmental funds reported combined ending fund balances of \$35.7 million, an increase of \$4.0 million in comparison with the prior year. Fund balance increased due to favorable revenue and expenditure variances and \$9.9 million of bond proceeds received and not spent as of yearend. Approximately 43% of this total amount, \$15.3 million is *available for spending* at the County's discretion (*unassigned fund balance*).
- As of December 31, 2014, unassigned fund balance for the general fund was \$15.3 million.
- The County's total general-obligation debt increased by \$7,475,000 during 2014. The primary reason for the increase was the issuance of \$9,850,000 in bonds for the justice center construction project.

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

The *statement of activities* presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., 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, capital projects fund, and debt service fund. Data from the other five 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. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its information systems, technology pool, and self-funded workers' compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the nursing home, solid waste and highway enterprise funds, which are considered to be major funds of the County. The three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found 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 - 47 of this report.

Required supplementary information. Information on the County's other post-employment benefit plan is presented immediately following the notes to the basic financial statements and can be found on pages 48 - 50.

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 51 - 55.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$81.6 million at the close of 2014.

Monroe County, Wisconsin						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 58,064,900	\$ 52,126,174	\$ 11,137,788	\$ 10,346,567	\$ 69,202,688	\$ 62,472,741
Capital assets	51,792,645	42,701,989	8,951,455	8,908,435	60,744,100	51,610,424
Total Assets	109,857,545	94,828,163	20,089,243	19,255,002	129,946,788	114,083,165
Long-term liabilities outstanding	20,867,642	13,188,912	2,653,478	2,564,830	23,521,120	15,753,742
Other liabilities	5,571,853	5,710,772	810,162	1,096,451	6,382,015	6,807,223
Total Liabilities	26,439,495	18,899,684	3,463,640	3,661,281	29,903,135	22,560,965
Deferred inflows of resources						
Property taxes	13,950,878	14,006,662	4,483,130	3,986,305	18,434,008	17,992,967
Net Position						
Net investment in capital assets	45,769,774	42,701,989	8,886,633	8,809,903	54,656,407	51,511,892
Restricted	1,512,295	1,018,365	1,345,180	857,467	2,857,475	1,875,832
Unrestricted	22,185,103	18,201,463	1,910,660	1,940,046	24,095,763	20,141,509
Total Net Position	\$ 69,467,172	\$ 61,921,817	\$ 12,142,473	\$ 11,607,416	\$ 81,609,645	\$ 73,529,233

By far the largest portion of the County's net position (67%) 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 position (3.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$24.1 million) may be used to meet the County's ongoing obligations to citizens and creditors.

Change in net position. Governmental activities increased the County's net position by \$6,222,314 while business-type activities increased net position by \$535,057. A summary of the changes in net position follows:

Monroe County, Wisconsin						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for services	\$ 4,249,022	\$ 4,792,248	\$ 11,233,032	\$ 10,743,028	\$ 15,482,054	\$ 15,535,276
Operating grants and contributions	7,292,337	6,469,121	947,050	997,360	8,239,387	7,466,481
Capital grants and contributions	146,145	241,484	-	-	146,145	241,484
General Revenues						
Property taxes	16,788,882	14,243,467	1,233,305	1,163,394	18,022,187	15,406,861
Sales tax	3,083,751	3,001,332	-	-	3,083,751	3,001,332
Other taxes	30,522	88,175	-	-	30,522	88,175
Grants and contributions not restricted to specific programs	2,478,287	2,426,293	-	-	2,478,287	2,426,293
Interest	483,899	327,406	7,728	7,636	491,627	335,042
Other	152,250	263,712	-	-	152,250	263,712
Total Revenues	34,705,095	31,853,238	13,421,115	12,911,418	48,126,210	44,764,656
Expenses						
General government	5,992,186	7,339,000	-	-	5,992,186	7,339,000
Public safety	6,988,306	7,093,348	-	-	6,988,306	7,093,348
Public works	4,074,349	4,047,109	-	-	4,074,349	4,047,109
Health and human services	10,176,459	9,817,571	-	-	10,176,459	9,817,571
Culture, recreation and education	927,479	842,930	-	-	927,479	842,930
Conservation and development	573,914	619,387	-	-	573,914	619,387
Interest on long-term debt	314,311	203,475	-	-	314,311	203,475
Nursing home	-	-	7,796,088	7,851,474	7,796,088	7,851,474
Solid waste	-	-	1,641,918	1,932,652	1,641,918	1,932,652
Highway	-	-	2,882,332	3,078,691	2,882,332	3,078,691
Economic revolving loan	-	-	1,497	4,505	1,497	4,505
Total Expenses	29,047,004	29,962,820	12,321,835	12,867,322	41,368,839	42,830,142
Change in Net Position Before Transfers	5,658,091	1,890,418	1,099,280	44,096	6,757,371	1,934,514
Transfers	564,223	33,796	(564,223)	(33,796)	-	-
Change in Net Position	6,222,314	1,924,214	535,057	10,300	6,757,371	1,934,514
Net Position - January 1	61,921,817	59,997,603	11,607,416	11,597,116	73,529,233	71,594,719
Prior period adjustment	1,323,041	-	-	-	1,323,041	-
Net Position - December 31	\$ 69,467,172	\$ 61,921,817	\$ 12,142,473	\$ 11,607,416	\$ 81,609,645	\$ 73,529,233

