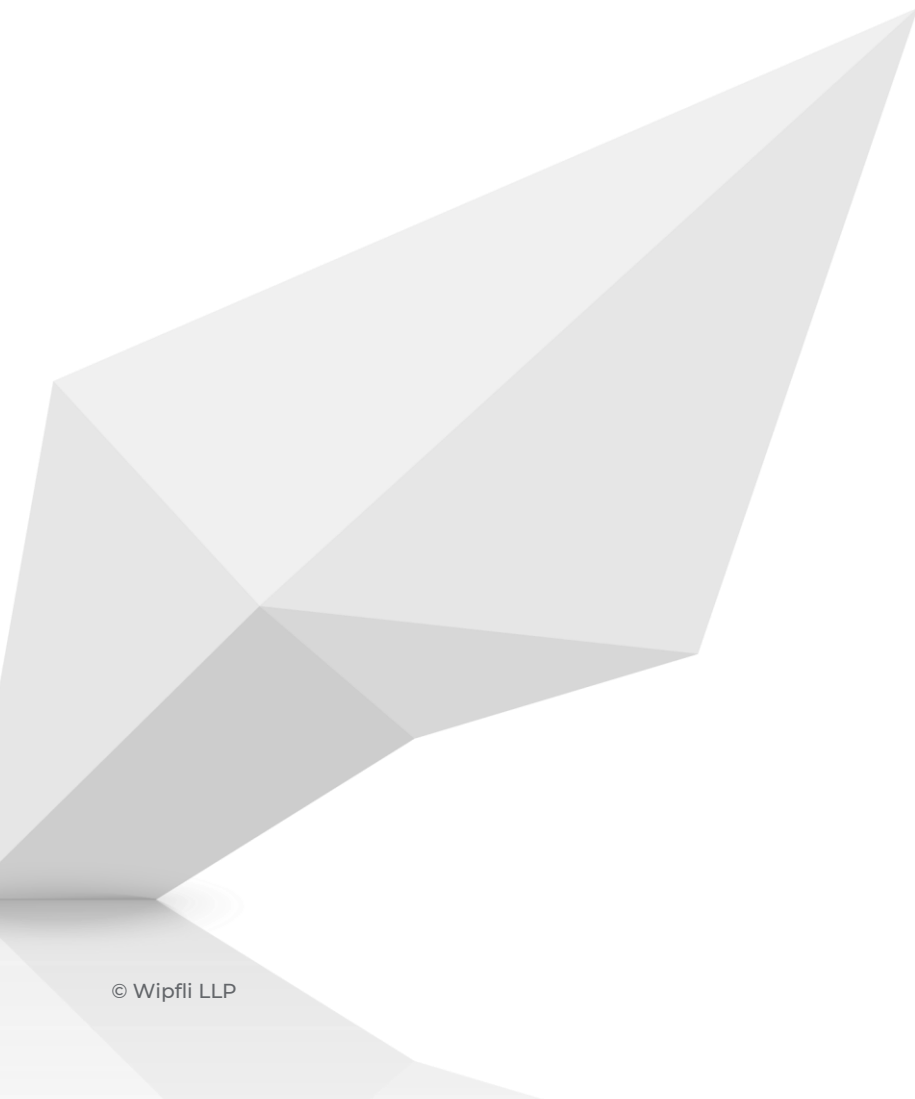


Monroe County

Sparta, Wisconsin

Financial Report

Year Ended 12/31/2020



Monroe County, Wisconsin

Financial Statements and Supplementary Financial Information Year Ended December 31, 2020

Table of Contents

Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	10
Statement of Activities.....	11
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	13
Reconciliation of the Balance Sheet – Governmental Funds – to the Statement of Net Position.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund	17
Special Revenue Funds - Human Services Fund	18
Statement of Net Position – Proprietary Funds.....	19
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	21
Statement of Cash Flows – Proprietary Funds	22
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to Basic Financial Statements.....	26
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions – Wisconsin Retirement System.....	57
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	58
Supplementary Financial Information	
Combining Fund Statements	
Combining Balance Sheet – Nonmajor Governmental Funds.....	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	60
Combining Statement of Net Position – Internal Service Funds	61
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	62
Combining Statement of Cash Flows – Internal Service Funds	63
Other Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	64
Independent Auditor's Report on Compliance for Each Major Federal and State Program and Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines	66
Schedule of Federal and State Assistance.....	68
Notes to the Schedule of Federal and State Assistance.....	73
Schedule of Findings and Questioned Costs	75
Summary Schedule of Prior Year Findings	78

Independent Auditor's Report

County Board of Supervisors
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, 2020 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; 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.

Auditor's 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 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 from 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 Monroe County, Wisconsin, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Human Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the schedule of proportionate share of the net pension asset (liability) and contributions – Wisconsin Retirement System and the schedule of changes in the County's total OPEB liability and related ratios on pages 3 through 9 and 57 through 58 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, 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.

Supplementary Financial 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 combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of federal and state assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration, and is also not a required part of the basic financial statements. The combining fund statements and the schedules of federal and state assistance are 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. In our opinion, the combining fund statements and the schedules of federal and state assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, 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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

June 17, 2021
Madison, Wisconsin

Management's Discussion and Analysis

Monroe County, Wisconsin

Management's Discussion and Analysis

December 31, 2020

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, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflow of resources as of December 31, 2020 by \$108.87 million (net position). Of this amount, \$23.7 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 \$4,080,903. This increase was due primarily to an increase in funding that was used to increase the County's net investment in capital assets.
- As of December 31, 2020, the County's governmental funds reported combined ending fund balances of \$17.4 million, an increase of \$30,841 in comparison with the prior year.
- As of December 31, 2020, unassigned fund balance for the general fund was \$6.2 million.
- The County's total general-obligation debt decreased by \$1,900,000 during 2020.

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, liabilities and deferred outflows and 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, and landfill operations.

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 eight 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 services, and debt service funds. 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, and highway, which are all considered to be major funds of the County. 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. 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 - 23 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 statements can be found on pages 24 and 25 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 26 - 56 of this report.

Required supplementary information. Information on the County's pension and other post-employment benefit plan is presented immediately following the notes to the basic financial statements and can be found on pages 57 - 58.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the basic financial statements and can be found on pages 59 – 63.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$108.87 million at the close of 2020.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 39,807,492	\$ 36,660,142	\$ 23,718,255	\$ 18,954,555	\$ 63,525,747	\$ 55,614,697
Capital assets	85,374,247	86,320,520	11,345,276	10,691,528	96,719,523	97,012,048
Total assets	125,181,739	122,980,662	35,063,531	29,646,083	160,245,270	152,626,745
Total deferred outflows of resources	6,037,800	7,483,116	2,947,257	3,846,521	8,985,057	11,329,637
Long-term liabilities	18,283,998	22,879,095	5,775,939	6,969,147	24,059,937	29,848,242
Other liabilities	4,489,819	4,030,153	1,996,140	1,399,561	6,485,959	5,429,714
Total liabilities	22,773,817	26,909,248	7,772,079	8,368,708	30,545,896	35,277,956
Total deferred inflows of resources	20,320,083	16,396,775	9,493,521	7,491,727	29,813,604	23,888,502
Net position:						
Net investment in capital assets	68,306,732	67,262,335	10,823,463	10,055,871	79,130,195	77,318,206
Restricted	6,035,520	3,219,307	11,188	10,254	6,046,708	3,229,561
Unrestricted	13,783,387	16,676,113	9,910,537	7,566,044	23,693,924	24,242,157
Total net position	\$ 88,125,639	\$ 87,157,755	\$ 20,745,188	\$ 17,632,169	\$ 108,870,827	\$ 104,789,924

By far the largest portion of the County's net position (73%) 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 (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$23.7 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 \$967,884 while business-type activities increased net position by \$3,113,019. A summary of the changes in net position follows:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 4,543,015	\$ 3,846,524	\$ 11,130,489	\$ 11,472,777	\$ 15,673,504	\$ 15,319,301
Operating grants and contributions	12,922,532	10,661,910	3,218,226	2,819,319	16,140,758	13,481,229
Capital grants and contributions	-	184,190	-	-	-	184,190
General revenues:						
Property taxes	12,641,832	13,399,080	5,149,292	5,013,568	17,791,124	18,412,648
Sales tax	3,852,786	3,759,259	-	-	3,852,786	3,759,259
Other taxes	74,262	78,198	-	-	74,262	78,198
Grants and contributions not restricted to specific programs	2,784,623	2,814,061	-	-	2,784,623	2,814,061
Investment income	755,953	1,129,668	21,330	67,089	777,283	1,196,757
Other	120,165	248,691	-	-	120,165	248,691
Total revenues	37,695,168	36,121,581	19,519,337	19,372,753	57,214,505	55,494,334
Expenses:						
General government	8,089,017	8,964,242	-	-	8,089,017	8,964,242
Public safety	9,558,253	9,873,154	-	-	9,558,253	9,873,154
Public works	1,607,823	1,218,049	-	-	1,607,823	1,218,049
Health and human services	16,092,213	15,047,128	-	-	16,092,213	15,047,128
Culture, recreation, and education	1,017,443	1,058,574	-	-	1,017,443	1,058,574
Conservation and development	824,608	933,011	-	-	824,608	933,011
Interest and fiscal charges	404,996	406,845	-	-	404,996	406,845
Nursing home	-	-	7,578,975	7,978,639	7,578,975	7,978,639
Solid waste	-	-	2,335,110	2,307,949	2,335,110	2,307,949
Highway	-	-	5,625,164	5,882,473	5,625,164	5,882,473
Economic revolving loan	-	-	-	903,531	-	903,531
Total expenses	37,594,353	37,501,003	15,539,249	17,072,592	53,133,602	54,573,595
Change in net position before transfers	100,815	(1,379,422)	3,980,088	2,300,161	4,080,903	920,739
Transfers	867,069	2,171,939	(867,069)	(2,171,939)	-	-
Change in net position	967,884	792,517	3,113,019	128,222	4,080,903	920,739
Net position - January 1, as restated	87,157,755	86,365,238	17,632,169	17,503,947	104,789,924	103,869,185
Net position - December 31	\$ 88,125,639	\$ 87,157,755	\$ 20,745,188	\$ 17,632,169	\$ 108,870,827	\$ 104,789,924

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, 2020, the County's governmental funds reported combined ending fund balances of \$17,352,568, an increase of \$30,841 in comparison with the prior year. Approximately 36% of this amount (\$6.2 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 for. The nonspendable amounts include 1) current year prepayments that benefit periods beyond the end of the current year (\$339,842), 2) the portion of delinquent taxes purchased from other taxing jurisdictions (\$1,039,081) and 3) nonspendable contributions for Wegner Grotto, local history room endowment and Haney Reserve (\$1,843,127). The restricted includes 1) amounts restricted by statutes (\$653,927), 2) amounts restricted by donors (\$351,210), and 3) grant programs (\$657,950). The committed amount includes 1) amounts restricted for debt service (\$4,525,110) and 2) \$260,007 in various projects approved by the County Board. The assigned amounts represent tentative management plans for certain items in the General Fund (\$940,389), assigned for Human Services (\$194,051) and the Local History Room special revenue fund (\$304,289).

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 \$6,243,585 while total fund balance was \$9,666,404. 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 35% of total general fund expenditures, while total fund balance represents 55% 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 human services fund increased \$178,135 due primarily to expenditures being less than originally budgeted.

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 \$4,048,801, an increase of \$1,081,872 as expenditures were less than revenue in addition to transfers of \$680,408 from the General Fund to pay for capital improvements.

Net position of the solid waste fund at the end of the year amounted to \$1,567,858, an increase of \$739 over the prior year due to estimated operation and maintenance being slightly less than fees.

Net position of the highway fund at the end of the year amounted to \$14,668,848, an increase of \$1,993,092 over the prior year due primarily to efforts to increase the cash reserves for future projects.

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

General Fund Budgetary Highlights

The County's general fund balance decreased \$176,072 during the current year. Key factors in this change are as follows:

- The general fund transferred \$2,613,750 to other funds in the current year.
- Overall expenditures were less than final budget amounts by \$5,883,563.

Budgetary amendments were made during the year as noted on page 17 of the financial statements. The main changes were to account for increased intergovernmental revenue used to cover additional costs related to COVID-19 and funding transfers to other funds.

