

**MONROE COUNTY, WISCONSIN**  
**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2015**

**MONROE COUNTY, WISCONSIN**

December 31, 2015

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## INDEPENDENT AUDITORS' REPORT

To the County Board  
Monroe County  
Sparta, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Wisconsin ("the County") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general and human services special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note D.4, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the schedules relating to pensions and other post-employment benefits on pages 51 through 54 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
July 15, 2016

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

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

December 31, 2015

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, 2015.

**Financial Highlights**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflow of resources as of December 31, 2015 by \$93.1 million (*net position*). Of this amount, \$26.8 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 \$11.5 million. This increase was due primarily to an adjustment for net pension asset for \$5.6 million and favorable revenue and expenditure budget variances of the County's governmental funds.
- As of December 31, 2015, the County's governmental funds reported combined ending fund balances of \$32.7 million, a decrease of \$3.0 million in comparison with the prior year. Fund balance decreased due to \$16 million being spent in the capital projects fund while only taking in an additional \$10 million in debt proceeds.
- As of December 31, 2015, unassigned fund balance for the general fund was \$16.6 million.
- The County's total general-obligation debt increased by \$7,655,000 during 2015. The primary reason for the increase was the issuance of \$10,000,000 in bonds for the justice center construction project.

**Overview of the Basic Financial Statements**

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

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

The *statement of net position* presents information on all of the County's assets, 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, landfill operations and economic revolving loan program.

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

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

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

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

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

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

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

**Proprietary funds.** The County maintains enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its nursing home, solid waste, highway and development loans. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its information systems, technology pool, and self-funded workers' compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide statements.

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

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

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

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

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23 - 50 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 51 - 55.

**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 56 - 60

**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 \$93.1 million at the close of 2015.

Monroe County, Wisconsin						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 54,157,135	\$ 58,064,900	\$ 14,767,881	\$ 11,137,788	\$ 68,925,016	\$ 69,202,688
Capital assets	67,097,289	51,792,645	8,654,956	8,951,455	75,752,245	60,744,100
<b>Total Assets</b>	<b>121,254,424</b>	<b>109,857,545</b>	<b>23,422,837</b>	<b>20,089,243</b>	<b>144,677,261</b>	<b>129,946,788</b>
Deferred outflow s of resources						
Deferred outflow s related to pension	1,839,260	-	1,044,965	-	2,884,225	-
Long-term liabilities outstanding	28,836,279	20,867,642	2,806,449	2,653,478	31,642,728	23,521,120
Other liabilities	4,016,362	5,571,853	908,201	810,162	4,924,563	6,382,015
<b>Total Liabilities</b>	<b>32,852,641</b>	<b>26,439,495</b>	<b>3,714,650</b>	<b>3,463,640</b>	<b>36,567,291</b>	<b>29,903,135</b>
Deferred inflow s of resources						
Property taxes	12,724,922	13,950,878	5,126,400	4,483,130	17,851,322	18,434,008
Net Position						
Net investment in capital assets	48,172,155	45,769,774	8,616,162	8,886,633	56,788,317	54,656,407
Restricted	6,261,617	1,512,295	3,330,494	1,345,180	9,592,111	2,857,475
Unrestricted	23,082,349	22,185,103	3,680,096	1,910,660	26,762,445	24,095,763
<b>Total Net Position</b>	<b>\$ 77,516,121</b>	<b>\$ 69,467,172</b>	<b>\$ 15,626,752</b>	<b>\$ 12,142,473</b>	<b>\$ 93,142,873</b>	<b>\$ 81,609,645</b>

By far the largest portion of the County's net position (61%) 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 (10.30%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$26.8 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 \$4,461,521 while business-type activities increased net position by \$1,429,661. A summary of the changes in net position follows:

Monroe County, Wisconsin						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 3,470,749	\$ 4,249,022	\$ 10,620,437	\$ 11,233,032	\$ 14,091,186	\$ 15,482,054
Operating grants and contributions	8,220,014	7,292,337	1,372,601	947,050	9,592,615	8,239,387
Capital grants and contributions	-	146,145	-	-	-	146,145
<b>General Revenues</b>						
Property taxes	16,180,688	16,788,882	2,261,644	1,233,305	18,442,332	18,022,187
Sales tax	3,314,137	3,083,751	-	-	3,314,137	3,083,751
Other taxes	52,125	30,522	-	-	52,125	30,522
Grants and contributions not restricted to specific programs	2,481,330	2,478,287	-	-	2,481,330	2,478,287
Interest	450,295	483,899	5,551	7,728	455,846	491,627
Other	182,797	152,250	-	-	182,797	152,250
<b>Total Revenues</b>	<b>34,352,135</b>	<b>34,705,095</b>	<b>14,260,233</b>	<b>13,421,115</b>	<b>48,612,368</b>	<b>48,126,210</b>
<b>Expenses</b>						
General government	6,184,195	5,992,186	-	-	6,184,195	5,992,186
Public safety	7,625,118	6,988,306	-	-	7,625,118	6,988,306
Public works	4,329,512	4,074,349	-	-	4,329,512	4,074,349
Health and human services	10,520,387	10,176,459	-	-	10,520,387	10,176,459
Culture, recreation and education	789,484	927,479	-	-	789,484	927,479
Conservation and development	629,446	573,914	-	-	629,446	573,914
Interest on long-term debt	521,946	314,311	-	-	521,946	314,311
Nursing home	-	-	7,392,296	7,796,088	7,392,296	7,796,088
Solid waste	-	-	1,634,853	1,641,918	1,634,853	1,641,918
Highway	-	-	3,090,738	2,882,332	3,090,738	2,882,332
Economic revolving loan	-	-	3,211	1,497	3,211	1,497
<b>Total Expenses</b>	<b>30,600,088</b>	<b>29,047,004</b>	<b>12,121,098</b>	<b>12,321,835</b>	<b>42,721,186</b>	<b>41,368,839</b>
Change in Net Position Before Transfers	3,752,047	5,658,091	2,139,135	1,099,280	5,891,182	6,757,371
Transfers	709,474	564,223	(709,474)	(564,223)	-	-
<b>Change in Net Position</b>	<b>4,461,521</b>	<b>6,222,314</b>	<b>1,429,661</b>	<b>535,057</b>	<b>5,891,182</b>	<b>6,757,371</b>
Net Position - January 1	69,467,172	61,921,817	12,142,473	11,607,416	81,609,645	73,529,233
Cumulative effect of change in accounting principle	3,587,428	-	2,054,618	-	5,642,046	-
Prior period adjustment	-	1,323,041	-	-	-	1,323,041
<b>Net Position - December 31</b>	<b>\$ 77,516,121</b>	<b>\$ 69,467,172</b>	<b>\$ 15,626,752</b>	<b>\$ 12,142,473</b>	<b>\$ 93,142,873</b>	<b>\$ 81,609,645</b>

## Financial Analysis of the County's Funds

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

**Governmental funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *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, 2015, the County's governmental funds reported combined ending fund balances of \$32,695,159, a decrease of \$2,961,288 in comparison with the prior year. Approximately 51% of this amount (\$16.6 million) constitutes *unassigned fund balance*. The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been accounted. The *nonspendable* amounts include 1) current year prepayments that benefit periods beyond the end of the current year (\$250,396), 3) the portion of delinquent taxes purchased from other taxing jurisdictions (\$1,112,831) and 4) nonspendable contributions for Wegner Grotto, local history room endowment and Haney Reserve (\$672,027). The *restricted* include 1) amounts restricted for debt service (\$1,271,243), 2) amounts restricted by statutes (\$350,717), 3) amounts restricted by grant programs (\$165,200), 4) amounts restricted by donors (\$172,315), and 5) amounts restricted for construction projects (\$6,979,866). The *committed* amount of \$4,148,508 is for various projects approved by the County Board, including \$3 million committed to the justice center construction. The *assigned* amounts represent tentative management plans for certain items in the General Fund (\$463,521), Human Services special revenue fund (\$300,000), Capital projects (\$6,220), and the Local History Room special revenue fund (\$161,113).