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, *unassigned 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, 2014, the County's governmental funds reported combined ending fund balances of \$35,656,447, an increase of \$3,951,775 in comparison with the prior year. Approximately 43% of this amount (\$15.3 million) constitutes *unassigned fund balance*. 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) current year prepayments that benefit periods beyond the end of the current year (\$99,670), 3) the portion of delinquent taxes purchased from other taxing jurisdictions (\$1,487,839) and 4) nonspendable contributions for Wegner Grotto, local history room endowment and Haney Reserve (\$359,055). The *restricted* include 1) amounts restricted for debt service (\$244,233), 2) amounts restricted by statutes (\$543,853), 3) amounts restricted by grant programs (\$207,658), 4) amounts restricted by donors (\$162,496), and 5) amounts restricted for the justice center construction project (\$11,655,094). The *committed* amount of \$4,899,029 is for various projects approved by the County Board, including \$3 million committed to the justice center construction. The *assigned* amounts represent tentative management plans for certain items in the General Fund (\$317,248), Human Services special revenue fund (\$300,000), Capital projects (\$17,388), and the Local History Room special revenue fund (\$113,328).

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 \$15,254,556 while total fund balance was \$19,316,438. 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 104% of total general fund expenditures, while total fund balance represents 132% 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 \$2,236,896 during the current year. Key factors in this change are as follows:

- Positive revenue variance totaled \$182,824.
- Overall expenditure variances totaled \$2,755,406.
- General Government and Public Safety expenditures were under budget by \$165,824 and \$682,348, due primarily to meticulous fiscal management by the Department Heads.

The County's human services fund reported revenues in excess of expenditures of \$384,391, which was transferred to the general fund at year end. The surplus of funds was due primarily to additional revenues.

The County's capital projects fund increased \$1,550,460 due primarily to the County borrowing \$9.9 million in bonds for the justice center construction project and spending \$8.2 million on construction expenditures.

The County's debt service fund increased by \$27,269 due to premium on bond issue received and set aside for future debt service maturities.

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 position of the Rolling Hills Rehabilitation Center at the end of the year amounted to \$564,104, an increase of \$593,125 over the prior year due primarily to fiscal oversight by management.

Net position of the solid waste fund at the end of the year amounted to \$2,726,224, a decrease of \$161,099 over the prior year.

Net position of the highway fund at the end of the year amounted to \$7,771,475, a decrease of \$142,428 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, 2014 amounts to \$60,744,100 (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 \$9,133,676 over last year and primarily due to governmental activities related to the construction of the justice center construction project and various road improvements.

Monroe County, Wisconsin (net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,328,985	\$ 1,328,985	\$ 574,911	\$ 574,911	\$ 1,903,896	\$ 1,903,896
Construction in progress	12,261,373	3,485,707	-	-	12,261,373	3,485,707
Land improvements	154,597	134,645	1,495,408	1,691,097	1,650,005	1,825,742
Buildings	1,252,291	1,291,433	1,580,116	1,656,578	2,832,407	2,948,011
Machinery and equipment	1,214,955	1,274,317	5,294,111	4,978,940	6,509,066	6,253,257
Infrastructure	35,580,444	35,186,902	-	-	35,580,444	35,186,902
Other assets	-	-	6,909	6,909	6,909	6,909
Total	\$ 51,792,645	\$ 42,701,989	\$ 8,951,455	\$ 8,908,435	\$ 60,744,100	\$ 51,610,424

Long-term debt. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$19,720,000 backed by the full faith and credit of the government.