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, 2020 amounts to \$96,719,523 (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 decrease in the County's investment in capital assets for the current year was \$292,525 over last year and primarily due to depreciation in excess of current year additions.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,705,187	\$ 1,705,187	\$ 574,911	\$ 574,911	\$ 2,280,098	\$ 2,280,098
Construction in progress	223,898	2,207,371	2,633,198	2,281,336	2,857,096	4,488,707
Land improvements	162,618	178,200	1,172,820	825,357	1,335,438	1,003,557
Buildings	37,712,798	38,237,317	1,402,287	1,302,301	39,115,085	39,539,618
Machinery and equipment	4,960,828	5,276,913	5,562,060	5,707,623	10,522,888	10,984,536
Infrastructure	40,608,918	38,715,532	-	-	40,608,918	38,715,532
Total	\$ 85,374,247	\$ 86,320,520	\$ 11,345,276	\$ 10,691,528	\$ 96,719,523	\$ 97,012,048

Long-term debt. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$18,490,000 backed by the full faith and credit of the government.

	Governmental Activities	
	2020	2019
General obligation debt:		
Bonds	\$ 16,590,000	\$ 18,490,000

The County's general obligation debt decreased \$1,900,000 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 \$188,553,030, which is significantly in excess of the County's \$15,590,000 in outstanding general obligation debt.

Economic and Other Factors

In March 2021, \$16 million in General Obligation Bonds were issued to build a new nursing home. In May 2021, the Board approved a resolution to issue an additional \$4 million in General Obligation Bonds to be used to for the new building. The \$4 million in bonds have not been issued yet. In May 2021, the County Board approved awards for the Rolling Hills project with groundbreaking on May 26, 2021 and construction beginning June 2021.

Monroe County has been allocated \$8,984,103 American Recovery Act funding and received \$4,492,052 of the funds in May 2021. The county is currently looking at project(s) for this funding.

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, 124 N Court Street, Sparta, WI 54656.

Basic Financial Statements

Monroe County, Wisconsin

Statement of Net Position

December 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 17,109,289	\$ 9,373,962	\$ 26,483,251
Receivables			
Taxes	12,770,424	5,712,908	18,483,332
Delinquent taxes	1,308,842	-	1,308,842
Accounts	3,366,069	1,277,514	4,643,583
Other	14,473	-	14,473
Internal balances	(459,681)	459,681	-
Due from other governments	-	1,151,248	1,151,248
Inventories and prepaid items	352,862	1,609,387	1,962,249
Restricted assets:			
Cash and investments	2,681,528	1,088,125	3,769,653
Deposits with the State	-	1,796,757	1,796,757
Net pension asset	2,529,306	1,248,673	3,777,979
Loans receivables	134,380	-	134,380
Capital assets, nondepreciable	1,929,085	3,208,109	5,137,194
Capital assets, depreciable, net	83,445,162	8,137,167	91,582,329
Total assets	<u>125,181,739</u>	<u>35,063,531</u>	<u>160,245,270</u>
Deferred outflows of resources:			
Deferred outflows-pension/OPEB	6,037,800	2,947,257	8,985,057
Liabilities:			
Accounts payable	1,521,366	1,033,498	2,554,864
Other accrued liabilities	1,985,274	272,369	2,257,643
Accrued interest payable	139,111	12,314	151,425
Due to other governments	333,502	490	333,992
Unearned revenues	510,566	658,611	1,169,177
Payable from restricted assets			
Resident trust fund payable	-	18,858	18,858
Long-term obligations			
Due within one year	2,609,857	578,378	3,188,235
Due in more than one year	15,674,141	5,197,561	20,871,702
Total liabilities	<u>22,773,817</u>	<u>7,772,079</u>	<u>30,545,896</u>
Deferred inflows of resources:			
Property taxes	12,770,423	5,712,908	18,483,331
Deferred inflows related to pensions	7,549,660	3,780,613	11,330,273
Total deferred inflows of resources	<u>20,320,083</u>	<u>9,493,521</u>	<u>29,813,604</u>
Net position:			
Net investment in capital assets	68,306,732	10,823,463	79,130,195
Restricted	6,035,520	11,188	6,046,708
Unrestricted	13,783,387	9,910,537	23,693,924
Total net position	<u>\$ 88,125,639</u>	<u>\$ 20,745,188</u>	<u>\$ 108,870,827</u>

See accompanying notes to the financial statements.

Monroe County, Wisconsin

Statement of Activities

For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 8,089,017	\$ 1,898,868	\$ 1,219,151	\$ -
Public safety	9,558,253	453,645	284,958	-
Public works	1,607,823	111,617	45,332	-
Health and human services	16,092,213	1,732,894	10,426,499	-
Culture, recreation and education	1,017,443	146,365	589,035	-
Conservation and development	824,608	199,626	357,557	-
Interest and fiscal charges	404,996	-	-	-
Total governmental activities	<u>37,594,353</u>	<u>4,543,015</u>	<u>12,922,532</u>	<u>-</u>
Business-type activities:				
Nursing home	7,578,975	5,583,797	1,342,304	-
Solid waste	2,335,110	2,166,639	147,880	-
Highway	5,625,164	3,380,053	1,728,042	-
Total business-type activities	<u>15,539,249</u>	<u>11,130,489</u>	<u>3,218,226</u>	<u>-</u>
Total	<u>\$ 53,133,602</u>	<u>\$ 15,673,504</u>	<u>\$ 16,140,758</u>	<u>\$ -</u>

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

Investment income

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning, as restated

Net position - ending

Monroe County, Wisconsin

Statement of Activities - Continued

For the Year Ended December 31, 2020

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (4,970,998)	\$ -	\$ (4,970,998)
(8,819,650)	-	(8,819,650)
(1,450,874)	-	(1,450,874)
(3,932,820)	-	(3,932,820)
(282,043)	-	(282,043)
(267,425)	-	(267,425)
(404,996)	-	(404,996)
<u>(20,128,806)</u>	<u>-</u>	<u>(20,128,806)</u>
-	(652,874)	(652,874)
-	(20,591)	(20,591)
-	(517,069)	(517,069)
-	<u>(1,190,534)</u>	<u>(1,190,534)</u>
<u>(20,128,806)</u>	<u>(1,190,534)</u>	<u>(21,319,340)</u>
12,641,832	5,149,292	17,791,124
-	-	-
3,852,786	-	3,852,786
74,262	-	74,262
2,784,623	-	2,784,623
755,953	21,330	777,283
120,165	-	120,165
867,069	(867,069)	-
<u>21,096,690</u>	<u>4,303,553</u>	<u>25,400,243</u>
967,884	3,113,019	4,080,903
<u>87,157,755</u>	<u>17,632,169</u>	<u>104,789,924</u>
<u>\$ 88,125,639</u>	<u>\$ 20,745,188</u>	<u>\$ 108,870,827</u>

See accompanying notes to the financial statements.

Monroe County, Wisconsin

Balance Sheet Governmental Funds December 31, 2020

	General	Human Services	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 8,524,260	\$ 2,675	\$ 4,512,917	\$ 499,013	\$ 13,538,865
Restricted cash and investments	235,062	29,373	-	2,417,093	2,681,528
Receivables					
Taxes	7,119,772	3,852,033	-	504,725	11,476,530
Delinquent taxes	1,308,842	-	-	-	1,308,842
Accounts	1,509,040	1,506,591	12,193	338,245	3,366,069
Other	148,853	-	-	-	148,853
Due from other funds	683,190	-	-	-	683,190
Prepaid items	255,174	-	-	-	255,174
Total assets	\$ 19,784,193	\$ 5,390,672	\$ 4,525,110	\$ 3,759,076	\$ 33,459,051
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts payable	736,869	771,179	-	7,621	1,515,669
Other accrued liabilities	1,392,940	127,813	-	36,712	1,557,465
Due to other funds	-	413,125	-	270,065	683,190
Due to other governments	333,502	-	-	-	333,502
Unearned revenues	84,987	5,417	-	4	90,408
Total liabilities	2,548,298	1,317,534	-	314,402	4,180,234
Deferred inflows of resources:					
Property taxes	7,119,772	3,852,033	-	504,725	11,476,530
Delinquent taxes	449,719	-	-	-	449,719
Total deferred inflows of resources	7,569,491	3,852,033	-	504,725	11,926,249
Fund balances:					
Nonspendable	1,379,923	-	-	1,842,127	3,222,050
Restricted	876,796	27,054	-	759,237	1,663,087
Committed	225,711	-	4,525,110	34,296	4,785,117
Assigned	940,389	194,051	-	304,289	1,438,729
Unassigned	6,243,585	-	-	-	6,243,585
Total fund balances	9,666,404	221,105	4,525,110	2,939,949	17,352,568
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 19,784,193	\$ 5,390,672	\$ 4,525,110	\$ 3,759,076	\$ 33,459,051

Monroe County, Wisconsin

Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position December 31, 2020

Total fund balance - governmental funds	\$ 17,352,568
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements	85,374,247
Other long-term assets are not available to pay current expenditures and therefore are deferred in the funds:	
Delinquent taxes	449,719
The County's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource, therefore, it is not reported in the fund statements:	
Net pension asset	2,529,307
Deferred outflows of resources	6,037,800
Deferred inflows of resources	(7,549,660)
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	2,354,767
Some liabilities are not due and payable in the current period and, therefore are not reported in the funds:	
Bonds and notes payable	(16,659,891)
Debt premium	(256,004)
Forest crop loans payable	(171,205)
Capital lease payable	(14,712)
Compensated absences	(791,688)
Post-employment health benefits payable	(390,498)
Accrued interest on long-term obligations	(139,111)
Total net position of governmental activities	<u>\$ 88,125,639</u>

Monroe County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2020

	General	Human Services	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 11,385,880	\$ 3,737,586	\$ -	\$ 509,786	\$ 15,633,252
Intergovernmental	4,795,995	9,488,585	-	1,480,274	15,764,854
Licenses and permits	253,420	-	-	-	253,420
Fines and forfeits	281,086	-	-	-	281,086
Public charges for services	1,289,598	933,429	133,770	143,651	2,500,448
Intergovernmental charges	931,760	-	-	-	931,760
Miscellaneous	638,654	230	-	498,598	1,137,482
Total revenues	19,576,393	14,159,830	133,770	2,632,309	36,502,302
Expenditures:					
Current:					
General government	6,730,772	-	-	-	6,730,772
Public safety	7,995,286	-	-	59,027	8,054,313
Public works	170,877	-	-	-	170,877
Health and human services	303,412	13,981,695	-	1,881,533	16,166,640
Culture and recreation	1,012,960	-	-	-	1,012,960
Conservation and development	832,897	-	-	-	832,897
Debt service:					
Principal	34,540	-	1,900,000	-	1,934,540
Interest and fiscal charges	1,496	-	437,757	-	439,253
Capital outlay	557,367	-	-	-	557,367
Total expenditures	17,639,607	13,981,695	2,337,757	1,940,560	35,899,619
Excess of revenues over (under) expenditures	1,936,786	178,135	(2,203,987)	691,749	602,683
Other Financing Sources (Uses)					
Transfers in	500,892	-	1,763,609	1,733	2,266,234
Transfers out	(2,613,750)	-	-	(224,326)	(2,838,076)
Total other financing sources (uses)	(2,112,858)	-	1,763,609	(222,593)	(571,842)
Net Change in Fund Balances	(176,072)	178,135	(440,378)	469,156	30,841
Fund Balances - Beginning	9,842,476	42,970	4,965,488	2,470,793	17,321,727
Fund Balances - Ending	\$ 9,666,404	\$ 221,105	\$ 4,525,110	\$ 2,939,949	\$ 17,352,568

Monroe County, Wisconsin

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2020

Net change in fund balance - governmental funds	\$ 30,841
<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	2,346,979
Depreciation expense reported in the statement of activities	(2,889,412)
Book value of assets disposed	(403,840)
<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.</p>	
Change in compensated absences	(84,782)
Change in total OPEB liability	(48,619)
Change in deferred outflows of resources related to OPEB	23,743
Change in net pension asset/liability	5,267,134
Change in deferred outflows of resources related to pensions	(1,469,059)
Change in deferred inflows of resources related to pensions	(3,763,905)
<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.</p>	
Principal payments on general obligation bonds	1,900,000
Principal payments on forest crop loan and capital leases	34,540
Amortization of premiums	56,130
<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>	
	12,667
<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	(185,782)
<p>The net expenses of certain activities of internal service funds are reported with governmental activities</p>	
	<u>141,249</u>
Change in net position - governmental activities	<u>\$ 967,884</u>

Monroe County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

General Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 11,326,510	\$ 11,350,189	\$ 11,385,880	\$ 35,691
Intergovernmental	5,977,292	6,774,765	4,795,995	(1,978,770)
Licenses and permits	208,879	208,879	253,420	44,541
Fines and forfeits	252,065	252,065	281,086	29,021
Public charges for services	1,349,283	1,366,864	1,289,598	(77,266)
Intergovernmental charges	714,719	902,519	931,760	29,241
Miscellaneous	896,651	987,465	638,654	(348,811)
Total revenues	20,725,399	21,842,746	19,576,393	(2,266,353)
Expenditures:				
Current:				
General government	7,279,195	7,769,631	6,730,772	1,038,859
Public safety	8,579,467	8,884,830	7,995,286	889,544
Public works	177,492	233,924	170,877	63,047
Health and human services	322,485	385,434	303,412	82,022
Culture and recreation	1,163,816	1,218,796	1,012,960	205,836
Conservation and development	2,665,123	3,389,304	832,897	2,556,407
Debt service:				
Principal	30,000	30,000	34,540	(4,540)
Interest	-	-	1,496	(1,496)
Capital outlay	591,123	1,611,251	557,367	1,053,884
Total expenditures	20,808,701	23,523,170	17,639,607	5,883,563
Excess of revenues over (under) expenditures	(83,302)	(1,680,424)	1,936,786	3,617,210
Other Financing Sources (Uses)				
Transfers in	83,302	140,940	500,892	359,952
Transfers out	-	(3,033,966)	(2,613,750)	420,216
Total other financing sources (uses)	83,302	(2,893,026)	(2,112,858)	780,168
Net Change in Fund Balances	-	(4,573,450)	(176,072)	4,397,378
Fund Balances - Beginning	9,842,476	9,842,476	9,842,476	-
Fund Balances - Ending	\$ 9,842,476	\$ 5,269,026	\$ 9,666,404	\$ 4,397,378

See accompanying notes to the financial statements.