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 \$16,593,333 while total fund balance was \$19,696,257. 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 112% of total general fund expenditures, while total fund balance represents 133% of that same amount. Because the County annually transfers back unassigned fund balances of special revenue funds, the reader of the financial statements should also consider the expenditures of these funds when analyzing the County's general fund.

The County's general fund balance increased \$379,819 during the current year. Key factors in this change are as follows:

- Overall expenditure variances totaled \$2,450,252.
- Public Safety and Capital Outlay expenditures were under budget by \$678,172 and \$860,697, due primarily to meticulous fiscal management by the Department Heads.

The County's human services fund reported revenues in excess of expenditures of \$387,608, which was transferred to the general fund at year end. The surplus of funds was due primarily to additional revenues.

The County's capital projects fund decreased \$4,688,781 due primarily to the County spending \$16 million on construction projects while only borrowing \$10 million.

The County's debt service fund increased by \$1,027,010 due to transfers in from the general fund and bond premium received.

**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 \$2,534,038, an increase of \$1,969,934 over the prior year due primarily to an adjustment for the WRS pension asset for \$1,312,521 and fiscal oversight by management.

Net position of the solid waste fund at the end of the year amounted to \$2,729,205, an increase of \$2,981 over the prior year.

Net position of the highway fund at the end of the year amounted to \$9,024,314, an increase of \$1,252,838 over the prior year due primarily to an adjustment for the WRS pension asset for \$709,771 and fiscal oversight by management.

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

**Capital Asset and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to \$75,752,245 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, public domain infrastructure (highways and bridges), and construction in progress. The total increase in the County's investment in capital assets for the current year was \$15,008,145 over last year and primarily due to governmental activities related to the construction of the justice center construction project and various road improvements.

<b>Monroe County, Wisconsin</b>						
(net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,328,985	\$ 1,328,985	\$ 574,911	\$ 574,911	\$ 1,903,896	\$ 1,903,896
Construction in progress	26,837,978	12,261,373	-	-	26,837,978	12,261,373
Land improvements	150,360	154,597	1,361,867	1,495,408	1,512,227	1,650,005
Buildings	1,313,823	1,252,291	1,580,891	1,580,116	2,894,714	2,832,407
Machinery and equipment	1,007,545	1,214,955	5,130,378	5,294,111	6,137,923	6,509,066
Infrastructure	36,458,598	35,580,444	-	-	36,458,598	35,580,444
Other assets	-	-	6,909	6,909	6,909	6,909
<b>Total</b>	<b>\$ 67,097,289</b>	<b>\$ 51,792,645</b>	<b>\$ 8,654,956</b>	<b>\$ 8,951,455</b>	<b>\$ 75,752,245</b>	<b>\$ 60,744,100</b>

**Long-term debt.** At the end of the current fiscal year, the County had total general obligation debt outstanding of \$23,375,000 backed by the full faith and credit of the government.

<b>Monroe County, Wisconsin's Outstanding Debt</b>						
General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General Obligation Debt						
Bonds	\$ 26,800,000	\$ 18,875,000	\$ -	\$ -	\$ 26,800,000	\$ 18,875,000
Notes	575,000	845,000	-	-	575,000	845,000
<b>Total</b>	<b>\$ 27,375,000</b>	<b>\$ 19,720,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,375,000</b>	<b>\$ 19,720,000</b>

The County's general obligation debt increased \$7,655,000 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 \$152,138,135, which is significantly in excess of the County's \$27,375,000 in outstanding general obligation debt.

**Contacting the County's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**

**MONROE COUNTY, WISCONSIN**  
Statement of Net Position  
December 31, 2015

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 26,958,403	\$ 2,191,793	\$ 29,150,196
Receivables			
Taxes	12,724,922	5,126,400	17,851,322
Delinquent taxes	2,522,102	-	2,522,102
Accounts	1,385,030	1,629,275	3,014,305
Loans	-	22,747	22,747
Other	21,475	9,808	31,283
Internal balances	(255,308)	255,308	-
Due from other governments	-	436,469	436,469
Inventories and prepaid items	250,396	1,355,400	1,605,796
Restricted assets			
Cash and investments	8,759,260	2,651,484	11,410,744
Loans receivable	-	101,300	101,300
Net pension asset	1,790,855	987,897	2,778,752
Capital assets, nondepreciable			
Land	1,328,985	574,911	1,903,896
Construction in progress	26,837,978	-	26,837,978
Capital assets, depreciable			
Land improvements	293,333	5,344,007	5,637,340
Buildings and improvements	2,096,988	8,558,271	10,655,259
Machinery and equipment	3,050,793	15,552,770	18,603,563
Other assets	-	46,061	46,061
Infrastructure	57,609,236	-	57,609,236
Less: Accumulated depreciation	(24,120,024)	(21,421,064)	(45,541,088)
<b>TOTAL ASSETS</b>	<b>121,254,424</b>	<b>23,422,837</b>	<b>144,677,261</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	1,839,260	1,044,965	2,884,225
<b>LIABILITIES</b>			
Accounts payable	1,812,350	460,091	2,272,441
Accrued and other current liabilities	1,014,013	364,002	1,378,015
Accrued interest payable	237,453	-	237,453
Due to other governments	846,940	552	847,492
Unearned revenues	105,606	62,958	168,564
Payable from restricted assets			
Resident trust fund payable	-	20,598	20,598
Long-term obligations			
Due within one year	2,862,586	279,118	3,141,704
Due in more than one year	25,973,693	2,527,331	28,501,024
<b>TOTAL LIABILITIES</b>	<b>32,852,641</b>	<b>3,714,650</b>	<b>36,567,291</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	12,724,922	5,126,400	17,851,322
<b>NET POSITION</b>			
Net investment in capital assets	48,172,155	8,616,162	56,788,317
Restricted	6,261,617	3,330,494	9,592,111
Unrestricted	23,082,349	3,680,096	26,762,445
<b>TOTAL NET POSITION</b>	<b>\$ 77,516,121</b>	<b>\$ 15,626,752</b>	<b>\$ 93,142,873</b>

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

**MONROE COUNTY, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 6,184,195	\$ 1,361,005	\$ 356,799	\$ -
Public safety	7,625,118	414,097	111,028	-
Public works	4,329,512	76,572	1,010,654	-
Health and human services	10,520,387	1,329,147	5,998,061	-
Culture, recreation and education	789,484	156,972	457,060	-
Conservation and development	629,446	132,956	286,412	-
Interest and fiscal charges	521,946	-	-	-
<b>Total Governmental Activities</b>	<b>30,600,088</b>	<b>3,470,749</b>	<b>8,220,014</b>	<b>-</b>
<b>Business-type Activities</b>				
Nursing home	7,392,296	5,761,705	1,004,411	-
Solid waste	1,634,853	1,757,986	144,564	-
Highway	3,090,738	3,095,146	223,626	-
Economic revolving loan	3,211	5,600	-	-
<b>Total Business-type Activities</b>	<b>12,121,098</b>	<b>10,620,437</b>	<b>1,372,601</b>	<b>-</b>
<b>Total</b>	<b>\$ 42,721,186</b>	<b>\$ 14,091,186</b>	<b>\$ 9,592,615</b>	<b>\$ -</b>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales tax

Other taxes

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

Interest and investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1, as originally reported

Cumulative effect of change in accounting principle

Net position - January 1, restated

Net position - December 31

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

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

\$ (4,466,391)	\$ -	\$ (4,466,391)
(7,099,993)	-	(7,099,993)
(3,242,286)	-	(3,242,286)
(3,193,179)	-	(3,193,179)
(175,452)	-	(175,452)
(210,078)	-	(210,078)
(521,946)	-	(521,946)
<u>(18,909,325)</u>	<u>-</u>	<u>(18,909,325)</u>