Monroe County, Wisconsin's Outstanding Debt						
General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General Obligation Debt						
Bonds	\$ 18,875,000	\$ 11,140,000	\$ -	\$ -	\$ 18,875,000	\$ 11,140,000
Notes	845,000	1,105,000	-	-	845,000	1,105,000
Total	\$ 19,720,000	\$ 12,245,000	\$ -	\$ -	\$ 19,720,000	\$ 12,245,000

The County's general obligation debt increased \$7,475,000 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 \$146,888,790, which is significantly in excess of the County's \$19,720,000 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 Position
December 31, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 24,344,721	\$ 1,436,841	\$ 25,781,562
Receivables			
Taxes	13,950,878	4,483,130	18,434,008
Delinquent taxes	3,839,418	-	3,839,418
Accounts	1,119,226	1,924,624	3,043,850
Loans	-	106,013	106,013
Other	15,563	9,162	24,725
Internal balances	883,987	(883,987)	-
Due from other governments	-	409,088	409,088
Inventories and prepaid items	114,051	1,055,468	1,169,519
Restricted assets			
Cash and investments	13,797,056	2,550,139	16,347,195
Loans receivable	-	47,310	47,310
Capital assets, nondepreciable			
Land	1,328,985	574,911	1,903,896
Construction in progress	12,261,373	-	12,261,373
Capital assets, depreciable			
Land improvements	286,233	5,333,985	5,620,218
Buildings and improvements	1,992,389	8,383,856	10,376,245
Machinery and equipment	2,939,394	15,621,948	18,561,342
Other assets	-	46,061	46,061
Infrastructure	55,644,118	-	55,644,118
Less: Accumulated depreciation	(22,659,847)	(21,009,306)	(43,669,153)
TOTAL ASSETS	109,857,545	20,089,243	129,946,788
LIABILITIES			
Accounts payable	2,545,753	421,853	2,967,606
Accrued and other current liabilities	1,117,807	275,995	1,393,802
Accrued interest payable	132,311	-	132,311
Due to other governments	1,701,953	255	1,702,208
Unearned revenues	74,029	96,066	170,095
Payable from restricted assets			
Resident trust fund payable	-	15,993	15,993
Long-term obligations			
Due within one year	2,808,497	275,216	3,083,713
Due in more than one year	18,059,145	2,378,262	20,437,407
TOTAL LIABILITIES	26,439,495	3,463,640	29,903,135
DEFERRED INFLOWS OF RESOURCES			
Property taxes	13,950,878	4,483,130	18,434,008
NET POSITION			
Net investment in capital assets	45,769,774	8,886,633	54,656,407
Restricted	1,512,295	1,345,180	2,857,475
Unrestricted	22,185,103	1,910,660	24,095,763
TOTAL NET POSITION	\$ 69,467,172	\$ 12,142,473	\$ 81,609,645

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, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 5,992,186	\$ 1,590,659	\$ 305,314	\$ -
Public safety	6,988,306	375,121	111,129	52,500
Public works	4,074,349	64,683	1,003,857	93,645
Health and human services	10,176,459	1,926,123	5,252,365	-
Culture, recreation and education	927,479	140,534	333,231	-
Conservation and development	573,914	151,902	286,441	-
Interest and fiscal charges	314,311	-	-	-
Total Governmental Activities	29,047,004	4,249,022	7,292,337	146,145
Business-type Activities				
Nursing home	7,796,088	6,503,751	791,716	-
Solid waste	1,641,918	1,631,008	145,399	-
Highway	2,882,332	3,091,559	9,935	-
Economic revolving loan	1,497	6,714	-	-
Total Business-type Activities	12,321,835	11,233,032	947,050	-
Total	\$ 41,368,839	\$ 15,482,054	\$ 8,239,387	\$ 146,145

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 position

Net position - January 1

Prior period adjustment

Net position - January 1 (adjusted)

Net position - December 31

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

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

\$ (4,096,213)	\$ -	\$ (4,096,213)
(6,449,556)	-	(6,449,556)
(2,912,164)	-	(2,912,164)
(2,997,971)	-	(2,997,971)
(453,714)	-	(453,714)
(135,571)	-	(135,571)
(314,311)	-	(314,311)
<u>(17,359,500)</u>	<u>-</u>	<u>(17,359,500)</u>