Monroe County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Human Services Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,736,357	\$ 3,737,586	\$ 3,737,586	\$ -
Intergovernmental charges	8,730,346	9,657,529	9,488,585	(168,944)
Public charges for services	1,115,234	1,118,194	933,429	(184,765)
Miscellaneous	22,400	28,722	230	(28,492)
Total revenues	13,604,337	14,542,031	14,159,830	(382,201)
Expenditures:				
Current:				
Health and human services	13,604,337	14,542,031	13,981,695	560,336
Net Change in Fund Balances	-	-	178,135	178,135
Fund Balances - Beginning	42,970	42,970	42,970	-
Fund Balances - Ending	\$ 42,970	\$ 42,970	\$ 221,105	\$ 178,135

Monroe County, Wisconsin

Statement of Net Position

Proprietary Funds

December 31, 2020

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
Assets:					
Current assets:					
Cash and investments	\$ 2,243,660	\$ 504,207	\$ 6,626,095	\$ 9,373,962	\$ 3,570,424
Receivables					
Taxes	1,288,915	-	4,423,993	5,712,908	1,293,894
Accounts	882,897	269,863	124,754	1,277,514	-
Due from other governments	-	-	1,151,248	1,151,248	-
Inventories and prepaid items	19,511	-	1,589,876	1,609,387	97,688
Total current assets	4,434,983	774,070	13,915,966	19,125,019	4,962,006
Noncurrent assets:					
Restricted assets:					
Cash and investments	30,047	1,058,078	-	1,088,125	-
Deposits with the State	-	1,796,757	-	1,796,757	-
Net pension asset	737,473	22,447	488,753	1,248,673	-
Capital assets, nondepreciable					
Land	7,269	384,595	183,047	574,911	-
Construction in progress	307,285	2,325,913	-	2,633,198	-
Capital assets, depreciable					
Land improvements	507,955	5,008,910	723,463	6,240,328	-
Buildings and improvements	5,335,044	214,262	3,541,535	9,090,841	-
Machinery and equipment	2,838,894	274,755	14,345,731	17,459,380	-
Less: Accumulated depreciation	(7,333,494)	(4,471,025)	(12,848,863)	(24,653,382)	-
Total capital assets, net of accumulated depreciation	1,662,953	3,737,410	5,944,913	11,345,276	-
Total noncurrent assets	2,430,473	6,614,692	6,433,666	15,478,831	-
Total assets	6,865,456	7,388,762	20,349,632	34,603,850	4,962,006
Deferred outflows of resources:					
Deferred outflows-pension/OPEB	1,737,302	53,046	1,156,909	2,947,257	-
Total assets and deferred outflows of resources	\$ 8,602,758	\$ 7,441,808	\$ 21,506,541	\$ 37,551,107	\$ 4,962,006

Monroe County, Wisconsin

Statement of Net Position - Continued

Proprietary Funds

December 31, 2020

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
Liabilities:					
Current liabilities:					
Accounts payable	101,144	828,305	104,539	1,033,988	5,697
Other accrued liabilities	118,769	3,700	149,900	272,369	427,810
Accrued interest	-	12,314	-	12,314	-
Unearned revenues	302,755	-	355,856	658,611	420,158
Compensated absences	194,991	4,765	121,969	321,725	-
Capital lease-current portion	-	256,653	-	256,653	-
Total current liabilities	717,659	1,105,737	732,264	2,555,660	853,665
Payable from restricted assets					
Resident trust fund payable	18,858	-	-	18,858	-
Noncurrent liabilities:					
OPEB liability	192,112	3,239	112,058	307,409	-
Compensated absences	110,865	998	82,124	193,987	-
Capital lease payable	-	265,160	-	265,160	-
Post closure	-	4,431,005	-	4,431,005	-
Total noncurrent liabilities	302,977	4,700,402	194,182	5,197,561	-
Total liabilities	1,039,494	5,806,139	926,446	7,772,079	853,665
Deferred inflows of resources:					
Property taxes	1,288,915	-	4,423,993	5,712,908	1,293,893
Related to pensions	2,225,548	67,811	1,487,254	3,780,613	-
Total deferred inflows	3,514,463	67,811	5,911,247	9,493,521	1,293,893
Total liabilities and deferred inflows of resources	4,553,957	5,873,950	6,837,693	17,265,600	2,147,558
Net position:					
Net investment in capital assets	1,662,953	3,215,597	5,944,913	10,823,463	-
Restricted for:					
Resident trust	11,188	-	-	11,188	-
Unrestricted (deficit)	2,374,660	(1,647,739)	8,723,935	9,450,856	2,814,448
Total net position	4,048,801	1,567,858	14,668,848	20,285,507	2,814,448
Total liabilities, deferred inflows of resources and net position	\$ 8,602,758	\$ 7,441,808	\$ 21,506,541	\$ 37,551,107	\$ 4,962,006
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				459,681	
Net position of business-type activities as reported on the Statement of Net Position				\$ 20,745,188	

See accompanying notes to the financial statements.

Monroe County, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended December 31, 2020

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Charges for services	\$ 5,583,797	\$ 2,166,639	\$ 3,332,660	\$ 11,083,096	\$ -
Intergovernmental charges for services	-	-	47,393	47,393	320,739
Other operating revenues	-	-	-	-	12,502
Total operating revenues	<u>5,583,797</u>	<u>2,166,639</u>	<u>3,380,053</u>	<u>11,130,489</u>	<u>333,241</u>
Operating expenses:					
Operation and maintenance	7,408,880	2,030,345	6,692,871	16,132,096	1,291,075
Depreciation	170,095	275,363	685,086	1,130,544	-
Total operating expenses	<u>7,578,975</u>	<u>2,305,708</u>	<u>7,377,957</u>	<u>17,262,640</u>	<u>1,291,075</u>
Operating income (loss)	<u>(1,995,178)</u>	<u>(139,069)</u>	<u>(3,997,904)</u>	<u>(6,132,151)</u>	<u>(957,834)</u>
Nonoperating revenues (expenses):					
General property taxes	1,054,338	-	4,094,954	5,149,292	1,344,088
Intergovernmental aids	1,342,304	147,880	1,728,042	3,218,226	46,819
Interest income	-	21,330	-	21,330	22,058
Interest expense	-	(29,402)	-	(29,402)	-
Total nonoperating revenues (expenses)	<u>2,396,642</u>	<u>139,808</u>	<u>5,822,996</u>	<u>8,359,446</u>	<u>1,412,965</u>
Net income before transfers	<u>401,464</u>	<u>739</u>	<u>1,825,092</u>	<u>2,227,295</u>	<u>455,131</u>
Other Financing Sources (Uses)					
Transfers in	680,408	-	168,000	848,408	-
Transfers out	-	-	-	-	(276,566)
Total other financing sources (uses)	<u>680,408</u>	<u>-</u>	<u>168,000</u>	<u>848,408</u>	<u>(276,566)</u>
Change in net position	<u>1,081,872</u>	<u>739</u>	<u>1,993,092</u>	<u>3,075,703</u>	<u>178,565</u>
Net position - beginning, as restated	<u>2,966,929</u>	<u>1,567,119</u>	<u>12,675,756</u>	<u>17,209,804</u>	<u>2,635,883</u>
Net position - ending	<u>\$ 4,048,801</u>	<u>\$ 1,567,858</u>	<u>\$ 14,668,848</u>	<u>\$ 20,285,507</u>	<u>\$ 2,814,448</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				37,316	
Changes in net position of business-type activities as reported on the Statement of Activities				<u>\$ 3,113,019</u>	

See accompanying notes to the financial statements.

Monroe County, Wisconsin

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2020

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 5,270,562	\$ 2,151,435	\$ 3,490,272	\$ 10,912,269	\$ 338,101
Cash payments to suppliers	(1,304,085)	(1,065,298)	(4,011,244)	(6,380,627)	(895,203)
Cash payments to employees	(5,872,829)	(163,899)	(3,047,072)	(9,083,800)	(369,453)
Net cash provided (used) by operating activities	(1,906,352)	922,238	(3,568,044)	(4,552,158)	(926,555)
Cash flows from noncapital financing activities:					
General property taxes	1,054,338	-	4,094,954	5,149,292	1,344,088
Intergovernmental grants received	1,342,304	147,880	1,728,042	3,218,226	46,819
Transfer in	680,408	-	168,000	848,408	-
Transfer out	-	-	-	-	(276,566)
Net cash provided by noncapital financing activities	3,077,050	147,880	5,990,996	9,215,926	1,114,341
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(525,423)	(799,989)	(458,880)	(1,784,292)	-
Principal payments on long-term debt	-	(213,844)	-	(213,844)	-
Interest payments on long-term debt	-	(35,396)	-	(35,396)	-
Net cash (used) by capital and related financing activities	(525,423)	(1,049,229)	(458,880)	(2,033,532)	-
Cash flows from investing activities:					
Interest income received	-	21,330	-	21,330	22,058
Net cash provided by investing activities	-	21,330	-	21,330	22,058
Change in cash and cash equivalents	645,275	42,219	1,964,072	2,651,566	209,844
Cash and cash equivalents - beginning	1,628,432	3,316,823	4,662,023	9,607,278	3,360,580
Cash and cash equivalents - ending	\$ 2,273,707	\$ 3,359,042	\$ 6,626,095	\$ 12,258,844	\$ 3,570,424

See accompanying notes to the financial statements.

Monroe County, Wisconsin

Statement of Cash Flows - Continued

Proprietary Funds

For the Year Ended December 31, 2020

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,995,178)	\$ (139,069)	\$ (3,997,904)	\$ (6,132,151)	\$ (957,834)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	170,095	275,363	685,086	1,130,544	-
Change in pension related assets, deferred outflows, liabilities and deferred inflows	30,966	841	34,217	66,024	-
Changes in assets and liabilities					
Receivables	(313,235)	(15,204)	34,055	(294,384)	4,860
Due from other governments	-	-	76,164	76,164	-
Inventories and prepaid items	(5,067)	-	(328,881)	(333,948)	(80,011)
Accounts payable	(19,747)	563,124	(46,090)	497,287	(122,307)
Accrued and other current liabilities	(153,348)	(3,861)	(74,778)	(231,987)	(191,421)
Compensated absences	47,387	(7,318)	14,303	54,372	-
Resident trust fund payable	7,700	-	-	7,700	-
Unearned revenues	302,755	-	26,818	329,573	420,158
Post-employment health benefits payable	21,320	399	8,966	30,685	-
Post closure liability	-	247,963	-	247,963	-
Net cash provided (used) by operating activities	\$ (1,906,352)	\$ 922,238	\$ (3,568,044)	\$ (4,552,158)	\$ (926,555)

See accompanying notes to the financial statements.