-	(626,180)	(626,180)
-	267,697	267,697
-	228,034	228,034
-	2,389	2,389
<u>-</u>	<u>(128,060)</u>	<u>(128,060)</u>

<u>(18,909,325)</u>	<u>(128,060)</u>	<u>(19,037,385)</u>
---------------------	------------------	---------------------

13,872,037	2,261,644	16,133,681
2,308,651	-	2,308,651
3,314,137	-	3,314,137
52,125	-	52,125

2,481,330	-	2,481,330
450,295	5,551	455,846
182,797	-	182,797
709,474	(709,474)	-
<u>23,370,846</u>	<u>1,557,721</u>	<u>24,928,567</u>

<u>4,461,521</u>	<u>1,429,661</u>	<u>5,891,182</u>
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69,467,172	12,142,473	81,609,645
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<u>3,587,428</u>	<u>2,054,618</u>	<u>5,642,046</u>
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<u>73,054,600</u>	<u>14,197,091</u>	<u>87,251,691</u>
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<u>\$ 77,516,121</u>	<u>\$ 15,626,752</u>	<u>\$ 93,142,873</u>
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**MONROE COUNTY, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2015

	General	Human Services	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 18,178,719	\$ 697,479	\$ 2,980,938	\$ 1,271,243	\$ 508,470	\$ 23,636,849
Restricted cash and investments	-	15,321	7,898,229	-	845,710	8,759,260
Receivables						
Taxes	6,506,520	2,879,822	188,500	1,529,539	678,738	11,783,119
Delinquent taxes	2,522,102	-	-	-	-	2,522,102
Accounts	921,191	263,425	123	-	192,109	1,376,848
Other	21,460	-	-	-	15	21,475
Due from other funds	294,612	-	-	-	-	294,612
Inventories and prepaid items	250,396	-	-	-	-	250,396
<b>TOTAL ASSETS</b>	<b>\$ 28,695,000</b>	<b>\$ 3,856,047</b>	<b>\$ 11,067,790</b>	<b>\$ 2,800,782</b>	<b>\$ 2,225,042</b>	<b>\$ 48,644,661</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 390,989	\$ 519,496	\$ 817,204	\$ -	\$ 57,892	\$ 1,785,581
Due to other funds	-	-	-	-	57,074	57,074
Accrued and other current liabilities	483,958	130,390	-	-	60,428	674,776
Due to other governments	846,940	-	-	-	-	846,940
Unearned revenues	73,945	26,339	-	-	5,322	105,606
<b>Total Liabilities</b>	<b>1,795,832</b>	<b>676,225</b>	<b>817,204</b>	<b>-</b>	<b>180,716</b>	<b>3,469,977</b>
<b>Deferred Inflows of Resources</b>						
Property taxes	6,506,520	2,879,822	188,500	1,529,539	678,738	11,783,119
Delinquent taxes	674,931	-	-	-	-	674,931
Interest	21,460	-	-	-	15	21,475
<b>Total Deferred Inflows of Resources</b>	<b>7,202,911</b>	<b>2,879,822</b>	<b>188,500</b>	<b>1,529,539</b>	<b>678,753</b>	<b>12,479,525</b>
<b>Fund Balances</b>						
Nonspendable	1,364,227	-	-	-	671,027	2,035,254
Restricted	154,799	-	6,979,866	1,271,243	533,433	8,939,341
Committed	1,072,508	-	3,076,000	-	-	4,148,508
Assigned	463,521	300,000	6,220	-	161,113	930,854
Unassigned, reported in						
General fund	16,641,202	-	-	-	-	16,641,202
<b>Total Fund Balances</b>	<b>19,696,257</b>	<b>300,000</b>	<b>10,062,086</b>	<b>1,271,243</b>	<b>1,365,573</b>	<b>32,695,159</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 28,695,000</b>	<b>\$ 3,856,047</b>	<b>\$ 11,067,790</b>	<b>\$ 2,800,782</b>	<b>\$ 2,225,042</b>	<b>\$ 48,644,661</b>

(Continued)

**MONROE COUNTY, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2015

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page			\$ 32,695,159
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.			67,097,289
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.			
Delinquent taxes, including accrued interest			674,931
Interest on investments			21,475
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 financial statements:			
Net pension asset			1,790,855
Deferred outflows of resources			1,839,260
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.			2,470,884
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds and notes payable		\$ (27,375,000)	
Compensated absences		(694,872)	
Debt premium		(592,786)	
Post-employment health benefits payable		(173,621)	
Accrued interest on long-term obligations		(237,453)	(29,073,732)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 10)			<u>\$ 77,516,121</u>

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

**MONROE COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015

	General	Human Services	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 10,502,513	\$ 2,988,950	\$ 500,000	\$ 2,308,651	\$ 631,496	\$ 16,931,610
Intergovernmental	3,337,019	4,742,333	-	-	1,245,728	9,325,080
Licenses and permits	195,515	-	-	-	-	195,515
Fines and forfeits	225,920	-	-	-	-	225,920
Public charges for services	1,065,836	739,359	-	-	510,969	2,316,164
Intergovernmental charges for services	653,170	-	-	-	-	653,170
Miscellaneous	279,759	-	45,800	-	401,140	726,699
<b>Total Revenues</b>	<b>16,259,732</b>	<b>8,470,642</b>	<b>545,800</b>	<b>2,308,651</b>	<b>2,789,333</b>	<b>30,374,158</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	5,378,261	-	-	-	-	5,378,261
Public safety	7,320,244	-	-	-	58,155	7,378,399
Public works	138,451	-	-	-	-	138,451
Health and human services	238,676	8,083,034	-	-	2,146,717	10,468,427
Culture and recreation	796,269	-	-	-	-	796,269
Conservation and development	598,548	-	-	-	-	598,548
<b>Debt service</b>						
Principal	-	-	-	2,345,000	-	2,345,000
Interest and fiscal charges	-	-	157,731	420,824	-	578,555
Capital outlay	299,786	-	15,951,956	-	-	16,251,742
<b>Total Expenditures</b>	<b>14,770,235</b>	<b>8,083,034</b>	<b>16,109,687</b>	<b>2,765,824</b>	<b>2,204,872</b>	<b>43,933,652</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,489,497</b>	<b>387,608</b>	<b>(15,563,887)</b>	<b>(457,173)</b>	<b>584,461</b>	<b>(13,559,494)</b>
<b>Other Financing Sources (Uses)</b>						
Long-term debt issued	-	-	10,000,000	-	-	10,000,000
Debt premium	-	-	90,606	199,859	-	290,465
Transfers in	660,383	-	784,500	1,284,324	-	2,729,207
Transfers out	(1,770,061)	(387,608)	-	-	(263,797)	(2,421,466)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,109,678)</b>	<b>(387,608)</b>	<b>10,875,106</b>	<b>1,484,183</b>	<b>(263,797)</b>	<b>10,598,206</b>
<b>Net Change in Fund Balances</b>	<b>379,819</b>	<b>-</b>	<b>(4,688,781)</b>	<b>1,027,010</b>	<b>320,664</b>	<b>(2,961,288)</b>
<b>Fund Balances - January 1</b>	<b>19,316,438</b>	<b>300,000</b>	<b>14,750,867</b>	<b>244,233</b>	<b>1,044,909</b>	<b>35,656,447</b>
<b>Fund Balances - December 31</b>	<b>\$ 19,696,257</b>	<b>\$ 300,000</b>	<b>\$ 10,062,086</b>	<b>\$ 1,271,243</b>	<b>\$ 1,365,573</b>	<b>\$ 32,695,159</b>

(Continued)