-	(500,621)	(500,621)
-	134,489	134,489
-	219,162	219,162
-	5,217	5,217
<u>-</u>	<u>(141,753)</u>	<u>(141,753)</u>

<u>(17,359,500)</u>	<u>(141,753)</u>	<u>(17,501,253)</u>
---------------------	------------------	---------------------

14,568,645	1,233,305	15,801,950
2,220,237	-	2,220,237
3,083,751	-	3,083,751
30,522	-	30,522

2,478,287	-	2,478,287
483,899	7,728	491,627
152,250	-	152,250
564,223	(564,223)	-
<u>23,581,814</u>	<u>676,810</u>	<u>24,258,624</u>

<u>6,222,314</u>	<u>535,057</u>	<u>6,757,371</u>
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61,921,817	11,607,416	73,529,233
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<u>1,323,041</u>	<u>-</u>	<u>1,323,041</u>
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<u>63,244,858</u>	<u>11,607,416</u>	<u>74,852,274</u>
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<u>\$ 69,467,172</u>	<u>\$ 12,142,473</u>	<u>\$ 81,609,645</u>
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MONROE COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2014

	General	Human Services	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 16,887,969	\$ 605,715	\$ 3,140,046	\$ 244,233	\$ 490,222	\$ 21,368,185
Restricted cash and investments	-	11,731	13,230,154	-	555,171	13,797,056
Receivables						
Taxes	6,657,992	2,974,848	500,000	2,308,651	634,530	13,076,021
Delinquent taxes	3,839,418	-	-	-	-	3,839,418
Accounts	786,869	165,175	-	-	167,182	1,119,226
Other	15,548	-	-	-	15	15,563
Due from other funds	1,206,119	-	-	-	-	1,206,119
Inventories and prepaid items	93,143	-	6,527	-	-	99,670
TOTAL ASSETS	\$ 29,487,058	\$ 3,757,469	\$ 16,876,727	\$ 2,552,884	\$ 1,847,120	\$ 54,521,258
LIABILITIES, DEFERRED INFOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 416,919	\$ 401,060	\$ 1,625,860	\$ -	\$ 39,576	\$ 2,483,415
Due to other funds	-	-	-	-	83,607	83,607
Accrued and other current liabilities	547,812	81,561	-	-	41,979	671,352
Due to other governments	1,701,953	-	-	-	-	1,701,953
Unearned revenues	71,525	-	-	-	2,504	74,029
Total Liabilities	2,738,209	482,621	1,625,860	-	167,666	5,014,356
Deferred Inflows of Resources						
Property taxes	6,657,992	2,974,848	500,000	2,308,651	634,530	13,076,021
Delinquent taxes	758,871	-	-	-	-	758,871
Interest	15,548	-	-	-	15	15,563
Total Deferred Inflows of Resources	7,432,411	2,974,848	500,000	2,308,651	634,545	13,850,455
Fund Balances						
Nonspendable	1,581,982	-	6,527	-	358,055	1,946,564
Restricted	335,481	-	11,655,094	244,233	573,526	12,808,334
Committed	1,827,171	-	3,071,858	-	-	4,899,029
Assigned	317,248	300,000	17,388	-	113,328	747,964
Unassigned, reported in						
General fund	15,254,556	-	-	-	-	15,254,556
Total Fund Balances	19,316,438	300,000	14,750,867	244,233	1,044,909	35,656,447
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 29,487,058	\$ 3,757,469	\$ 16,876,727	\$ 2,552,884	\$ 1,847,120	\$ 54,521,258

(Continued)

MONROE COUNTY, WISCONSIN
 Balance Sheet (Continued)
 Governmental Funds
 December 31, 2014

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page \$ 35,656,447

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 51,792,645

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

Delinquent taxes, including accrued interest 758,871
 Interest on investments 15,563

Internal service funds are used by management to charge costs of various services to individual funds. Internal service funds are included in the governmental activities on the statement of net position. 2,243,599

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

Bonds and notes payable	\$ (19,720,000)	
Compensated absences	(652,441)	
Debt premium	(335,049)	
Post-employment health benefits payable	(160,152)	
Accrued interest on long-term obligations	(132,311)	(20,999,953)