Monroe County, Wisconsin

Statement of Fiduciary Net Position

December 31, 2020

	<u>Custodial Funds</u>
Assets:	
Cash and investments	<u>\$ 665,077</u>
Net position	
Restricted for Sheriff	96,450
Restricted for Clerk of Courts	<u>568,627</u>
Total net position	<u>\$ 665,077</u>

Monroe County, Wisconsin

Statement of Changes in Fiduciary Net Position

December 31, 2020

	<u>Custodial Funds</u>
Additions:	
Sheriff receipts	\$ 370,165
Court of Courts receipts	<u>4,351,112</u>
Total additions	<u>4,721,277</u>
Deductions:	
Sheriff disbursements	360,955
Court of Courts disbursements	<u>4,387,422</u>
Total deductions	<u>4,748,377</u>
Change in net position	(27,100)
Net position - beginning of year, as restated	<u>692,177</u>
Net position - end of year	<u><u>\$ 665,077</u></u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

Financial statements presented in this report conform to Governmental Accounting and Financial Reporting Standards, published by the Governmental Accounting Standards Board (GASB). GASB sets forth accounting principles generally accepted in the United States for local governmental units. The more significant of the County's accounting policies are described below.

Reporting Entity

Monroe County, Wisconsin ("the County") is a municipal corporation organized and existing under the laws of the state of Wisconsin. An elected board of supervisors governs Monroe County. The financial reporting entity consists of the primary government, which includes (a) all the organizations that make up the County's legal entity, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. All funds, organizations, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government. These financial statements present Monroe County as the primary government. All significant activities and organizations with which the County exercises oversight responsibility have been considered for inclusion in the basic financial statements. The County is not included in any other governmental entity. The County has not identified any component units that are required to be included in the financial statements.

Related Organizations - 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.

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. Governmental activities, which normally are 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. The County does not allocate indirect expenses to functions in the statement of activities.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, capital projects and debt service funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Debt Service Fund - This fund accounts for the resources accumulated and payments made for long-term debt.

The County reports the following major proprietary 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.

In addition, the government reports the following fund types:

Internal Service Fund – This fund 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.

Custodial Funds - The County accounts for assets held for individuals by various departments and funds held for other governmental agencies in a custodial fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 calendar year. 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.

Property taxes, licenses, and interest associated with the current calendar year are all considered to be susceptible to accrual and so have been recognized as revenues in the current calendar year. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County's share of property taxes is recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

The property tax calendar for the 2020 tax roll, collected in 2020/2021, is:

Lien date and levy date	December 1, 2020
Tax bills mailed	December 1, 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - tax roll delinquent real estate taxes	September 1, 2021

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's public works function (highway department) and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenues. Likewise, taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

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.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments

For the statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The County considers deposits with financial institutions, including nonnegotiable certificates of deposit, to be nonparticipating contracts reported at cost.

Section 59.25 and Section 59.62 of the Wisconsin Statutes require that cash and investments belonging to the county be placed in the custody of the county treasurer. A central checking account is used for the majority of fund transactions.

The County is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2), which limits investments to:

- a. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association that is authorized to transact business in the state, if time deposits mature in not more than three years.
- b. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board, or other instrumentality of the federal government.
- c. Bonds or securities of any county, city, drainage district, technical college district, local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, University of Wisconsin Hospitals and Clinics Authority, village, town, or school district of the state.
- d. Any security that matures or that may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating that is the highest or second highest rating category assigned by any of the nationally recognized rating agencies or if that security is senior to, or on a parity with, a security of the same issuer that has such a rating.
- e. Securities of an open-end management investment company or investment trust (mutual fund) if the investment company or investment trust does not charge a sales load, is registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government, (b) bonds that are guaranteed as to the principal and interest by the federal government or a commission, board, or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.
- f. Any bonds or securities under the authority of the municipality, whether the bonds or securities create a general municipality liability or liability of the property owners of a municipality for special improvements and may sell or hypothecate these bonds or securities.
- g. The State of Wisconsin's Local Government Investment Pool Fund. The Pool is managed by the State of Wisconsin Investment Board with oversight by a Board of Trustees as authorized in Wisconsin Statutes 5.14 and 25.17. The Pool is not registered with the SEC as an investment company.
- h. Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimizes the use of unobservable inputs.

Accounts Receivable

Accounts receivable in the governmental and proprietary funds are recorded at gross. An allowance for doubtful accounts of \$140,764 is recorded in the Rolling Hills fund to account for amounts that may not be collected in the future.

Inventories and Prepaid Items

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) method, or market. Prepaid items represent payments made by the County for which benefits extend beyond December 31, 2020.

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 acquisition 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.

Property, plant, and equipment of the County is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	
	Governmental Activities	Business-Type Activities
Land improvements	15 to 30	10 to 30
Buildings	15 to 75	25 to 75
Improvements other than buildings	10 to 30	25 to 100
Machinery and equipment	3 to 25	3 to 25
Infrastructure	25 to 50	N/A

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pension Plan

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of applicable bond premium or discount. In the fund financial statements, governmental fund types 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 are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The governmental activities, business-type activities, and the proprietary funds report its proportionate share of the collective deferred outflows of resources related to pensions and the County contribution to the pension and OPEB plans subsequent to the measurement date of the collective net pension/OPEB asset/liability.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenues) until that time. The governmental activities, business-type activities, and the proprietary funds report its proportionate share of the collective deferred inflows of resources related to pensions. Property taxes levied for a subsequent year are deferred and recognized as an inflow of resources in the following year as the amounts become available. The governmental funds report unavailable revenues from delinquent taxes, settlements and loans outstanding. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position/Fund Equity

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance (adjusted for unspent proceeds) of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide and proprietary fund statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Amounts in the governmental fund financial statements are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (inventory or prepaids) or (b) legally or contractually required to be maintained intact (trust that must be retained in perpetuity). In the governmental fund financial statements, spendable fund balance can be restricted, committed, assigned, or unassigned. Restricted fund balance represents funds that are restricted in their use by creditors, grantors, contributors, or outside legislation. Fund balance is committed when a resolution adopted by the County Board limits the use of funds to a specific purpose and usually for a specified period of time. These constraints can only be removed or changed by the County Board using the same action that was used to create them. Fund balance is assigned when amounts are constrained for specific purposes by action of County management. The County Board has not authorized any position to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned. The general fund balance that is not restricted, committed, or assigned is considered unassigned and is available for general use.

When both restricted and unrestricted fund balances are available for use, it is the County's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are used first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes that the amounts in any of the unrestricted fund balance classifications can be used.

Budget and Appropriations, Over Expenditures, and Deficit Equity Balances

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund.

The County adopts an annual budget and appropriations ordinance for its governmental fund types in accordance with Chapter 65 of the Wisconsin Statutes. The County does not use the encumbrance method of budgetary accounting. The budget covers the calendar year and is available for public inspection at least 15 days prior to the public budget hearing.

The budget document includes a statement of actual revenues and expenditures of the preceding calendar year, actual revenues and expenditures of not less than six months of the current year, estimated revenues and expenditures for the remainder of the current year, and estimated revenues and proposed appropriations for each department, activity, and reserve account for the ensuing calendar year.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Comparisons of budget to actual for the general fund and major special revenues funds are presented as basic financial statements. Budgets are adopted at the broad functional category level of expenditure in the general fund and total expenditures level for other funds. The budgeted amounts include any amendments made. The Finance Committee may authorize transfers of budgeted amounts within departments. The County Board may supplement appropriations for an office or department by transfers from the contingency fund or available surplus. Appropriations lapse at year-end, unless specifically designated as non-lapsing appropriations, or are appropriations for capital projects. Budgetary comparisons are not required for proprietary funds.

New Accounting Pronouncement

Management adopted new accounting guidance GASB Statement No.84, Fiduciary Activities that establishes standards of accounting and financial reporting for fiduciary activities. See Note 15 for the restatement of beginning net position.

Note 2 Cash and Investments

Deposits with Financial Institutions

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."

The carrying amount of the County's cash and investments on December 31, 2020 is summarized below:

		<u>Fair Value Level</u>
Petty cash and cash on hand	\$ 8,275	N/A
Deposits with financial institutions	28,852,559	N/A
Investments		
Stocks	880,173	Level 1
Mutual funds	1,176,974	Level 1
	<u>\$30,917,981</u>	

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$26,483,251
Restricted cash and investments	3,769,653
Fiduciary fund statement of net position	
Custodial fund	665,077
	<u>\$30,917,981</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 2: Cash and Investments (Continued)

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial risk. Deposits in banks within the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and \$250,000 for all demand accounts (interest-bearing and non-interest-bearing). Accounts at each bank outside the state of Wisconsin are insured by the FDIC up to \$250,000 for the combined total of all deposit accounts. Additional coverage in case of losses caused by failure of public depositories is provided by the State of Wisconsin Deposit Guarantee Fund. The Fund provides additional coverage for each financial institution of \$400,000 above the applicable insurance coverage provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

As of December 31, 2020, the County's bank balance of \$29,377,525 was exposed to custodial credit risk as follows: \$3,086,839 was covered by FDIC insurance, \$2,421,100 was covered by the State of Wisconsin, \$22,998,121 was covered by collateral held in the County's name, and \$833,655 was uninsured and uncollateralized.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk. As of December 31, 2020, none of the County's investment balances are considered uninsured and uncollateralized.

Interest Rate Risk: The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 3: Restricted Assets

Restricted assets consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Governmental Activities:		
General Fund		
Section 125	\$ 42,781	Restricted for Flexible Benefit Claims
Recording fees	191,281	Cash restricted by statute for recording fees
Haney trust	1,000	Cash restricted by donor
Human Services Fund		
Transportation	27,054	DOT Trust
Client Funds	2,319	Cash dedicated to cover expenses for a Human Services client
Local History Room Fund	2,417,093	Endowments to cover expenditures at the Local History Room
Total Governmental Activities	<u>2,681,528</u>	
Business-Type Activities:		
Rolling Hills Enterprise Fund		
Resident Trust	30,047	Cash deposited for the benefit of residents
Solid Waste Enterprise Fund		
Ridgeview I Long-Term Care	313,059	State of Wisconsin Department of Natural Resources to finance the County's closure and postclosure financial responsibilities
Ridgeview II Closure	1,483,698	
Ridgeview II Long-term Care	<u>1,058,078</u>	
Subtotal	<u>2,854,835</u>	
Total Business-Type Activities	<u>2,884,882</u>	
Total Restricted Assets	<u>\$ 5,566,410</u>	

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 4: Taxes Receivable

Taxes receivable at December 31, 2020, consist of the current (2020) tax roll collectible in 2021 amounting to \$18,483,332 and delinquent property taxes (certificates, sundry tax items, and deeds) amounting to \$1,308,842 for a total \$19,792,174. Property taxes levied in 2020 to finance the 2021 budget became a lien on the date levied and have been recorded as a receivable at December 31, 2020. Since they are not available to fund expenditures until 2021, the County's portion of the current tax roll is recorded as deferred inflows of resources while the state's portion is shown as a liability. Under Wisconsin Statutes, the County's tax levy is apportioned to the local taxing districts for collection. After settlement is made with the local taxing districts, the County treasurer is responsible for the collection of all delinquent property taxes, except delinquent personal property taxes, which may be retained for collection by local taxing districts as is the case in Monroe County. As of the December 31, 2020, delinquent property taxes totaled \$503,180, \$449,719 of which remained uncollected at February 28, 2021, and is recorded as deferred inflows of resources. This amount includes not only the delinquent taxes for levies by Monroe County, but also the delinquent taxes for levies by the state and other local governmental units (cities, villages, towns, school districts, and special districts) within the County. As provided in the statutes, Monroe County has paid the state and local governmental units for their equity in these delinquent property taxes. Experience of previous years' collection indicates it is not necessary to establish an amount for estimated uncollectible delinquent property taxes.