**MONROE COUNTY, WISCONSIN**

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

Governmental Funds

For the Year Ended December 31, 2015

Reconciliation to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds from previous page	\$ (2,961,288)
<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	\$ 17,295,454
Depreciation expense reported in the statement of activities	<u>(1,911,010)</u>
Amount by which capital asset purchases exceeds depreciation in current year	15,384,444
Book value of capital assets retired during current year	(79,800)
<p>Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by:</p>	
	(55,900)
<p>Changes in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan.</p>	
	42,687
<p>Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:</p>	
	2,345,000
<p>Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.</p>	
	(105,142)
<p>Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net position, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:</p>	
	(10,000,000)
<p>Debt premium is reported as an other financing source in the fund financial statements but capitalized and amortized over the life of the bond issue in the government-wide financial statements. Amount by which debt premium received exceeds amortization in the current year.</p>	
	(257,737)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Delinquent taxes, including accrued interest	(83,940)
Interest on investments	5,912
The net expenses of certain activities of internal service funds are reported with governmental activities	<u>227,285</u>
Change in Net Position of Governmental Activities as Reported on the Statement of Activities (pages 11 - 12)	<u>\$ 4,461,521</u>

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

**MONROE COUNTY, WISCONSIN**

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,035,940	\$ 10,051,866	\$ 10,502,513	\$ 450,647
Intergovernmental	3,522,637	3,807,124	3,337,019	(470,105)
Licenses and permits	184,865	184,865	195,515	10,650
Fines and forfeits	202,250	207,901	225,920	18,019
Public charges for services	902,713	1,039,243	1,065,836	26,593
Intergovernmental charges for services	744,283	744,283	653,170	(91,113)
Miscellaneous	184,241	218,316	279,759	61,443
Total Revenues	<u>15,776,929</u>	<u>16,253,598</u>	<u>16,259,732</u>	<u>6,134</u>
Expenditures				
Current				
General government	5,571,141	5,608,814	5,378,261	230,553
Public safety	7,405,940	7,998,416	7,320,244	678,172
Public works	544,133	262,098	138,451	123,647
Health and human services	248,823	275,791	238,676	37,115
Culture and recreation	984,756	1,010,120	796,269	213,851
Conservation and development	649,036	904,765	598,548	306,217
Capital outlay	388,100	1,160,483	299,786	860,697
Total Expenditures	<u>15,791,929</u>	<u>17,220,487</u>	<u>14,770,235</u>	<u>2,450,252</u>
Excess of Revenues Over (Under) Expenditures	<u>(15,000)</u>	<u>(966,889)</u>	<u>1,489,497</u>	<u>2,456,386</u>
Other Financing Sources (Uses)				
Transfers in	15,000	19,023	660,383	641,360
Transfers out	-	(1,770,961)	(1,770,061)	900
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>(1,751,938)</u>	<u>(1,109,678)</u>	<u>642,260</u>
Net Change in Fund Balance	-	(2,718,827)	379,819	3,098,646
Fund Balance - January 1	<u>19,316,438</u>	<u>19,316,438</u>	<u>19,316,438</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 19,316,438</u>	<u>\$ 16,597,611</u>	<u>\$ 19,696,257</u>	<u>\$ 3,098,646</u>

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

**MONROE COUNTY, WISCONSIN**

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Human Services Special Revenue Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,974,848	\$ 2,988,950	\$ 2,988,950	\$ -
Intergovernmental	4,310,047	4,743,573	4,742,333	(1,240)
Public charges for services	573,155	722,155	739,359	17,204
Total Revenues	<u>7,858,050</u>	<u>8,454,678</u>	<u>8,470,642</u>	<u>15,964</u>
Expenditures				
Current				
Health and human services	<u>7,858,050</u>	<u>8,454,678</u>	<u>8,083,034</u>	<u>371,644</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>387,608</u>	<u>387,608</u>
Other Financing Uses				
Transfers out	<u>-</u>	<u>-</u>	<u>(387,608)</u>	<u>(387,608)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(387,608)</u>	<u>(387,608)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>

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

**MONROE COUNTY, WISCONSIN**

Statement of Net Position

Proprietary Funds

December 31, 2015

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund Revolving Loan	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>						
Current assets						
Cash and investments	\$ 500	\$ 479,705	\$ 987,253	\$ 724,335	\$ 2,191,793	\$ 3,321,554
Receivables						
Taxes	1,413,435	-	3,712,965	-	5,126,400	941,803
Accounts	816,179	259,150	553,946	-	1,629,275	8,182
Other	-	-	9,808	-	9,808	-
Loans	-	-	-	22,747	22,747	-
Due from other governments	-	-	436,469	-	436,469	-
Inventories and prepaid items	10,951	-	1,344,449	-	1,355,400	-
<b>Total Current Assets</b>	<b>2,241,065</b>	<b>738,855</b>	<b>7,044,890</b>	<b>747,082</b>	<b>10,771,892</b>	<b>4,271,539</b>
Noncurrent assets						
Restricted assets						
Cash and investments	37,893	2,613,591	-	-	2,651,484	-
Net pension asset	621,064	14,173	352,660	-	987,897	-
Loans receivable	-	-	-	101,300	101,300	-
Capital assets, nondepreciable						
Land	7,269	384,595	183,047	-	574,911	-
Capital assets, depreciable						
Land improvements	459,442	4,380,025	504,540	-	5,344,007	-
Buildings and improvements	5,097,189	214,262	3,246,820	-	8,558,271	-
Machinery and equipment	2,430,818	229,344	12,892,608	-	15,552,770	-
Other assets	-	-	46,061	-	46,061	-
Less: Accumulated depreciation	(6,735,328)	(3,489,038)	(11,196,698)	-	(21,421,064)	-
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>1,259,390</b>	<b>1,719,188</b>	<b>5,676,378</b>	<b>-</b>	<b>8,654,956</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>1,918,347</b>	<b>4,346,952</b>	<b>6,029,038</b>	<b>101,300</b>	<b>12,395,637</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>4,159,412</b>	<b>5,085,807</b>	<b>13,073,928</b>	<b>848,382</b>	<b>23,167,529</b>	<b>4,271,539</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions	663,572	16,262	365,131	-	1,044,965	-
<b>LIABILITIES</b>						
Current Liabilities						
Accounts payable	96,514	137,456	226,121	-	460,091	26,769
Accrued and other current liabilities	209,020	5,209	149,773	-	364,002	339,237
Due to other funds	235,505	-	-	2,033	237,538	-
Due to other governments	502	-	50	-	552	-
Unearned revenues	-	-	62,958	-	62,958	-
Compensated absences	155,906	5,053	118,159	-	279,118	-
<b>Total Current Liabilities</b>	<b>697,447</b>	<b>147,718</b>	<b>557,061</b>	<b>2,033</b>	<b>1,404,259</b>	<b>366,006</b>
Payable from Restricted Assets						
Resident trust fund payable	20,598	-	-	-	20,598	-
Noncurrent Liabilities						
Loans payable	-	38,794	-	-	38,794	-
Post-employment health benefits payable	88,805	1,394	67,294	-	157,493	-
Compensated absences	68,661	5,355	77,425	-	151,441	-
Post closure	-	2,179,603	-	-	2,179,603	-
<b>Total Noncurrent Liabilities</b>	<b>157,466</b>	<b>2,225,146</b>	<b>144,719</b>	<b>-</b>	<b>2,527,331</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>875,511</b>	<b>2,372,864</b>	<b>701,780</b>	<b>2,033</b>	<b>3,952,188</b>	<b>366,006</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	1,413,435	-	3,712,965	-	5,126,400	941,803
<b>NET POSITION</b>						
Net investment in capital assets	1,259,390	1,680,394	5,676,378	-	8,616,162	-
Restricted for						
Closure and postclosure	-	433,988	-	-	433,988	-
Resident trust	17,295	-	-	-	17,295	-
Community development	-	-	-	846,349	846,349	-
Pension benefits	1,284,636	30,435	717,791	-	2,032,862	-
Unrestricted (deficit)	(27,283)	584,388	2,630,145	-	3,187,250	2,963,730
<b>TOTAL NET POSITION</b>	<b>\$ 2,534,038</b>	<b>\$ 2,729,205</b>	<b>\$ 9,024,314</b>	<b>\$ 846,349</b>	<b>\$ 15,133,906</b>	<b>\$ 2,963,730</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise					492,846	
Net position of business-type activities as reported on the Statement of Net Position					<u>\$ 15,626,752</u>	