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 10) \$ 69,467,172

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, 2014

	General	Human Services	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 11,567,467	\$ 2,473,107	\$ -	\$ 2,220,237	\$ 582,661	\$ 16,843,472
Intergovernmental	3,392,533	3,973,256	-	-	1,269,109	8,634,898
Licenses and permits	183,660	-	-	-	-	183,660
Fines and forfeits	212,517	-	-	-	-	212,517
Public charges for services	1,068,541	1,373,739	-	-	489,081	2,931,361
Intergovernmental charges for services	859,724	-	-	-	-	859,724
Miscellaneous	279,129	-	47,956	-	186,322	513,407
Total Revenues	17,563,571	7,820,102	47,956	2,220,237	2,527,173	30,179,039
Expenditures						
Current						
General government	5,431,691	-	-	-	-	5,431,691
Public safety	6,650,403	-	-	-	-	6,650,403
Public works	144,855	-	-	-	-	144,855
Health and human services	229,410	7,777,197	-	-	2,249,944	10,256,551
Culture and recreation	918,398	-	-	-	-	918,398
Conservation and development	592,812	-	-	-	-	592,812
Debt service						
Principal	-	-	-	2,375,000	-	2,375,000
Interest and fiscal charges	-	-	112,325	279,464	-	391,789
Capital outlay	684,602	-	8,282,371	-	-	8,966,973
Total Expenditures	14,652,171	7,777,197	8,394,696	2,654,464	2,249,944	35,728,472
Excess of Revenues Over (Under)						
Expenditures	2,911,400	42,905	(8,346,740)	(434,227)	277,229	(5,549,433)
Other Financing Sources (Uses)						
Long-term debt issued	-	-	9,850,000	-	-	9,850,000
Debt premium	-	-	47,200	158,411	-	205,611
Transfers in	789,587	341,486	-	303,085	65,140	1,499,298
Transfers out	(1,464,091)	(384,391)	-	-	(205,219)	(2,053,701)
Total Other Financing Sources (Uses)	(674,504)	(42,905)	9,897,200	461,496	(140,079)	9,501,208
Net Change in Fund Balances	2,236,896	-	1,550,460	27,269	137,150	3,951,775
Fund Balances - January 1	17,079,542	300,000	13,200,407	216,964	907,759	31,704,672
Fund Balances - December 31	\$ 19,316,438	\$ 300,000	\$ 14,750,867	\$ 244,233	\$ 1,044,909	\$ 35,656,447

(Continued)

MONROE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2014

Reconciliation to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds from previous page		\$ 3,951,775
<p>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.</p>		
Capital expenditures reported in governmental fund statements	\$ 10,869,058	
Capital grants received by County	93,645	
Depreciation expense reported in the statement of activities	<u>(1,698,269)</u>	
Amount by which capital asset purchases exceeds depreciation in current year		9,264,434
Book value of capital assets retired during current year		(173,778)
<p>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:</p>		
		(12,155)
<p>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 position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:</p>		
		2,375,000
<p>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.</p>		
		(48,883)
<p>Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net position, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:</p>		
		(9,850,000)
<p>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.</p>		
		(191,575)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Delinquent taxes, including accrued interest		(12,473)
Interest on investments		(589)
<p>The net expenses of certain activities of internal service funds are reported with governmental activities</p>		
		<u>920,558</u>
<p>Change in Net Position of Governmental Activities as Reported on the Statement of Activities (pages 11 - 12)</p>		
		<u><u>\$ 6,222,314</u></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, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 11,464,522	\$ 11,464,726	\$ 11,567,467	\$ 102,741
Intergovernmental	3,417,532	3,439,263	3,392,533	(46,730)
Licenses and permits	175,545	175,545	183,660	8,115
Fines and forfeits	213,200	213,200	212,517	(683)
Public charges for services	929,631	960,916	1,068,541	107,625
Intergovernmental charges for services	830,283	890,077	859,724	(30,353)
Miscellaneous	235,641	237,020	279,129	42,109
Total Revenues	17,266,354	17,380,747	17,563,571	182,824
Expenditures				
Current				
General government	5,474,382	5,597,515	5,431,691	165,824
Public safety	7,354,594	7,332,751	6,650,403	682,348
Public works	630,672	218,703	144,855	73,848
Health and human services	230,354	263,861	229,410	34,451
Culture and recreation	998,583	1,054,834	918,398	136,436
Conservation and development	674,683	705,547	592,812	112,735
Capital outlay	1,299,702	2,234,366	684,602	1,549,764
Total Expenditures	16,662,970	17,407,577	14,652,171	2,755,406
Excess of Revenues Over (Under) Expenditures	603,384	(26,830)	2,911,400	2,938,230
Other Financing Sources (Uses)				
Transfers in	145,000	404,514	789,587	385,073
Transfers out	(972,906)	(1,032,700)	(1,464,091)	(431,391)
Total Other Financing Sources (Uses)	(827,906)	(628,186)	(674,504)	(46,318)
Net Change in Fund Balance	(224,522)	(655,016)	2,236,896	2,891,912
Fund Balance - January 1	17,079,542	17,079,542	17,079,542	-
Fund Balance - December 31	\$ 16,855,020	\$ 16,424,526	\$ 19,316,438	\$ 2,891,912