Delinquent property taxes on December 31, 2020, are aged as shown below:

Year Acquired	Total	Delinquent Special Assessments	Property Taxes	
			County Purchased	County Levied
Tax Certificates:				
2014	\$ 152	\$ -	\$ 102	\$ 50
2015	3,548	-	2,472	1,076
2016	35,293	2,640	22,857	9,796
2017	89,647	1,734	63,965	23,948
2018	338,923	11,454	238,507	88,962
2019	571,517	27,012	434,919	109,586
	1,039,080	42,840	762,822	233,418
Tax Deeds	78,777	-	-	78,777
Interest	190,985	-	-	190,985
	<u>\$ 1,308,842</u>	<u>\$ 42,840</u>	<u>\$ 762,822</u>	<u>503,180</u>
Less: 2021 collections within 60 days				<u>53,461</u>
Deferred inflow of resources - delinquent property taxes				<u>\$ 449,719</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,705,187	\$ -	\$ -	\$ -	\$ 1,705,187
Construction in progress	2,207,371	115,732	(2,099,205)	-	223,898
Total	3,912,558	115,732	(2,099,205)	-	1,929,085
Capital assets, being depreciated:					
Land improvements	378,096	-	-	-	378,096
Buildings and improvements	39,906,999	34,894	-	-	39,941,893
Machinery and equipment	8,730,625	596,608	-	461,124	8,866,109
Infrastructure	65,111,830	1,599,745	2,099,205	932,393	67,878,387
Subtotals	114,127,550	2,231,247	2,099,205	1,393,517	117,064,485
Less accumulated depreciation for:					
Land improvements	199,896	407,760	-	-	607,656
Buildings and improvements	1,669,682	559,413	-	-	2,229,095
Machinery and equipment	3,453,712	420,775	-	361,384	3,513,103
Infrastructure	26,396,298	1,501,464	-	628,293	27,269,469
Subtotals	31,719,588	2,889,412	-	989,677	33,619,323
Net depreciated capital assets	82,407,962	(658,165)	2,099,205	403,840	83,445,162
Net capital assets	\$86,320,520	\$ (542,433)	\$ -	\$ 403,840	85,374,247
Less related long-term debt outstanding					17,067,515
Net investment in capital assets					<u>\$68,306,732</u>

Depreciation was charged to the following functions:

Governmental activities:	
General government	\$ 242,399
Public safety	1,082,396
Public works	1,510,631
Health and human services	30,409
Culture, recreation, and education	13,852
Conservation and development	9,725
Total governmental activities depreciation	<u>\$ 2,889,412</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 5: Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 574,911	\$ -	\$ -	\$ 574,911
Construction in progress	2,281,336	354,488	2,626	2,633,198
Total	2,856,247	354,488	2,626	3,208,109
Capital assets, being depreciated:				
Land improvements	5,611,426	629,726	823	6,240,329
Buildings and improvements	8,895,302	252,830	57,291	9,090,841
Machinery and equipment	17,191,921	589,683	322,223	17,459,381
Subtotals	31,698,649	1,472,239	380,337	32,790,551
Less accumulated depreciation for:				
Land improvements	4,786,069	282,264	824	5,067,509
Buildings and improvements	7,593,003	152,842	57,291	7,688,554
Machinery and equipment	11,484,298	695,438	282,415	11,897,321
Subtotals	23,863,370	1,130,544	340,530	24,653,384
Net depreciated capital assets	7,835,279	341,695	39,807	8,137,167
Net capital assets	\$ 10,691,526	\$ 696,183	\$ 42,433	11,345,276
Less related long-term debt outstanding				521,813
Net investment in capital assets				<u>\$ 10,823,463</u>

Depreciation was charged to the following functions:

Business-type activities:	
Rolling Hills	\$ 170,095
Solid Waste	275,363
Highway	685,086
Total business-type activities depreciation	<u>\$ 1,130,544</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 6: Long-Term Obligations

The County's long-term obligations activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation debt:					
Bonds	\$ 18,490,000	\$ -	\$ 1,900,000	\$ 16,590,000	\$ 1,935,000
Debt premium	368,265	-	56,130	312,135	56,131
Forest crop loans payable	190,991	-	19,786	171,205	-
Capital leases payable	43,226	-	14,754	28,472	13,760
Pension payable	2,737,828	-	2,737,828	-	-
Total OPEB Liability	341,879	48,619	-	390,498	-
Compensated absences	706,906	84,782	-	791,688	604,966
Total	\$ 22,879,095	\$ 133,401	\$ 4,728,498	\$ 18,283,998	\$ 2,609,857
Business-Type Activities:					
Landfill closure/postclosure					
Ridgeville Cell I	\$ 969,635	\$ -	\$ 24,877	\$ 944,758	\$ -
Ridgeville Cell II	3,213,407	272,840	-	3,486,247	-
Capital leases payable	635,657	-	113,844	521,813	256,653
Pension payable	1,412,384	-	1,412,384	-	-
Total OPEB Liability	276,724	30,685	-	307,409	-
Compensated absences	461,340	54,372	-	515,712	321,725
Total	\$ 6,969,147	\$ 357,897	\$ 1,551,105	\$ 5,775,939	\$ 578,378

The general obligation debt and debt premium is funded by the debt service fund. The total OPEB liability and compensated absences are funded by each individual fund in proportion to the salaries paid by each fund. The Landfill closure/postclosure liability will be funded by the Solid Waste fund.

Legal Debt Limit

The Wisconsin State Statutes Chapter 67.03 provides that the amount of indebtedness of a county not exceed 5% of the equalized valuation of the taxable property in the county. The following computation compares the total debt allowable for the County with actual outstanding indebtedness at December 31, 2020:

Equalized valuation	<u>\$ 3,771,060,600</u>
Debt limit 5%	\$ 188,553,030
General obligation indebtedness	16,590,000
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>4,525,110</u>
Net outstanding general obligation debt applicable to debt limitation	<u>12,064,890</u>
Legal debt margin	<u>\$ 176,488,140</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 6: Long-Term Obligations (Continued)

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 consisted of the following issues:

Bonds

\$10,000,000 issued 10/16/13; \$200,000 to \$1,555,000 due annually through 2025; interest 2.00% to 3.00%	\$ 4,975,000
\$9,850,000 issued 10/15/14; \$380,000 to \$1,300,000 due annually through 2025; interest 1.00% to 2.00%	3,580,000
\$10,000,000 issued 8/12/15; \$250,000 to \$2,240,000 due annually through 2028; interest 2.00% to 3.00%	8,035,000
Total Bonds	<u>\$ 16,590,000</u>

Principal and interest requirements, until maturity, on the general obligation debt are as follows:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 1,935,000	\$ 397,983	\$ 2,332,983
2022	2,150,000	357,008	2,507,008
2023	2,195,000	310,308	2,505,308
2024	2,250,000	254,639	2,504,639
2025	2,315,000	193,151	2,508,151
2026-2028	5,745,000	218,817	5,963,817
	<u>\$ 16,590,000</u>	<u>\$ 1,731,906</u>	<u>\$ 18,321,906</u>

County Forest Loans

Under Section 28.11 (8) of the Wisconsin Statutes, counties which have established and maintained a county forest are eligible to receive payments from the state as a noninterest bearing loan used for the purchase, development, preservation and maintenance of the county forest lands. The county shall pay a severance share of not less than 20% of the actual stumpsale value of timber on timber cut from lands entered as "county forest lands." A higher rate of payment may be applied if agreed upon by the state and county. Severance share payments shall not exceed the balance due the state. The county shall also reimburse the state the amount previously paid to the county on any county forest land withdrawn from the program; except that the state may waive all or part of such reimbursement if it finds that the lands are withdrawn for a higher public use or that the amount of such reimbursement is unreasonable when compared to the value of the land. The County had an outstanding balance of \$171,205 under this program at December 31, 2020. There is no repayment schedule on this loan as payments depend on annual sales values.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 6: Long-Term Obligations (Continued)

Capital Leases

The County entered into a lease agreement in 2019 for a Groundsmaster 4000-D mower. The lease is for a total of \$59,476 with \$16,250 due at the inception of the lease. Annual lease payments are \$15,728. The final payment under this lease is due on January 9, 2022. Future minimum lease payments under this capital lease are as follows:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2021	13,760	1,967	15,727
2022	14,712	1,016	15,728
	<u>\$ 28,472</u>	<u>\$ 2,983</u>	<u>\$ 31,455</u>

The County entered into a lease agreement in 2018 for a Leachate Treatment System. The lease is for a total of \$1,000,000 with annual lease payments of \$281,080. The final payment under this lease is due on June 29, 2022. Future minimum lease payments under this capital lease are as follows:

Year Ended December 31,	Business-Type Activities		
	Principal	Interest	Total
2021	256,653	25,439	282,092
2022	265,160	13,021	278,181
	<u>\$ 521,813</u>	<u>\$ 38,460</u>	<u>\$ 560,273</u>

Closure and Postclosure 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. 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 and the recording of these costs as operating expenses follow:

	Landfill Closure and Postclosure Care		
	Ridgeville I	Ridgeville II	Total
Total estimated costs	\$ 944,758	\$ 3,629,617	
Percentage of storage capacity used	100%	96.05%	
	<u>\$ 944,758</u>	<u>\$ 3,486,247</u>	<u>\$ 4,431,005</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 6: Long-Term Obligations (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	\$ 944,758	\$ 3,629,617	
Less: Charged to operations	944,758	3,486,247	
Future year closure and postclosure costs	\$ -	\$ 143,370	\$ 143,370

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 shown as deposits on the financial statements.

Note 7: Individual Fund Disclosures

Amounts due from/to other funds at December 31, 2020, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Human Services	\$ 413,125
	Nonmajor governmental funds:	
	Child Support	83,596
	Health	180,905
	Jail Assessment	5,224
	Local History Room	340
		<u>\$ 683,190</u>

The interfund payables from Human Services, Child Support and Health special revenue funds were cash advances to finance cash deficits. The interfund payable from jail assessment and local history room relate to operating costs paid by the general fund but not reimbursed until 2021.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 7: Individual Fund Disclosures (Continued)

Amounts transferred between funds during the year ended December 31, 2020, are as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds:	
	Child Support	\$ 43,362
	Health	145,785
	Local History Room	35,179
	Information Systems	<u>276,566</u>
		<u>500,892</u>
Jail Assessment	General Fund	1,733
Debt Service	General Fund	1,763,609
Highway Fund	General Fund	168,000
Rolling Hills	General Fund	<u>680,408</u>
		<u>\$ 3,114,642</u>

Operating transfers were made for the following purposes:

	<u>Amount</u>
Special revenue fund reimbursement of expenses	\$ 226,059
Internal service fund reimbursement of expenses	276,566
Subsidize costs of business activities	848,408
Transfers to pay future debt service payments	<u>1,763,609</u>
	<u>\$ 3,114,642</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 8: Net Position/Fund Balance

Restricted net position reported on the government-wide statement of net position includes the following:

	Governmental Activities	Business-Type Activities	Total
Wegner Grotto	\$ 334,470	\$ -	\$ 334,470
DOT trust	27,054	-	27,054
Local history room	1,792,127	-	1,792,127
Haney reserve	1,913	-	1,913
Child support technology purchases	26,333	-	26,333
WEDCS election grant	803	-	803
Redaction fees	14,212	-	14,212
Land records fees	191,281	-	191,281
K-9 unit donations	11,367	-	11,367
Dog control	44,079	-	44,079
Veterans' services donations	1,492	-	1,492
Parks	5,633	-	5,633
CREP program	35,382	-	35,382
Forestry maintenance - land acquisition	49,255	-	49,255
Forestry Habelman reforestation	1,471	-	1,471
Wildlife habitat	351	-	351
Conservation Program	520,557	-	520,557
Jail assessment	448,434	-	448,434
Net pension asset	2,529,306		2,529,306
Resident trust	-	11,188	11,188
	<u>\$ 6,035,520</u>	<u>\$ 11,188</u>	<u>\$ 6,046,708</u>

The County has segregated its fund balance components into the following classifications:

	General	Human Services	Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Delinquent taxes	\$ 1,039,081	\$ -	\$ -	\$ -	\$ 1,039,081
Inventories and prepaid items	339,842	-	-	-	339,842
Haney reserve	1,000	-	-	-	1,000
Wegner Grotto	-	-	-	50,000	50,000
Local history room	-	-	-	1,792,127	1,792,127
	<u>\$ 1,379,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,842,127</u>	<u>\$ 3,222,050</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 8: Net Position/Fund Balance (Continued)

	General	Human Services	Debt Service	Other Governmental Funds	Total Government Funds
Restricted:					
Wegner Grotto	\$ -	\$ -	\$ -	\$ 284,470	\$ 284,470
DOT trust	-	27,054	-	-	27,054
Haney reserve	913	-	-	-	913
Child support technology purchases	-	-	-	26,333	26,333
WEDCS election grant	803	-	-	-	803
Redaction fees	14,212	-	-	-	14,212
Land records fees	191,281	-	-	-	191,281
K-9 unit donations	11,367	-	-	-	11,367
Dog control	44,079	-	-	-	44,079
Veterans' services donations	1,492	-	-	-	1,492
Parks	5,633	-	-	-	5,633
CREP program	35,382	-	-	-	35,382
Forestry maintenance - land acquisition	49,255	-	-	-	49,255
Forestry Habelman reforestation	1,471	-	-	-	1,471
Wildlife habitat	351	-	-	-	351
Conservation Programs	520,557	-	-	-	520,557
Jail assessment	-	-	-	448,434	448,434
	<u>\$ 876,796</u>	<u>\$ 27,054</u>	<u>\$ -</u>	<u>\$ 759,237</u>	<u>\$ 1,663,087</u>
Committed:					
Retirement of long-term debt	\$ -	\$ -	\$ 4,525,110	\$ -	\$ 4,525,110
Capital projects	-	-	-	34,296	34,296
Cloud-based ERP financial and document software	26,895	-	-	-	26,895
Parks programs	154,474	-	-	-	154,474
New construction - educational purposes (farm proceeds)	15,038	-	-	-	15,038
Angelo Wayside improvements	527	-	-	-	527
UW Extension Educational programs	28,777	-	-	-	28,777
	<u>\$ 225,711</u>	<u>\$ -</u>	<u>\$ 4,525,110</u>	<u>\$ 34,296</u>	<u>\$ 4,785,117</u>
Assigned:					
Long-range capital pool	\$ 810,157	\$ -	\$ -	\$ -	\$ 810,157
Retirement and fringe pool	130,232	-	-	-	130,232
Human services	-	194,051	-	-	194,051
Local history	-	-	-	304,289	304,289
	<u>\$ 940,389</u>	<u>\$ 194,051</u>	<u>\$ -</u>	<u>\$ 304,289</u>	<u>\$ 1,438,729</u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 8: Net Position/Fund Balance (Continued)