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

**MONROE COUNTY, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund Revolving Loan	Total Enterprise Funds	Internal Service Funds
Operating Revenues						
Charges for services	\$ 5,761,705	\$ 1,757,986	\$ 3,095,146	\$ 5,600	\$ 10,620,437	\$ -
Intergovernmental charges for services	-	-	-	-	-	675,652
Other operating revenues	-	-	-	-	-	9,072
Total Operating Revenues	<u>5,761,705</u>	<u>1,757,986</u>	<u>3,095,146</u>	<u>5,600</u>	<u>10,620,437</u>	<u>684,724</u>
Operating Expenses						
Operation and maintenance	7,290,505	1,519,294	6,162,274	3,211	14,975,284	1,076,584
Depreciation	161,141	117,574	703,249	-	981,964	-
Total Operating Expenses	<u>7,451,646</u>	<u>1,636,868</u>	<u>6,865,523</u>	<u>3,211</u>	<u>15,957,248</u>	<u>1,076,584</u>
Operating Income (Loss)	<u>(1,689,941)</u>	<u>121,118</u>	<u>(3,770,377)</u>	<u>2,389</u>	<u>(5,336,811)</u>	<u>(391,860)</u>
Nonoperating Revenues (Expenses)						
General property taxes	1,357,816	-	3,085,349	-	4,443,165	875,198
Intergovernmental aids	1,004,411	144,564	1,215,666	-	2,364,641	-
Interest income	-	3,736	-	1,815	5,551	7,246
Gain (loss) on disposal of capital assets	(14,873)	-	12,430	-	(2,443)	-
Total Nonoperating Revenues(Expenses)	<u>2,347,354</u>	<u>148,300</u>	<u>4,313,445</u>	<u>1,815</u>	<u>6,810,914</u>	<u>882,444</u>
Net Income before Transfers	657,413	269,418	543,068	4,204	1,474,103	490,584
Transfers out	-	(298,763)	-	-	(298,763)	(8,978)
Change in Net Position	<u>657,413</u>	<u>(29,345)</u>	<u>543,068</u>	<u>4,204</u>	<u>1,175,340</u>	<u>481,606</u>
Net Position - January 1, as originally reported	564,104	2,726,224	7,771,475	842,145		2,482,124
Cumulative effect of change in accounting principle	<u>1,312,521</u>	<u>32,326</u>	<u>709,771</u>	<u>-</u>		<u>-</u>
Net Position - January 1, restated	<u>1,876,625</u>	<u>2,758,550</u>	<u>8,481,246</u>	<u>842,145</u>		<u>2,482,124</u>
Net Position - December 31	<u>\$ 2,534,038</u>	<u>\$ 2,729,205</u>	<u>\$ 9,024,314</u>	<u>\$ 846,349</u>		<u>\$ 2,963,730</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>254,321</u>	
Change in net position of business-type activities as reported on the Statement of Activities (see pages 11-12)					<u>\$ 1,429,661</u>	

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



**MONROE COUNTY, WISCONSIN**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015

	Rolling Hills	Solid Waste	Highway	Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
				Revolving Loan		
<b>Cash Flows from Operating Activities</b>						
Cash received from customers	\$ 6,041,768	\$ 1,727,004	\$ 3,113,387	\$ 5,600	\$ 10,887,759	\$ 676,542
Cash payments to suppliers	(3,613,495)	(1,252,590)	(4,451,172)	(3,211)	(9,320,468)	(930,126)
Cash payments to employees	(3,626,009)	(81,869)	(1,951,115)	-	(5,658,993)	(274,864)
Net Cash Provided (Used) by Operating Activities	(1,197,736)	392,545	(3,288,900)	2,389	(4,091,702)	(528,448)
<b>Cash Flows from Noncapital Financing Activities</b>						
General property taxes	1,357,816	-	3,085,349	-	4,443,165	875,198
Intergovernmental grants received	1,004,411	144,564	1,215,666	-	2,364,641	-
Cash advance from general fund	(885,557)	-	-	583	(884,974)	-
Transfer out	-	(298,763)	-	-	(298,763)	(8,978)
Net Cash Provided (Used) by Noncapital Financing Activities	1,476,670	(154,199)	4,301,015	583	5,624,069	866,220
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisition of capital assets	(278,934)	-	(489,613)	-	(768,547)	-
Proceeds from sale of capital assets	-	-	80,639	-	80,639	-
Principal payments on long-term debt	-	(26,028)	-	-	(26,028)	-
Net Cash Used by Capital and Related Financing Activities	(278,934)	(26,028)	(408,974)	-	(713,936)	-
<b>Cash Flows from Investing Activities</b>						
Loan repayments received	-	-	-	29,276	29,276	-
Interest income received	-	3,736	-	1,815	5,551	7,246
Redemption of investments	-	(98,306)	-	-	(98,306)	-
Cash Flows Provided (Used) by Investing Activities	-	(94,570)	-	31,091	(63,479)	7,246
Change in Cash and Cash Equivalents	-	117,748	603,141	34,063	754,952	345,018
Cash and Cash Equivalents - January 1	500	361,957	384,112	690,272	1,436,841	2,976,536
Cash and Cash Equivalents - December 31	\$ 500	\$ 479,705	\$ 987,253	\$ 724,335	\$ 2,191,793	\$ 3,321,554
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating income (loss)	\$ (1,689,941)	\$ 121,118	\$ (3,770,377)	\$ 2,389	\$ (5,336,811)	\$ (391,860)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	161,141	117,574	703,249	-	981,964	-
Cash restricted by donors	(3,039)	-	-	-	(3,039)	-
Change in pension related assets, deferred outflows, and deferred inflows	27,885	1,891	(8,020)	-	21,756	-
Changes in assets and liabilities						
Accounts receivable	280,063	(30,982)	46,268	-	295,349	(8,182)
Inventories and prepaid items	490	-	(300,422)	-	(299,932)	14,381
Due from other governments	-	-	(27,381)	-	(27,381)	-
Other receivables	-	-	(646)	-	(646)	-
Accounts payable	(51,897)	30,375	59,761	-	38,239	(35,569)
Accrued and other current liabilities	49,378	2,526	36,102	-	88,006	(107,218)
Compensated absences	13,616	1,485	420	-	15,521	-
Due to other governments	262	-	35	-	297	-
Resident trust fund payable	4,605	-	-	-	4,605	-
Unearned revenues	-	-	(33,108)	-	(33,108)	-
Post-employment health benefits payable	9,701	66	5,219	-	14,986	-
Post closure liability	-	148,492	-	-	148,492	-
Net Cash Provided (Used) by Operating Activities	\$ (1,197,736)	\$ 392,545	\$ (3,288,900)	\$ 2,389	\$ (4,091,702)	\$ (528,448)
<b>Noncash Investing, Capital and Financing Activities</b>						
None						

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

**MONROE COUNTY, WISCONSIN**  
Statement of Net Position  
Fiduciary Fund  
December 31, 2015

	Agency Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 537,420
Taxes receivable	516,375
Total Assets	<u>\$ 1,053,795</u>
<b>LIABILITIES</b>	
Due to other governments	\$ 646,673
Deposits payable	407,122
Total Liabilities	<u>\$ 1,053,795</u>

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

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

1. Reporting Entity

Monroe County is a municipal corporation governed by an elected board. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County.