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,473,107	\$ 2,473,107	\$ 2,473,107	\$ -
Intergovernmental	2,922,345	3,424,270	3,973,256	548,986
Public charges for services	1,619,630	1,640,937	1,373,739	(267,198)
Total Revenues	<u>7,015,082</u>	<u>7,538,314</u>	<u>7,820,102</u>	<u>281,788</u>
Expenditures				
Current				
Health and human services	7,492,420	7,958,245	7,777,197	181,048
Excess of Revenues Over (Under) Expenditures	<u>(477,338)</u>	<u>(419,931)</u>	<u>42,905</u>	<u>462,836</u>
Other Financing Sources (Uses)				
Transfers in	477,338	471,119	341,486	(129,633)
Transfers out	-	(51,188)	(384,391)	(333,203)
Total Other Financing Sources (Uses)	<u>477,338</u>	<u>419,931</u>	<u>(42,905)</u>	<u>(462,836)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Fund Balance - December 31	<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 Position

Proprietary Funds

December 31, 2014

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
				Revolving Loan		
ASSETS						
Current assets						
Cash and investments	\$ 500	\$ 361,957	\$ 384,112	\$ 690,272	\$ 1,436,841	\$ 2,976,536
Receivables						
Taxes	1,391,245	-	3,091,885	-	4,483,130	874,857
Accounts	1,096,242	228,168	600,214	-	1,924,624	-
Other	-	-	9,162	-	9,162	-
Loans	-	-	-	106,013	106,013	-
Due from other governments	-	-	409,088	-	409,088	-
Inventories and prepaid items	11,441	-	1,044,027	-	1,055,468	14,381
Total Current Assets	2,499,428	590,125	5,538,488	796,285	9,424,326	3,865,774
Noncurrent assets						
Restricted assets						
Cash and investments	34,854	2,515,285	-	-	2,550,139	-
Loans receivable	-	-	-	47,310	47,310	-
Capital assets, nondepreciable						
Land	7,269	384,595	183,047	-	574,911	-
Capital assets, depreciable						
Land improvements	449,420	4,380,025	504,540	-	5,333,985	-
Buildings and improvements	5,046,797	214,262	3,122,797	-	8,383,856	-
Machinery and equipment	2,307,422	229,344	13,085,182	-	15,621,948	-
Other assets	-	-	46,061	-	46,061	-
Less: Accumulated depreciation	(6,654,439)	(3,371,463)	(10,983,404)	-	(21,009,306)	-
Total Capital Assets, Net of Accumulated Depreciation	1,156,469	1,836,763	5,958,223	-	8,951,455	-
Total Noncurrent Assets	1,191,323	4,352,048	5,958,223	47,310	11,548,904	-
TOTAL ASSETS	3,690,751	4,942,173	11,496,711	843,595	20,973,230	3,865,774
LIABILITIES						
Current Liabilities						
Accounts payable	148,411	107,082	166,360	-	421,853	62,338
Accrued and other current liabilities	159,641	2,683	113,671	-	275,995	446,455
Due to other funds	1,121,062	-	-	1,450	1,122,512	-
Due to other governments	240	-	15	-	255	-
Unearned revenues	-	-	96,066	-	96,066	-
Compensated absences	148,841	4,854	121,521	-	275,216	-
Total Current Liabilities	1,578,195	114,619	497,633	1,450	2,191,897	508,793
Payable from Restricted Assets						
Resident trust fund payable	15,993	-	-	-	15,993	-
Noncurrent Liabilities						
Loans payable	-	64,822	-	-	64,822	-
Post-employment health benefits payable	79,104	1,328	62,075	-	142,507	-
Compensated absences	62,110	4,069	73,643	-	139,822	-
Post closure	-	2,031,111	-	-	2,031,111	-
Total Noncurrent Liabilities	141,214	2,101,330	135,718	-	2,378,262	-
TOTAL LIABILITIES	1,735,402	2,215,949	633,351	1,450	4,586,152	508,793
DEFERRED INFLOWS OF RESOURCES						
Property taxes	1,391,245	-	3,091,885	-	4,483,130	874,857
NET POSITION						
Net investment in capital assets	1,156,469	1,771,941	5,958,223	-	8,886,633	-
Restricted for						
Closure and postclosure	-	484,174	-	-	484,174	-
Resident trust	18,861	-	-	-	18,861	-
Community development	-	-	-	842,145	842,145	-
Unrestricted (deficit)	(611,226)	470,109	1,813,252	-	1,672,135	2,482,124
TOTAL NET POSITION	\$ 564,104	\$ 2,726,224	\$ 7,771,475	\$ 842,145	\$ 11,903,948	\$ 2,482,124