Minimum Fund Balance Policy - The County Board has adopted a minimum cash fund balance policy that the amount of 20% of the total annual County operating budget excluding refundable prepayments and GAAP defined nonspendable, restricted, committed and assigned account balances. Note that the fund balance policy does not follow generally accepted accounting principles as it is based on a modified cash basis method. The minimum fund balance amount is calculated by the County is as follows:

Commingled fund cash balance December 31, 2020	\$ 8,791,420
Restricted funds	(904,040)
Committed funds	(225,711)
Assigned funds	(1,099,398)
Commingled fund balance less restricted, committed and assigned funds	<u>\$ 6,562,271</u>
Actual 2020 Total County Adopted Budgeted Expenditures	35,848,939
Minimum Fund Balance %	(x) 20%
Subtotal	<u>\$ 7,169,788</u>

Note 9: Employees' Retirement System – Wisconsin Retirement System

Plan Description - The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

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

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 9: Employees' Retirement System – Wisconsin Retirement System (Continued)

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments - The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3%)	22.0%
2011	(1.2%)	11.0%
2012	(7.0%)	(7.0%)
2013	(9.6%)	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	(5.0%)
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	(10.0%)

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee-required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2006, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,380,048 in contributions from the employer.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 9: Employees' Retirement System – Wisconsin Retirement System (Continued)

Contribution rates as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.75%	6.75%
Executives and elected officials	6.75%	6.75%
Protective with social security	6.75%	11.65%
Protective without social security	6.75%	16.25%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2020, the County reported an asset of \$3,777,979 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the County's proportion was .11716640%, which was an increase of .00061160% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized pension expense of \$1,429,233.

At December 31, 2020, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,171,469	\$ 3,588,840
Changes in assumptions	294,404	
Net differences between projected and actual earnings on pension plan investments	-	7,723,534
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,400	17,899
Employer contributions subsequent to the measurement date	1,380,048	-
<u>Total</u>	<u>\$ 8,851,321</u>	<u>\$ 11,330,273</u>

\$1,380,048 reported as deferred outflows related to pensions results from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 9: Employees' Retirement System – Wisconsin Retirement System (Continued)

Year Ended December 31:	Net Deferred Outflows of Resources
2021	\$ (1,146,443)
2022	(857,403)
2023	130,787
2024	(1,985,941)
Total	\$ (3,859,000)

Actuarial Assumptions - The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2018
Measurement date of net pension liability (asset)	December 31, 2019
Actuarial cost method	Entry Age
Asset valuation method	Fair market value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based on an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2019, is based on a rollforward of the liability calculated from the December 31, 2018, actuarial valuation.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 9: Employees' Retirement System – Wisconsin Retirement System (Continued)

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Global equities	49.0%	8.0%	5.1%
Fixed income	24.5%	4.9%	2.1%
Inflation sensitive assets	15.5%	4.0%	1.2%
Real estate	9.0%	6.3%	3.5%
Private equity/debt	8.0%	10.6%	7.6%
Multi-asset	4.0%	6.9%	4.0%
Total core fund	110%	7.5%	4.6%
Variable Fund Asset Class			
US equities	70%	7.5%	4.6%
International equities	30%	8.2%	5.3%
Total variable fund	100%	7.8%	4.9%

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.75%

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

Single Discount Rate - A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 9: Employees' Retirement System – Wisconsin Retirement System (Continued)

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
WRS Employer's proportionate share of the net pension asset (liability)	(\$9,728,972)	\$3,777,979	\$13,875,979

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

Payables to the Pension Plan - At December 31, 2020, the County reported a payable of \$353,407 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

Note 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. Effective in 2013, only employees working half time or more are eligible for this benefit. Grandfathered employees working less than half time remain eligible for the benefit. 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 398 active and 12 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.

The County's total OPEB liability at December 31, 2020 was \$697,907. The total OPEB liability was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	December 31, 2018
Measurement date of OPEB liability	December 31, 2019
Actuarial cost method	Entry Age Normal
Medical care trend	7.5% decreasing by 0.5% per year down to 6.5%, then by 0.1% per year down to 5.0%, and level thereafter
Discount rate	2.75%
Municipal bond rate source	Bond Buyer 20-Bond Go Index
Actuarial assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System experience from 2015-17.
Mortality assumptions	Wisconsin 2018 Mortality Table

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 10: Other Post-Employment Benefits (Continued)

Changes in the total OPEB liability for the year ended December 31, 2020, are as follows:

Balance at December 31, 2019	<u>\$ 618,603</u>
Changes for the year:	
Service cost	42,527
Interest	24,698
Benefit payments	(44,851)
Change of assumptions	<u>56,930</u>
Net changes	<u>79,304</u>
Balance at December 31, 2020	<u><u>\$ 697,907</u></u>

For the year ended December 31, 2020, the County recognized OPEB expense of \$85,427.

At December 31, 2020, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,885	\$ -
Changes in assumptions	121,851	
Total	<u><u>\$ 133,736</u></u>	<u><u>\$ -</u></u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in expense as follows:

Year Ended December 31:	Net Deferred Outflows of Resources
2021	\$ 18,202
2022	18,202
2023	18,202
2024	18,202
2025	18,202
2026	42,726
Total	<u><u>\$ 133,736</u></u>

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 10: Other Post-Employment Benefits (Continued)

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate:

	1% Decrease to Discount Rate (1.75%)	Current Discount Rate (2.75%)	1% Increase to Discount Rate (3.75%)
County's total OPEB liability	\$746,587	\$697,907	\$652,001

The following represents the County's total OPEB liability calculated using the healthcare cost trend rate of 7.50% decreasing down to 5.0% as well as what the County's total OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.50% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.50% decreasing to 5.0%)	1% Increase (8.50% decreasing to 6.0%)
County's total OPEB liability	\$624,536	\$697,907	\$784,682

Note 11: 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. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year. 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. The claims liability of \$418,284 reported in the fund at December 31, 2020 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. Self-insurance is in effect up to an aggregate stop/loss of \$2,395,373 with a \$500,000 per covered person stop/loss. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop/loss amount. Changes in the fund's claims liability amount for 2020 follows:

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 11: Risk Management (Continued)

	Liability January 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31,
2019	\$ 386,478	475,166	\$ 257,071	\$ 604,573
2020	604,573	(15,647)	170,642	418,284

Public Entity Risk Pool - Monroe County, along with several other Wisconsin counties, jointly participates in the Wisconsin County Mutual Insurance Corporation (WCMIC) for general and automobile liability insurance. This company began operation in January 1, 1988. The governing body is made up of 12 directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation. Summary financial information of WCMIC as of December 31, 2020, can be obtained directly from WCMIC's offices.

Note 12: Commitments and Contingencies

Funding for the operating budget of the County comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The state of Wisconsin provides a variety of aid and grant programs that benefit the County. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature through their budget processes. The state of Wisconsin is currently experiencing budget problems and is considering numerous alternatives including reducing aid to local governments. Any changes made by the state to funding or eligibility of local aid programs could have a significant impact on the future operating results of the County.

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and appropriate legal counsel that the likelihood is remote that any such claim or proceedings will have a material adverse effect on the County's financial position or results of operations, due in part to insurance.

The County participates in a number of state and federally assisted grant programs, principal of which are health and human service programs. A single audit of these programs for the year ended December 31, 2020, has been conducted. These programs may be subject to additional program compliance audits by grantors or their representatives. The amount, if any, of the expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Note 13: Limitations on the County's Tax Levy and Its Ability to Issue New Debt

As part of Wisconsin's State Budget Bill (1993 Act 16), legislation was passed that limits the County's future tax levy rates. Generally, the County is limited to its 1992 tax levy rate based upon current legislation. However, this limitation does not affect debt authorized prior to August 12, 1993, or refunding bonds.

The County may also exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve a higher rate. The County may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 13: Limitations on the County's Tax Levy and Its Ability to Issue New Debt (Continued)

The 1994-5 State Budget Bill also imposed restrictions on the County's ability to issue new debt. Generally, referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions:

- Refunding debt issues
- 75% approval by the County Board
- A reasonable expectation that the new debt can be accommodated within the existing tax rate
- Other exceptions as listed in State Statutes Section 67.045.

In addition to the above levy limit, Wisconsin's State Budget Bill for the 2011-2013 biennium (2011 Wisconsin Act 32) imposed an additional levy limit on its political subdivisions (city, village, town, or county). The 2011 Act amended statute section 66.0602 (local levy limits) and is effective for budgets prepared for 2012 and thereafter.

The 2011 Act imposes a limit on the percentage increase in the tax levy (excluding the debt service levy) for the 2012 budget year and thereafter. The increase in the levy is limited to the percentage change in the January 1 equalized value due to new construction less improvements removed between the previous year and the current year or 0 percent, whichever is higher. The previously described limits do not apply to any of the following:

1. The amount that a county levies in that year for a county children with disabilities education board.
2. The amount that a 1st class city levies in that year for school purposes.
3. The amount that a county levies in that year under s. 82.08(2) for bridge and culvert construction and repair.
4. The amount a county levies in that year to make payments to public libraries under s. 43.12.
5. The amount a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under s. 66.0621.
6. The amount that a county levies in that year for a countywide medical system.
7. The amount that a village levies for police protection services for the year immediately following after the year in which the village changes from town status and incorporates as a village, only if the town did not have a police force.

The County may also exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve a higher levy. The County may also exceed the limit if it increases the services it provides due to a transfer of these services from another governmental unit.

For the budget year 2020, the County's levy is the same as the tax levy calculated under the 2011 Act levy limit.

Note 14: Risks and Uncertainties

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the County has been impacted by the CV19 Crisis. Some federal stimulus money has been received by the County, however, the complete future impact of the CV19 Crisis on the County cannot be reasonably estimated at this time.

Monroe County, Wisconsin

Notes to Basic Financial Statements

Note 15: Prior Year Restatement

The Solid Waste fund had a \$100,000 receipt that related to a reimbursement of 2019 costs recorded as both a receivable and a reduction in Notes Payable and therefore net position was overstated, which required a restatement as noted below. In addition, the County implemented GASB Statement No. 84 during the current year. As a result of these changes, the County has restated beginning net position as follows:

	Business-Type Activities	Solid Waste	Custodial Funds
Balance at December 31, 2019, as previously reported	\$ 17,732,169	\$ 1,667,119	\$ -
Solid waste overstatement	(100,000)	(100,000)	-
Restricted for Sheriff accounts held for others	-	-	87,240
Restricted for Clerk of Court accounts held for others	-	-	604,937
Balance at December 31, 2019, as restated	<u>\$ 17,632,169</u>	<u>\$ 1,567,119</u>	<u>\$ 692,177</u>

Note 16: Subsequent Event

In March 2021, \$16 million in General Obligation Bonds were issued to build a new nursing home. In May 2021, the Board approved a resolution to issue an additional \$4 million in General Obligation Bonds to be used to for the new building. The \$4 million in bonds have not been issued yet. In May 2021, the County Board approved awards for the Rolling Hills project with groundbreaking on May 26, 2021 and construction beginning June 2021.

Monroe County has been allocated \$8,984,103 American Recovery Act funding and received \$4,492,052 of the funds in May 2021. The county is currently looking at project(s) for this funding.

Required Supplementary Information

Monroe County, Wisconsin

Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions - Wisconsin Retirement System

Measurement Year Ended December 31,	County's proportion of the net pension asset (liability)	County's proportionate share of the net pension asset (liability)	County's covered payroll during the measurement period	County's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.11716640%	\$ 3,777,979	\$17,779,273	21.25%	102.96%
2018	0.11655480%	(4,150,212)	17,067,982	-24.32%	96.45%
2017	0.11466272%	3,404,472	16,486,773	20.65%	102.93%
2016	0.11302718%	(931,614)	16,065,265	-5.80%	99.12%
2015	0.11233943%	(1,825,494)	15,187,864	-12.02%	98.20%
2014	0.11312878%	2,778,752	14,638,347	18.98%	102.74%

* The amounts presented for each year were determined as of the calendar year-end that occurred 12 months prior to the fiscal year.