The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

2. Related Organization

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

3. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

**GENERAL FUND**

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

**SPECIAL REVENUE FUND - HUMAN SERVICES**

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

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

CAPITAL PROJECTS FUND

This fund accounts for capital improvements of the County.

DEBT SERVICE FUND

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

The County reports the following major enterprise funds:

ROLLING HILLS

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

SOLID WASTE

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

HIGHWAY

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

The County reports the following non-major funds:

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

Senior Services	Jail Assessment
Child Support	Local History Room
Health	

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

Additionally, the government reports the following fund type:

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

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

4. Measurement Focus and Basis of Accounting

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

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

**NOTE A - 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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

5. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

a. Cash and Investments

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

b. Accounts and Loans Receivable

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

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. In addition, certain funds maintain deficit cash positions during the year, financed by the County's general fund. Noncurrent portions of the interfund receivables for the governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

d. Inventories

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

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

e. Prepaid Items

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

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

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of 2 years. The Rolling Hills enterprise fund uses a \$1,000 capitalization threshold. Infrastructure capital assets have a \$25,000 capitalization threshold. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

<u>Assets</u>	Governmental Activities	Business-type Activities
	Years	
Land improvements	15 - 30	10 - 30
Buildings	15 - 75	25 - 75
Improvements other than buildings	10 - 30	25 - 100
Machinery and equipment	3 - 25	3 - 25
Infrastructure	25 - 50	-

g. Compensated Absences

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

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

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category in the government-wide statement of net position. The item is related to the County's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for 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 (revenue) until that time. The County has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The County also has an additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources, interest receivable, delinquent property taxes and interest and penalty on delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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

j. Pensions

For purposes of measuring the net pension asset, 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.

k. Fund Equity

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

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

GOVERNMENT-WIDE AND PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

6. Use of Estimates

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

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

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

- a. During November, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.



**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

**NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)**

- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service and capital projects funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general, special revenue, debt service and capital projects funds.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
- e. Encumbrance accounting is used throughout the year by the County to record commitments related to unperformed contracts for goods or services; however, encumbrances are not carried forward into the next year.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2015.

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

1. Cash and Investments

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

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

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

The carrying amount of the County's cash and investments totaled \$41,098,360 on December 31, 2015 as summarized below:

Petty cash and cash on hand	\$ 3,720
Deposits with financial institutions	39,316,689
Investments	
Deposits with the State of Wisconsin	1,595,952
Mutual funds	180,544
Local Government Investment Pool	1,455
	\$ 41,098,360

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 29,150,196
Restricted cash and investments	11,410,744
Fiduciary fund statement of net position	
Agency fund	537,420
	\$ 41,098,360

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2015, \$29,717,508 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. Financial institutions have collateralized these deposits at year end.

The County has on deposit with the State of Wisconsin \$1,595,952 for long-term care and closure requirements related to its solid waste enterprise fund. No information on the risk associated with its deposits held by the State of Wisconsin is available.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County does not have an additional credit risk policy. Presented below is the actual rating as of year-end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Mutual Bond Funds	\$ 39,475	\$ -	\$ -	\$ -	\$ 39,475
Wisconsin Local Government Investment Pool	1,455	-	-	-	1,455
<b>Totals</b>	<b>\$ 40,930</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,930</b>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Remaining maturities on the County's investments are as follows:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Mutual Bond Funds	\$ 39,475	\$ -	\$ 13,681	\$ 13,263	\$ 12,531
Wisconsin Local Government Investment Pool	1,455	1,455	-	-	-
<b>Totals</b>	<b>\$ 40,930</b>	<b>\$ 1,455</b>	<b>\$ 13,681</b>	<b>\$ 13,263</b>	<b>\$ 12,531</b>

Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$1,455 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

2. Restricted Assets

Restricted assets on December 31, 2015 totaled \$11,410,744 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
<b>Governmental Activities</b>		
Capital Projects Fund		
Justice bond	\$ 7,898,229	Bond proceeds to be used for Justice Building project expenditures
Senior Services Fund		
Transportation	42,977	DOT Trust
Human Services Fund		
Client Funds	15,221	Cash dedicated to cover expenses for two Human Services clients
Representative payee	100	Cash held for clients
Local History Room Fund	802,733	Endowments to cover expenditures at the Local History Room
<b>Total Governmental Activities</b>	<u>8,759,260</u>	
<b>Business-Type Activities</b>		
Rolling Hills Enterprise Fund		
Resident trust	20,598	Cash deposited by residents for their own use
Resident trust	17,295	Cash received from non-resident sources to be used to benefit residents
<b>Subtotal</b>	<u>37,893</u>	
Solid Waste Enterprise Fund		
Ridgeview I Long-term Care	294,478	State of Wisconsin Department of Natural Resources to finance the County's closure and postclosure financial responsibilities
Ridgeview II Closure	1,301,474	
Ridgeview II Long-term Care	1,017,639	
<b>Subtotal</b>	<u>2,613,591</u>	
<b>Total Business-Type Activities</b>	<u>2,651,484</u>	
<b>Total Restricted Assets</b>	<u>\$ 11,410,744</u>	

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

3. Property Tax Apportionments

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

Property taxes recorded on December 31, 2015 for collection in 2016 consist of the County apportionment of \$17,851,322 for financing 2016 operations and will be transferred in 2016 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds. In addition, the County has recorded a receivable of \$516,375 in its agency fund for State of Wisconsin taxes collected and remitted by the County.

4. Delinquent Property Taxes and Assessments - General Fund

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

The County also accepts collection responsibility for delinquent special assessments; however, the County holds the delinquent special assessment in trust, reimbursing the local governments upon collection of the delinquent balances. At December 31, 2015, the County has recorded a liability of \$680,007 which represents the delinquent special assessment balance.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

The County's general fund showed an investment of \$3,839,418 in delinquent property taxes and assessments as follows:

Year Acquired	Total	Delinquent Special Assessments	Property Taxes	
			County Purchased	County Levied
Tax Certificates				
2003	\$ 987	\$ -	\$ 795	\$ 192
2004	985	-	765	220
2005	959	-	739	220
2006	99	-	77	22
2007	99	-	77	22
2008	687	-	468	219
2009	1,001	-	679	322
2010	8,519	-	5,461	3,058
2011	25,372	356	18,663	6,353
2012	148,203	1,917	113,171	33,115
2013	476,983	75,408	235,304	166,271
2014	823,423	13,900	611,830	197,693
	<u>1,487,317</u>	<u>91,581</u>	<u>988,029</u>	<u>407,707</u>
Tax Deeds	760,358	588,426	124,802	47,130
Interest	274,427	-	-	274,427
	<u>\$ 2,522,102</u>	<u>\$ 680,007</u>	<u>\$ 1,112,831</u>	<u>729,264</u>
Less: 2016 collections within 60 days				<u>54,333</u>
Deferred inflow of resources - delinquent property taxes				<u>\$ 674,931</u>