Adjustment to reflect the consolidation of internal service fund activities related to enterprise

238,525

Net position of business-type activities as reported on the Statement of Net Position

\$ 12,142,473

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 Position
Proprietary Funds
For the Year Ended December 31, 2014

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund Revolving Loan	Total Enterprise Funds	Internal Service Funds
Operating Revenues						
Charges for services	\$ 6,503,751	\$ 1,631,008	\$ 3,091,559	\$ 6,714	\$ 11,233,032	\$ -
Intergovernmental charges for services	-	-	-	-	-	668,749
Other operating revenues	-	-	-	-	-	979
Total Operating Revenues	6,503,751	1,631,008	3,091,559	6,714	11,233,032	669,728
Operating Expenses						
Operation and maintenance	7,714,004	1,465,835	6,614,259	1,497	15,795,595	798,978
Depreciation	193,250	178,319	662,744	-	1,034,313	-
Total Operating Expenses	7,907,254	1,644,154	7,277,003	1,497	16,829,908	798,978
Operating Income (Loss)	(1,403,503)	(13,146)	(4,185,444)	5,217	(5,596,876)	(129,250)
Nonoperating Revenues (Expenses)						
General property taxes	871,294	-	3,115,011	-	3,986,305	712,382
Intergovernmental aids	791,716	145,399	981,845	-	1,918,960	-
Interest income	-	6,011	-	1,717	7,728	8,181
Loss on disposal of capital assets	-	-	(6,218)	-	(6,218)	-
Total Nonoperating Revenues (Expenses)	1,663,010	151,410	4,090,638	1,717	5,906,775	720,563
Net Income (Loss) before Transfers	259,507	138,264	(94,806)	6,934	309,899	591,313
Transfers in	436,304	-	10,885	-	447,189	636,515
Transfers out	(102,686)	(299,363)	(58,507)	-	(460,556)	(68,745)
Change in Net Position	593,125	(161,099)	(142,428)	6,934	296,532	1,159,083
Net Position (Deficit) - January 1	(29,021)	2,887,323	7,913,903	835,211		-
Prior period adjustment	-	-	-	-		1,323,041
Net Position - January 1 (adjusted)	(29,021)	2,887,323	7,913,903	835,211		1,323,041
Net Position - December 31	\$ 564,104	\$ 2,726,224	\$ 7,771,475	\$ 842,145		\$ 2,482,124
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					238,525	
Change in net position of business-type activities as reported on the Statement of Activities (see pages 11-12)					\$ 535,057	