Year ended December 31,	Contractually required contribution for the fiscal period	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered payroll for the fiscal period	Contributions as a percentage of covered payroll
2020	\$ 1,380,048	\$ 1,380,048	\$ -	\$ 19,228,051	7.18%
2019	1,229,912	1,229,912	-	17,779,273	6.92%
2018	1,208,215	1,208,215	-	17,067,982	7.08%
2017	1,180,624	1,180,624	-	16,486,773	7.16%
2016	1,075,225	1,075,225	-	16,065,265	6.69%
2015	1,098,694	1,098,694	-	15,187,864	7.23%

Notes to the Schedules:

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

Changes of assumptions: There were no changes in the assumptions.

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Monroe County, Wisconsin

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

	2020	2019	2018
Measurement date	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability			
Service cost	\$ 42,527	\$ 31,809	\$ 31,809
Interest	24,698	17,362	16,890
Benefit payments	(44,851)	(35,209)	(35,209)
Difference between expected and actual experience	-	15,281	-
Change of assumptions	56,930	91,605	-
Net changes	79,304	120,848	13,490
Total OPEB liability - Beginning	618,603	497,755	484,265
Total OPEB liability - Ending	\$ 697,907	\$ 618,603	\$ 497,755
Covered employee payroll	\$ 16,385,951	\$ 16,385,951	\$ 11,056,450
Total OPEB liability as a percentage of covered employee payroll	4.26%	3.78%	4.50%

Notes to the Schedule:

Benefit changes: There were no changes of benefit terms.

Changes of assumptions: There were no changes in assumptions

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Supplementary Financial Information

Monroe County, Wisconsin

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Child Support	Health	Jail Assessment	Local History Room	Capital Projects	Total Nonmajor Governmental Funds
Assets:						
Cash and investments	\$ -	\$ 50	\$ 450,534	\$ 14,133	\$ 34,296	\$ 499,013
Restricted cash and investments	-	-	-	2,417,093	-	2,417,093
Receivables						
Taxes	-	504,725	-	-	-	504,725
Accounts	123,085	210,415	4,741	4	-	338,245
Total assets	<u>\$123,085</u>	<u>\$ 715,190</u>	<u>\$ 455,275</u>	<u>\$2,431,230</u>	<u>\$ 34,296</u>	<u>\$ 3,759,076</u>
Liabilities, Deferred inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 2,716	\$ 3,288	\$ 1,617	\$ -	\$ -	\$ 7,621
Other accrued liabilities	10,440	26,272	-	-	-	36,712
Due to other funds	83,596	180,905	5,224	340	-	270,065
Unearned revenue	-	-	-	4	-	4
Total liabilities	<u>96,752</u>	<u>210,465</u>	<u>6,841</u>	<u>344</u>	<u>-</u>	<u>314,402</u>
Deferred inflows of resources:						
Property taxes	-	504,725	-	-	-	504,725
Fund balances:						
Nonspendable	-	-	-	1,842,127	-	1,842,127
Restricted	26,333	-	448,434	284,470	-	759,237
Committed	-	-	-	-	34,296	34,296
Assigned	-	-	-	304,289	-	304,289
Total fund balances	<u>26,333</u>	<u>-</u>	<u>448,434</u>	<u>2,430,886</u>	<u>34,296</u>	<u>2,939,949</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$123,085</u>	<u>\$ 715,190</u>	<u>\$ 455,275</u>	<u>\$2,431,230</u>	<u>\$ 34,296</u>	<u>\$ 3,759,076</u>

Monroe County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Child Support	Health	Jail Assessment	Local History Room	Capital Projects	Total Nonmajor Governmental Funds
Revenues:						
Taxes	\$ -	\$ 509,786	\$ -	\$ -	\$ -	\$ 509,786
Intergovernmental	581,676	898,598	-	-	-	1,480,274
Public charges for services	3,175	75,644	64,832	-	-	143,651
Miscellaneous	-	1,799	3,010	493,789	-	498,598
Total revenues	584,851	1,485,827	67,842	493,789	-	2,632,309
Expenditures:						
Current:						
Public safety	-	-	59,027	-	-	59,027
Health and human services	541,491	1,340,042	-	-	-	1,881,533
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	541,491	1,340,042	59,027	-	-	1,940,560
Excess of revenues over (under) expenditures	43,360	145,785	8,815	493,789	-	691,749
Other Financing Uses						
Transfers in	-	-	1,733	-	-	1,733
Transfers out	(43,362)	(145,785)	-	(35,179)	-	(224,326)
Total other financing uses	(43,362)	(145,785)	1,733	(35,179)	-	(222,593)
Net Change in Fund Balances	(2)	-	10,548	458,610	-	469,156
Fund Balances - Beginning	26,335	-	437,886	1,972,276	34,296	2,470,793
Fund Balances - Ending	\$ 26,333	\$ -	\$ 448,434	\$ 2,430,886	\$ 34,296	\$ 2,939,949

Monroe County, Wisconsin

Combining Statement of Net Position

Internal Service Funds

December 31, 2020

	Information Systems	Information Technology	Workers Compensation	Total Internal Service Funds
Assets:				
Cash and investments	\$ 1,336	\$ 637,669	\$ 2,931,419	\$ 3,570,424
Taxes receivable	1,224,109	-	69,785	1,293,894
Accounts receivable	-	-	-	-
Prepaid expenses	68,388	-	29,300	97,688
Total assets	1,293,833	637,669	3,030,504	4,962,006
Liabilities:				
Accounts payable	5,697	-	-	5,697
Other accrued liabilities	9,526	-	418,284	427,810
Unearned revenue	-	-	420,158	420,158
Total liabilities	15,223	-	838,442	853,665
Deferred inflows of resources:				
Property taxes for subsequent year	1,224,108	-	69,785	1,293,893
Net Position:				
Unrestricted	\$ 54,502	\$ 637,669	\$ 2,122,277	\$ 2,814,448

Monroe County, Wisconsin

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the Year Ended December 31, 2020

	Information Systems	Information Technology	Workers Compensation	Total Internal Service Funds
Operating Revenues:				
Intergovernmental charges for services	\$ 24,435	\$ 94,869	\$ 201,435	\$ 320,739
Other operating revenues	-	-	12,502	12,502
Total operating revenues	24,435	94,869	213,937	333,241
Operating Expenses:				
Salaries and fringe benefits	366,531	-	-	366,531
Contractual services	741,784	60,439	137,718	939,941
Supplies	250	-	-	250
Insurance and other fixed charges	-	-	(15,647)	(15,647)
Total operating expenses	1,108,565	60,439	122,071	1,291,075
Operating income (loss)	(1,084,130)	34,430	91,866	(957,834)
Nonoperating Revenues:				
General property taxes	1,344,088	-	-	1,344,088
Intergovernmental revenues	16,608	30,211	-	46,819
Interest income	-	-	22,058	22,058
Total nonoperating revenues	1,360,696	30,211	22,058	1,412,965
Net income before Transfers	276,566	64,641	113,924	455,131
Other Financing Sources (Uses)				
Transfers out	(276,566)	-	-	(276,566)
Total other financing sources (uses)	(276,566)	-	-	(276,566)
Change in Net Position	-	64,641	113,924	178,565
Net Position - Beginning	54,502	573,028	2,008,353	2,635,883
Net Position - Ending	\$ 54,502	\$ 637,669	\$ 2,122,277	\$ 2,814,448

Monroe County, Wisconsin

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2020

	Information Systems	Information Technology	Workers Compensation	Total Internal Service Funds
Cash Flows from Operating Activities:				
Cash received from customers	\$ 29,295	\$ 94,869	\$ 213,937	\$ 338,101
Cash payments to suppliers	(861,307)	(116,394)	82,498	(895,203)
Cash payments to employees	(369,453)	-	-	(369,453)
Net cash from operating activities	(1,201,465)	(21,525)	296,435	(926,555)
Cash Flows from Noncapital Financing Activities:				
General property taxes	1,344,088	-	-	1,344,088
Intergovernmental revenue	16,608	30,211	-	46,819
Transfers out	(276,566)	-	-	(276,566)
Net cash from noncapital financing activities	1,084,130	30,211	-	1,114,341
Cash Flows from Investing Activities:				
Interest income received	-	-	22,058	22,058
Change in cash and cash equivalents	(117,335)	8,686	318,493	209,844
Cash and cash equivalents - Beginning	118,671	628,983	2,612,926	3,360,580
Cash and cash equivalents - Ending	\$ 1,336	\$ 637,669	\$ 2,931,419	\$ 3,570,424
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (1,084,130)	\$ 34,430	\$ 91,866	\$ (957,834)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Changes in assets and liabilities:				
Accounts receivable	4,860	-	-	4,860
Prepaid expenses	(50,711)	-	(29,300)	(80,011)
Accounts payable	(66,352)	(55,955)	-	(122,307)
Unearned Revenue	-	-	420,158	420,158
Accrued and other current liabilities	(5,132)	-	(186,289)	(191,421)
Net cash provided (used) by operating activities	\$ (1,201,465)	\$ (21,525)	\$ 296,435	\$ (926,555)

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

County Board of Supervisors
Monroe County
Sparta, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control that we consider to be a significant deficiency, which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Responses to Findings

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Wipfli LLP

June 17, 2021
Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines

County Board of Supervisors
Monroe County
Sparta, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Monroe County, Wisconsin's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and *Budget (OMB) Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2020. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with statutes, regulations, and the terms and conditions of its grant awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the County's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance (“internal control”) with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County’s internal control with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control in accordance with the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express any opinion on the effectiveness of the County’s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Wipfli LLP

June 17, 2021
Madison, Wisconsin

Monroe County, Wisconsin
Schedule of Federal and State Assistance
For the Year Ended December 31, 2020

Grantor Agency/Pass Through Agency/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
FEDERAL AWARDS			
U.S. DEPARTMENT OF AGRICULTURE			
Passed through the Wisconsin Department of Health Services			
Special Supplemental Food Program for Women, Infants and Children Grants to States	10.557	154710, 154746, 154760	\$ 172,832
	10.578	154740	1,499
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	154661	9,156
Passed through LaCrosse County, Wisconsin			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	284	163,997
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		173,153
Forest Service Schools and Roads Cluster			
Passed through the Wisconsin Natural Resources			
Schools and Roads - Grants to States	10.665		151,077
Total Forest Service Schools and Roads Cluster	10.665		151,077
Soil and Water Conservation	10.902		3,642
Environmental Quality Incentives Program	10.912		12,746
Conservation Stewardship Program	10.924		1,821
Total U.S. Department of Agriculture			516,770
U.S. DEPARTMENT OF INTERIOR			
Passed through the Wisconsin Department of Administration			
National Geospatial Program	15.817	AD199123	91,320
U.S. DEPARTMENT OF JUSTICE			
Direct program			
State Criminal Alien Assistance Program	16.606		2,650
Bulletproof Vest Partnership Program	16.607		1,467
Total U.S. Department of Justice			4,117
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Wisconsin Department of Transportation			
Highway Safety Cluster			
State and Community Highway Safety	20.600		27,595
Child Safety and Child Booster Seat Incentive Grants	20.613		3,020
Total Highway Safety Cluster			30,615
Total U.S. Department of Transportation			30,615
U.S. DEPARTMENT OF TREASURY			
Passed through Wisconsin Department of Administration			
COVID 19 - Coronavirus Relief Fund	21.019		884,395
Passed through Wisconsin Department of Health and Human Services			
COVID 19 - Coronavirus Relief Fund	21.019	155803, 155804, 155805	499,791
Total U.S. Department of Treasury			1,384,186
U.S. DEPARTMENT OF EDUCATION			
Passed through the Wisconsin Department of Health Services			
Grants for Infants and Toddlers with Disabilities	84.181	550	35,527
Total U.S. Department of Education			35,527

Monroe County, Wisconsin
Schedule of Federal and State Assistance
For the Year Ended December 31, 2020