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

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

5. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,328,985	\$ -	\$ -	\$ 1,328,985
Construction in progress	12,261,373	16,727,388	2,150,783	26,837,978
Total capital assets, not being depreciated	13,590,358	16,727,388	2,150,783	28,166,963
Capital assets, being depreciated:				
Land improvements	286,233	7,100	-	293,333
Buildings and improvements	1,992,389	104,599	-	2,096,988
Machinery and equipment	2,939,394	235,005	123,606	3,050,793
Infrastructure	55,644,118	2,372,145	407,027	57,609,236
Subtotals	60,862,134	2,718,849	530,633	63,050,350
Less accumulated depreciation for:				
Land improvements	131,636	11,337	-	142,973
Buildings and improvements	740,098	43,067	-	783,165
Machinery and equipment	1,724,439	414,354	95,545	2,043,248
Infrastructure	20,063,674	1,442,252	355,288	21,150,638
Subtotals	22,659,847	1,911,010	450,833	24,120,024
Total capital assets, being depreciated, net	38,202,287	807,839	79,800	38,930,326
Governmental activities capital assets, net	<u>\$ 51,792,645</u>	<u>\$ 17,535,227</u>	<u>\$ 2,230,583</u>	67,097,289
Less related long-term debt outstanding				18,925,134
Net investment in capital assets				<u>\$ 48,172,155</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 574,911	\$ -	\$ -	\$ 574,911
Capital assets, being depreciated:				
Land improvements	5,333,985	10,022	-	5,344,007
Buildings and improvements	8,383,856	174,415	-	8,558,271
Machinery and equipment	15,621,948	584,110	653,288	15,552,770
Other assets	46,061	-	-	46,061
Subtotals	29,385,850	768,547	653,288	29,501,109
Less accumulated depreciation for:				
Land improvements	3,838,577	143,563	-	3,982,140
Buildings and improvements	6,803,740	173,640	-	6,977,380
Machinery and equipment	10,327,837	664,761	570,206	10,422,392
Other assets	39,152	-	-	39,152
Subtotals	21,009,306	981,964	570,206	21,421,064
Total capital assets, being depreciated, net	8,376,544	(213,417)	83,082	8,080,045
Business-type activities capital assets, net	<u>\$ 8,951,455</u>	<u>\$ (213,417)</u>	<u>\$ 83,082</u>	8,654,956
Less related long-term debt outstanding				38,794
Net investment in capital assets				<u>\$ 8,616,162</u>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Depreciation expense was charged to functions of the County as follows:

Governmental activities		
General government		\$ 125,115
Public safety		237,069
Public works		1,442,252
Health and human services		93,482
Culture, recreation, and education		8,097
Conservation and development		4,995
Total depreciation expense - governmental activities		<u>\$ 1,911,010</u>
Business-type activities		
Rolling Hills		\$ 161,141
Solid waste		117,574
Highway		703,249
Total depreciation expense - business-type activities		<u>\$ 981,964</u>

6. Interfund Receivables/Payables and Transfers

Interfund receivables and payables on December 31, 2015 were as follows:

Receivable Fund	Payable Fund	Amount
General fund	Enterprise funds	
	Rolling Hills	\$ 235,505
	Revolving loan	2,033
	Nonmajor governmental funds	
General fund	Senior Services	979
General fund	Child support	32,540
General fund	Jail Assessment	14,561
General fund	Local history room	8,994
Subtotal - Fund Financial Statements		<u>\$ 294,612</u>
Less: Internal service fund activities consolidation		(492,846)
Less: Fund eliminations		<u>(57,074)</u>
Total Internal Balances - Government-wide Statement of Net Position		<u>\$ (255,308)</u>

The interfund payables from Senior Service and Child Support special revenue funds and Rolling Hills enterprise fund were cash advances to finance cash deficits. The interfund payable from local history room and jail assessment special revenue funds and revolving loan enterprise fund relates to operating costs paid by the general fund but not reimbursed until 2016.



**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Interfund transfers for the year ended December 31, 2015 were as follows:

Fund Transferred To	Fund Transferred From	Amount
	Special revenue funds	
General fund	Human services	\$ 387,608
	Senior services	87,831
	Child support	46,330
	Health	95,551
	Jail assessment	14,561
	Local history room	19,524
	Internal Service Fund	
	Information systems	8,978
		<u>660,383</u>
Special revenue funds		
Capital Projects	General fund	<u>784,500</u>
Debt Service	Solid waste	298,763
	General Fund	985,561
		<u>1,284,324</u>
Total Transfers - Fund Financial Statements		<u>\$ 2,729,207</u>
Total transfers		\$ 2,729,207
Less: Fund eliminations		(2,430,444)
Add: Highway enterprise fund resources used to finance public works expenses reported in governmental activities		410,711
Total Transfers - Government-wide Statement of Activities		<u>\$ 709,474</u>

Operating transfers totaled \$2,729,207 and were made for the following purposes:

	Amount
Special revenue fund surpluses returned to the general fund	\$ 626,298
Reimbursement of indirect costs and other expenses paid by the general fund	34,085
General fund transfer to Capital Projects for communication system project	784,500
Debt service transfer from the general and solid waste funds	1,284,324
	<u>\$ 2,729,207</u>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 18,875,000	\$ 10,000,000	\$ 2,075,000	\$ 26,800,000	\$ 2,075,000
Notes	845,000	-	270,000	575,000	280,000
Total General Obligation Debt	19,720,000	10,000,000	2,345,000	27,375,000	2,355,000
Debt premium	335,049	290,465	32,728	592,786	55,071
Post-employment health benefits payable	160,152	34,248	20,779	173,621	-
Compensated absences	652,441	42,431	-	694,872	452,515
Governmental activities Long-term obligations	<u>\$ 20,867,642</u>	<u>\$ 10,367,144</u>	<u>\$ 2,398,507</u>	<u>\$ 28,836,279</u>	<u>\$ 2,862,586</u>
<b>Business-type activities:</b>					
Landfill closure/postclosure					
Ridgeville Cell I	\$ 142,125	\$ -	\$ 12,955	\$ 129,170	\$ -
Ridgeville Cell II	1,888,986	161,447	-	2,050,433	-
County forest loan	64,822	-	26,028	38,794	-
Post-employment health benefits payable	142,507	27,198	12,212	157,493	-
Compensated absences	415,038	15,521	-	430,559	279,118
Business-type activities Long-term obligations	<u>\$ 2,653,478</u>	<u>\$ 204,166</u>	<u>\$ 51,195</u>	<u>\$ 2,806,449</u>	<u>\$ 279,118</u>

Total interest paid during the year on long-term debt totaled \$419,372.

General Obligation Debt

The County has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt service requirements are direct obligations and pledge the full faith and credit of the County. General obligation debt outstanding on December 31, 2015 totaled \$27,375,000 and consisted of the following issues:

**Bonds**

\$2,105,000 issued 8/15/01; \$130,000 to \$170,000 due annually through 2021; interest 3.80% to 5.00%	\$ 895,000
\$10,000,000 issued 10/1/13; \$200,000 to \$1,555,000 due annually through 2025; interest 2.00% to 3.00%	7,505,000
\$9,850,000 issued 10/15/14; \$380,000 to \$1,300,000 due annually through 2025; interest 1.00% to 2.00%	8,400,000
\$10,000,000 issued 8/15/16; \$250,000 to \$2,240,000 due annually through 2028; interest 2.00% to 3.00%	10,000,000
Total Bonds	<u>26,800,000</u>

**Notes**

\$2,500,000 issued 12/19/07; \$280,000 and \$295,000 due annually through 2017; interest 4.00%	575,000
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Total Outstanding General Obligation Debt	<u>\$ 27,375,000</u>
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**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Annual principal and interest maturities of the outstanding general obligation debt of \$27,375,000 on December 31, 2015 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2016	\$ 2,355,000	\$ 655,905	\$ 3,010,905
2017	2,220,000	587,317	2,807,317
2018	1,965,000	538,385	2,503,385
2019	2,015,000	494,233	2,509,233
2020	2,060,000	448,833	2,508,833
2021-2025	11,015,000	1,517,338	12,532,338
2026-2028	5,745,000	218,819	5,963,819
	<u>\$ 27,375,000</u>	<u>\$ 4,460,830</u>	<u>\$ 31,835,830</u>

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

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2015 was \$126,034,378 as follows:

Equalized valuation of the County	\$ 3,042,762,700
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	152,138,135
Total outstanding general obligation debt applicable to debt limitation	\$ 27,375,000
Less: Amounts available for financing general obligation debt	
Debt service fund	1,271,243
Net outstanding general obligation debt applicable to debt limitation	26,103,757
Legal Margin for New Debt	\$ 126,034,378

County Forest Loan

The County obtained a county forest loan through the Wisconsin Department of Natural Resources in 2013. The loan was used by the Solid Waste Enterprise Fund to partially fund a property purchase. The loan will be repaid as the county harvests wood products from County forest lands. The DNR requests 20% of the value of the wood products cut. The balance of the loan was \$38,794 at December 31, 2015.