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, 2014

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund Revolving Loan	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities						
Cash received from customers	\$ 6,263,556	\$ 1,640,948	\$ 3,212,823	\$ 6,714	\$ 11,124,041	\$ 669,728
Cash payments to suppliers	(3,523,492)	(1,269,486)	(5,495,563)	(1,497)	(10,290,038)	(562,335)
Cash payments to employees	(4,224,225)	(99,778)	(1,455,562)	-	(5,779,565)	(257,790)
Net Cash Provided (Used) by Operating Activities	(1,484,161)	271,684	(3,738,302)	5,217	(4,945,562)	(150,397)
Cash Flows from Noncapital Financing Activities						
General property taxes	871,294	-	3,115,011	-	3,986,305	712,382
Intergovernmental grants received	791,716	145,399	981,845	-	1,918,960	-
Cash advance from general fund	(262,823)	-	-	1,450	(261,373)	-
Transfer in	436,304	-	10,885	-	447,189	2,475,115
Transfer out	(102,686)	(299,363)	(58,507)	-	(460,556)	(68,745)
Net Cash Provided (Used) by Noncapital Financing Activities	1,733,805	(153,964)	4,049,234	1,450	5,630,525	3,118,752
Cash Flows from Capital and Related Financing Activities						
Acquisition of capital assets	(249,644)	(29,435)	(836,268)	-	(1,115,347)	-
Proceeds from sale of capital assets	-	-	31,796	-	31,796	-
Principal payments on long-term debt	-	(33,710)	-	-	(33,710)	-
Net Cash Used by Capital and Related Financing Activities	(249,644)	(63,145)	(804,472)	-	(1,117,261)	-
Cash Flows from Investing Activities						
Loan repayments received	-	-	-	27,904	27,904	-
Interest income received	-	6,011	-	1,717	7,728	8,181
Redemption of investments	-	(100,566)	-	-	(100,566)	-
Cash Flows Provided (Used) by Investing Activities	-	(94,555)	-	29,621	(64,934)	8,181
Change in Cash and Cash Equivalents	-	(39,980)	(493,540)	36,288	(497,232)	2,976,536
Cash and Cash Equivalents - January 1	500	401,937	877,652	653,984	1,934,073	-
Cash and Cash Equivalents - December 31	\$ 500	\$ 361,957	\$ 384,112	\$ 690,272	\$ 1,436,841	\$ 2,976,536
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ (1,403,503)	\$ (13,146)	\$ (4,185,444)	\$ 5,217	\$ (5,596,876)	\$ (129,250)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	193,250	178,319	662,744	-	1,034,313	-
Cash restricted by donors	1,892	-	-	-	1,892	-
Changes in assets and liabilities						
Accounts receivable	(240,195)	9,940	85,851	-	(144,404)	-
Inventories and prepaid items	21,963	-	(133,932)	-	(111,969)	(14,381)
Due from other governments	-	-	44,575	-	44,575	-
Other receivables	-	-	(9,162)	-	(9,162)	-
Accounts payable	(63,054)	(16,082)	(224,307)	-	(303,443)	62,338
Accrued and other current liabilities	7,134	(232)	8,020	-	14,922	(69,104)
Compensated absences	(13,806)	(2,537)	7,036	-	(9,307)	-
Due to other governments	27	-	(74)	-	(47)	-
Resident trust fund payable	1,503	-	-	-	1,503	-
Unearned revenues	-	-	776	-	776	-
Post-employment health benefits payable	10,628	131	5,615	-	16,374	-
Post closure liability	-	115,291	-	-	115,291	-
Net Cash Provided (Used) by Operating Activities	\$ (1,484,161)	\$ 271,684	\$ (3,738,302)	\$ 5,217	\$ (4,945,562)	\$ (150,397)
Noncash Investing, Capital and Financing Activities						
None						

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

MONROE COUNTY, WISCONSIN
Statement of Net Position
Fiduciary Fund
December 31, 2014

	Agency Fund
ASSETS	
Cash and cash equivalents	\$ 483,194
Taxes receivable	498,558
Total Assets	<u>\$ 981,752</u>
LIABILITIES	
Due to other governments	\$ 610,551
Deposits payable	371,201
Total Liabilities	<u>\$ 981,752</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, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Monroe County ("the County"), 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 No. 61.

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 position 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 services.

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.

SPECIAL REVENUE FUND - HUMAN SERVICES

This fund accounts for the resources accumulated and payments made for the human services department. The significant revenues for the fund are property taxes and state and federal grants.

MONROE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL PROJECTS FUND

This fund accounts for capital improvements of the County.

DEBT SERVICE FUND

This fund is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt.

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.

The County reports the following non-major funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes. Non-major special revenue funds consist of the following:

Senior Services
Child Support
Health

Jail Assessment
Local History Room

Enterprise funds are used to report any activity for which a fee is charged to external users for goods and services, and must be used for activities which meet certain debt or cost recovery criteria. The revolving loan fund is reported as a non-major enterprise fund.

Additionally, the government reports the following fund type:

Internal Service Funds account for information systems, technology pool, and self-funded workers' compensation services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

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, 2014

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, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

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, 2014

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. In addition, certain funds maintain deficit cash positions during the year, financed by the County's general fund. 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 position 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. The Rolling Hills enterprise fund uses a \$1,000 capitalization threshold. Infrastructure capital assets have a \$25,000 capitalization threshold. 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.