Grantor Agency/Pass Through Agency/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
FEDERAL AWARDS (continued)			
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through the Greater Wisconsin Agency on Aging			
Health Promotion and Disease Prevention Aging Cluster	93.043		722
Grants for Supportive Services and Senior Centers (Title III-B)	93.044		68,289
Nutrition Services (Title III-C)	93.045		149,858
Nutrition Services Incentive Program	93.053		20,178
Total Aging Cluster			<u>238,325</u>
National Family Caregiver Support Program (Title III-E)	93.052		<u>32,072</u>
Passed through the Wisconsin Department of Health Services			
Public Health Emergency Preparedness	93.069	155015, 155050	52,760
Environmental Public Health and Emergency Response	93.070	155078	246
Immunization Grants	93.268	155020	12,199
Epidemiology and Laboratory	93.323	155801, 155802	26,336
Social Service Block Grant	93.667	561	160,818
Preventive Health & Health Services Block Grant	93.991	159220	8,371
State Targeted Response to the Opioid Crisis Grant	93.788	533259	63,914
Block Grants for Community Mental Health Services	93.958	515, 569, 533277, 533283	86,347
Block Grants for Prevention and Treatment of Substance Abuse	93.959	515, 545, 546, 570, 533165, 533166	101,077
Maternal & Child Health Services Block Grant	93.994	159320	9,153
Medicaid Cluster			
Medical Assistance	93.778	878, 881	58,980
Passed through LaCrosse County, Wisconsin			
Medical Assistance	93.778	284, 560020, 560040, 560060, 560070, 560076, 560077, 560080, 560086, 560096, 560133, 560151, 560157	648,095
Total Medical Assistance - Medicaid Cluster	93.778		<u>707,075</u>
Special Programs for the Aging Title IV	93.048	560200	4,881
State Health Insurance Assistance Program	93.324	560432	2,507
Child Abuse and Neglect State Grants	93.669	3030	57,783
State Children's Insurance Program	93.767	284	25,537
Passed through the Wisconsin Department of Health Services			
Block Grants for Temporary Assistance for Needy Families (TANF Cluster)	93.558	561	86,019
Passed through the Wisconsin Department of Children and Families			
Block Grants for Temporary Assistance for Needy Families (TANF Cluster)	93.558	3612B	15,388
Total TANF Cluster			<u>101,407</u>
Promoting Safe and Stable Families	93.556	3306	42,827
Child Support Enforcement (Title IV-D)	93.563	7332, 7477, 7482, 7506, 7616, 7903	492,022
Child Welfare Services	93.645	3413, 3561, 3681	37,234
Foster Care (Title IV-E)	93.658	3344, 3396, 3413, 3554, 3561, 3604, 3612, 3681	540,433
Adoption Assistance	93.659	3574, 3584	8,376
Child Care Development Fund - CCDF Cluster	93.575	0831	13,236
Passed through LaCrosse County, Wisconsin			
Child Care Development Fund - CCDF Cluster	93.575	284	53,772
Total 93.575/CCDF Cluster			<u>67,008</u>

Monroe County, Wisconsin
Schedule of Federal and State Assistance
For the Year Ended December 31, 2020

Grantor Agency/Pass Through Agency/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
FEDERAL AWARDS (continued)			
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>			
Passed through the Wisconsin Department of Administration			
Low-Income Home Energy Assistance	93.568		<u>70,381</u>
Total U.S. Department of Health and Human Services			<u>2,949,811</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through the Wisconsin Department of Military Affairs			
Hazard Mitigation (HM)	97.039		6,712
Emergency Management Performance Grant (EMPG)	97.042		52,315
Disaster Grants	97.036		<u>165,221</u>
Total U.S. Department of Homeland Security			<u>224,248</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,236,594</u>

Monroe County, Wisconsin
Schedule of Federal and State Assistance
For the Year Ended December 31, 2020

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	State Expenditures
STATE FINANCIAL ASSISTANCE			
DEPARTMENT OF AGRICULTURE, TRADE, AND CONSUMER PROTECTION			
<u>Direct program</u>			
County staff and support	115.150		\$ 115,582
Agriculture Resource Management	115.400		116,620
Total Department of Agriculture, Trade, and Consumer Protection			<u>232,202</u>
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES			
<u>Direct program</u>			
Private Sewage Replacement and Rehabilitation	143.110		<u>44,832</u>
DEPARTMENT OF NATURAL RESOURCES			
<u>Direct program</u>			
Wildlife Damage Claims and Abatement	370.553		26,633
Recreation Aids - Fish	370.564		348
Resource Aids-Forest Croplands & Managed Land Aids	370.566		21,016
Urban & Community Forestry	370.572		47,313
Recreation Aids - Snowmobile TrailAreas-Trans Fd	370.574		158,207
Recycling Grants to Responsible Units	370.670		132,851
Recycling Consolidation Grants	370.673		<u>11,561</u>
Total Department of Natural Resources			<u>397,929</u>
DEPARTMENT OF TRANSPORTATION			
<u>Direct program</u>			
Elderly Handicapped Transportation Aid	395.101		<u>127,623</u>
DEPARTMENT OF HEALTH SERVICES			
<u>Direct program</u>			
APS Adult Proective SVCS	435.312		37,732
Children's COP	435.377		20,165
Alzheimer's Family Support	435.381		16,106
Coordinated Services County	435.515		26,200
Community Mental Health	435.516		179,509
Birth to Three Initiative	435.550		44,291
Birth to Three Innovation Grant	435.553		60,894
State Funded-Basic County Allocation	435.561		921,896
FoodShare Fraud Prevention Investigating Reporting	435.600		10,449
Community and Mental Health Services	435.681		128,456
CLTS Other CWA Admin GPR	435.877		46,954
CLTS CWA Grandfather Admin	435.880		500
WIC Farmer's Market	435.154720		1,806
State Funded Comm Disease Ctrl & Prev	435.155800		4,500
Lead Poisoning Prevention	435.157720		4,882
State Senior Community Services	435.560330		7,335
Congregate Meal Program	435.560350		12,997
Home Delivered Meals	435.560360		11,807
Elder Abuse Service	435.560490		9,930

Monroe County, Wisconsin
Schedule of Federal and State Assistance
For the Year Ended December 31, 2020

Grantor Agency/Pass Through Agency/Program Title	CFDA or State I.D. Number	Pass-Through Entity Identifying Number	Federal/State Expenditures
STATE FINANCIAL ASSISTANCE (continued)			
DEPARTMENT OF HEALTH SERVICES (continued)			
Passed through LaCrosse County, Wisconsin			
IMAA State Share	435.283		200,281
IMAA Federal Share	435.284		2,524
Aging and Disability Resource Center	435.560100		270,262
ADRC Dementia Care Specialist	435.560158		39,536
Elderly Benefit Specialist Program	435.560320		28,211
Senior Community Programs	435.560328		6,248
ADRC MFP - NH Relocation	435.560065		3,351
Total Department of Health Services			<u>2,096,822</u>
DEPARTMENT OF CHILDREN AND FAMILIES			
Direct program			
Food Stamp Agency Initiatives	437.965		33,238
AFDC Agency Initiatives	437.975		36
Medicaid Agency Initiatives	437.980		25,340
Kinship Care Program - Benefits	437.3377		137,654
Kinship Care Program - Assessment	437.3380		11,371
JJ Community Intervention Program	437.3410		26,329
JJ AODA	437.3411		12,554
JJ Youth Aids	437.3413		637,842
Basic County Allocation	437.3561		406,706
Basic County Allocation Overmatch	437.3681		32,840
CS WSACWIS Annual Op Maint Fee	437.3935		(5,963)
PDS Partnership Fees	437.3940		(2,042)
Child Support Enforcement	437.7502		78,746
CS Medical Support GPR Earned	437.7606		2,967
Total Department of Children and Families			<u>1,397,618</u>
DEPARTMENT OF JUSTICE			
Direct program			
DNA Sample Reimbursement	455.221		3,680
Tribal Law Enforcement	455.263		20,943
Treatment Alternative & Diversion	455.271		12,163
Victim Witness Assistance Program - A Program Cluster	455.532		22,783
Total Department of Justice			<u>59,569</u>
DEPARTMENT OF MILITARY AFFAIRS			
Direct program			
State Match - Federal Disaster Assistance	465.305		26,175
EPCRA Emergency Planning Grant Program	465.337		15,471
Computer and Hazmat Equipment Grant	465.367		7,336
Total Department of Military Affairs			<u>48,982</u>
DEPARTMENT OF VETERAN'S AFFAIRS			
Direct program			
Grants to Counties	485.001		11,500
DEPARTMENT OF ADMINISTRATION			
Direct program			
Public Benefits - LIHEAP	505.371		21,299
Land Information Board Grant	505.118		83,136
Total Department of Administration			<u>104,435</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 4,521,512</u></u>

Monroe County, Wisconsin

Notes to the Schedule of Federal and State Assistance
Year Ended December 31, 2020

Note 1: Basis of Presentation and Significant Accounting Policies

The accompanying schedule of federal and state assistance include the federal and state grant activity of Monroe County under programs of the federal and state government for the year ended December 31, 2020. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and *State of Wisconsin Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Monroe County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Monroe County.

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Monroe County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2: Subrecipients

For the year ended December 31, 2020, the County had no sub-recipients of federal funds.

Note 3: State Direct Payments

Payments made directly to recipients and vendors by the State of Wisconsin on behalf of the County for the food stamp program totaled \$8,990,452 for 2020. The amounts are not included in the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance.

Note 4: Soil and Water Resource Management (SWRM) Activities

Detail of the sources and uses of the SWRM program for County Staff and Support and Land and Water Resource Management (LWRM) Plan Implementation for 2020 are as follows:

SWRM - County Staff and Support 115.150

Sources:

Receipts from state	\$ 110,462
Less beginning receivable	(107,672)
Plus ending receivable	<u>112,792</u>
Total sources	<u>\$ 115,582</u>

Uses:

Reimbursed staff and support	<u>\$ 115,582</u>
------------------------------	-------------------

Monroe County, Wisconsin

Notes to the Schedules of Federal Awards and State Financial Assistance
(Continued)
Year Ended December 31, 2020

Note 4: Soil and Water Resource Management (SWRM) Activities (Continued)

LWRM Plan Implementation 115.400

Sources:

Receipts from state	\$ 120,132
Less beginning receivable	(120,646)
Plus ending receivable	<u>117,134</u>
Total sources	<u>\$ 116,620</u>

Uses:

Total cost share payments	<u>\$ 116,620</u>
---------------------------	-------------------

Note 5: State of Wisconsin Community Aids Reporting System

The Wisconsin Department of Children and Families (DCF) and Health Services (DHS) utilize the System for Payments and Reports of Contracts (SPARC) and the Community Aids Reporting System (CARS), respectively, for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance for various DCF and DHS programs agree with the expenditures reported on the April 20, 2021 CARS for the Human Services and Public Health departments and the December 31, 2021 Sparc for Child Support and Human Service departments, with adjustments for anticipated receivables.

Monroe County, Wisconsin

Schedule of Findings and Questioned Costs

Year Ended December 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	No

Type of auditor's report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? No

Identification of major federal programs:

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
Coronavirus Relief Fund	21.019

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

State Awards

Internal control over major state programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	No

Type of auditor's report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? No

Monroe County, Wisconsin

Schedule of Findings and Questioned Costs

Year Ended December 31, 2020

Identification of major state programs:

<u>Name of State Major Program or Cluster</u>	<u>State ID No.</u>
State Funded-Basic County Allocation	435.561
Aging and Disability Resource Center	435.560100

Dollar threshold used to distinguish between Type A and Type B programs: \$250,000

Section II - Financial Statement Findings

Finding 2020-001 – Financial Accounting and Reporting

Criteria – The County is responsible for reporting financial data reliably in accordance with accounting principles generally accepted in the United States (GAAP).

Condition – As part of our professional services for the year ended December 31, 2020, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause – The County does not expect, nor does it require, its financial staff to have the ability to prepare GAAP financial statements.

Effect – As a result of not having an individual trained in the preparation of GAAP basis financial statements, the completeness of the financial statement disclosures and the accuracy of the financial statement presentation are negatively impacted as outside auditors do not have the same comprehensive understanding of the County as its own management.

Recommendation – We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

View of responsible officials and planned corrective actions – We agree with the finding and have developed a corrective action plan.

Section III - Federal and State Award Findings and Questioned Costs

None

Monroe County, Wisconsin

Schedule of Findings and Questioned Costs

Year Ended December 31, 2020

Section IV - Other Issues


Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

Department of Agriculture, Trade, and Consumer Protection	No
Department of Safety and Professional Services	No
Department of Natural Resources	No
Department of Transportation	No
Department of Health Services	No
Department of Children and Families	No
Department of Justice	No
Department of Military Affairs	No
Department of Veteran's Affairs	No
Department of Administration	No

Was a management letter or other document conveying audit comments issued as a result of this audit? Yes

Name and signature of partner



Dan Walker, CPA

Date of report

June 17, 2021

Monroe County, Wisconsin

Summary Schedule of Prior Year Findings

Year Ended December 31, 2020

2019-001 - Financial Accounting and Reporting – See finding 2020-001.