8. 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. In accordance with GASB Statement No. 18, the County annually records an estimate of these closure and post closure care costs as an operating expense during the life of its landfills based on landfill capacity used compared to total estimated capacity available. The resultant liabilities for these estimated operating expenses are reduced each year for actual payments made. An analysis of the estimated liabilities for closure and post closure care costs on December 31, 2015 and the recording of these costs as operating expenses follow:

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Landfill Closure and Postclosure Care			
	Ridgeville I	Ridgeville II	Total
Total estimated costs	\$ 129,170	\$ 3,218,385	
Percentage of storage capacity used	100%	63.71%	
	<u>\$ 129,170</u>	<u>\$ 2,050,433</u>	<u>\$ 2,179,603</u>

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	\$ 129,170	\$ 3,218,385	
Less: Charged to operations	129,170	2,050,433	
Future year closure and postclosure costs	<u>\$ -</u>	<u>\$ 1,167,952</u>	<u>\$ 1,167,952</u>

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

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

9. Pension Plan

a. Plan Description

The 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 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

b. 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
2005	2.6%	7%
2006	0.8%	3%
2007	3.0%	10%
2008	6.6%	0%
2009	(2.1)%	(42)%
2010	(1.3)%	22%
2011	(1.2)%	11%
2012	(7.0)%	(7)%
2013	(9.6)%	9%
2014	4.7%	25%

c. 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, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,098,694 in contributions from the County.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

d. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

At December 31, 2015, the County reported an asset of \$2,778,752 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. 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, 2014, the County's proportion was 0.11312878%, which was a decrease of 0.0021077% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$1,104,631.

At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 402,833
Net differences between projected and actual earnings on pension plan investments	1,345,606
Changes in proportion and differences between employer contributions and proportionate share of contributions	62,248
Employer contributions subsequent to the measurement date	1,073,538
<b>Total</b>	<b>\$ 2,884,225</b>

\$1,073,538 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflows of Resources
2015	\$ 442,434
2016	442,434
2017	442,434
2018	442,434
2019	40,951

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

e. Actuarial Assumption

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Asset:	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

\* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 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:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

*Single Discount rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
County's proportionate share of the net pension asset (liability) \$	\$ (7,839,339)	\$ 2,778,752	\$ 11,164,491

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

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 367 active and 10 retired employees in the plan. The County funds this cost on a pay-as-you-go or cash basis, recognizing the cost in their fund financial statements when paid.



**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

Component	Amount
Annual required contribution	\$ 61,366
Interest on net OPEB	12,108
Adjustment to annual required contribution	(12,028)
Annual OPEB cost (expense)	<u>61,446</u>
Contributions made	<u>32,991</u>
Change in net OPEB obligation	28,455
OPEB obligation - beginning of year	302,659
OPEB obligation - end of year	<u><u>\$ 331,114</u></u>

The annual required contribution for the current year was determined as part of the January 1, 2015 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 4.0% discount rate, and (b) projected salary increases at 3.0%.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level percentage amount of projected payroll. The remaining amortization period at December 31, 2015 is 30 years, and the remaining amount is \$567,466.

*Trend Information* - The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	\$ 59,006	39.86%	\$ 274,905
12/31/2014	60,852	54.39%	302,659
12/31/2015	61,446	53.69%	331,114

*Funded Status and Funding Progress* - As of January 1, 2015, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$567,466. The annual payroll for active employees covered by the plan for the 2015 fiscal year was \$16,439,338 for a ratio of the UAAL to covered payroll of 3.45%.

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

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

In the January 1, 2015 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 4.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 7.5% for medical, decreasing by 0.5% per year down to 6.5%, then by 0.1% per year down to an ultimate rate of 5.0% for medical after 18 years. The investment rate of return is 4% which includes an assumed rate of inflation of 3%. The UAAL is being amortized using the level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2015 was 30 years.

11. Fund Equity

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2015 includes the following:

	Governmental Activities	Business-type Activities	Total
Restricted			
Debt service	\$ 1,271,243	\$ -	\$ 1,271,243
Wegner Grotto	180,544	-	180,544
Local history room	622,189	-	622,189
Haney Reserve	1,866	-	1,866
Child support technology purchases	51,329	-	51,329
WEDCS election grant	1,621	-	1,621
Redaction fees	43,296	-	43,296
K-9 unit donations	9,273	-	9,273
DOT Trust	42,977	-	42,977
Dog control	25,390	-	25,390
Parks	5,080	-	5,080
CREP Program	17,268	-	17,268
Forestry maintenance - land acquisition	49,255	-	49,255
Forestry Habelman reforestation	1,471	-	1,471
Wildlife habitat	1,279	-	1,279
Jail assessment	307,421	-	307,421
Pension benefits	3,630,115	2,032,862	5,662,977
Closure and postclosure	-	433,988	433,988
Resident trust	-	17,295	17,295
Community development	-	846,349	846,349
Totals	<u>\$ 6,261,617</u>	<u>\$ 3,330,494</u>	<u>\$ 9,592,111</u>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

At December 31, 2015, the County has segregated its fund balance components into the following classifications:

	General	Human Services	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>						
Delinquent taxes	\$ 1,112,831	\$ -	\$ -	\$ -	\$ -	\$ 1,112,831
Inventories and prepaid items	250,396	-	-	-	-	250,396
Haney Reserve	1,000	-	-	-	-	1,000
Wegner Grotto	-	-	-	-	50,000	50,000
Local History Room	-	-	-	-	621,027	621,027
<b>Total</b>	<b>\$ 1,364,227</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 671,027</b>	<b>\$ 2,035,254</b>
<b>Restricted</b>						
Retirement of long-term debt	\$ -	\$ -	\$ -	\$ 1,271,243	\$ -	\$ 1,271,243
Wegner Grotto	-	-	-	-	130,544	130,544
Local history room	-	-	-	-	1,162	1,162
DOT Trust	-	-	-	-	42,977	42,977
Haney Reserve	866	-	-	-	-	866
Child support technology purchases	-	-	-	-	51,329	51,329
WEDCS Election Grant	1,621	-	-	-	-	1,621
Redaction fees	43,296	-	-	-	-	43,296
K-9 Unit Donations	9,273	-	-	-	-	9,273
Dog control	25,390	-	-	-	-	25,390
Parks	5,080	-	-	-	-	5,080
CREP Program	17,268	-	-	-	-	17,268
Forestry maintenance - land acquisition	49,255	-	-	-	-	49,255
Forestry Habelman reforestation	1,471	-	-	-	-	1,471
Wildlife habitat	1,279	-	-	-	-	1,279
Justice Center capital project	-	-	5,141,915	-	-	5,141,915
Radio Tower capital project	-	-	1,837,951	-	-	1,837,951
Jail assessment	-	-	-	-	307,421	307,421
<b>Total</b>	<b>\$ 154,799</b>	<b>\$ -</b>	<b>\$ 6,979,866</b>	<b>\$ 1,271,243</b>	<b>\$ 533,433</b>	<b>\$ 8,939,341</b>
<b>Committed</b>						
Justice Center Reserve Fund	\$ -	\$ -	\$ 3,076,000	\$ -	\$ -	\$ 3,076,000
Emergency Radio System Project	43,330	-	-	-	-	43,330
Cloud-Based ERP Financial and Document Software	317,735	-	-	-	-	317,735
CMHC Financial Software & Equip Upgrade	107,100	-	-	-	-	107,100
New Construction - Educational purposes ( farm proceeds)	55,919	-	-	-	-	55,919
IT Infrastructure and upgrades	528,258	-	-	-	-	528,258
Justice Community Service Program supplies	510	-	-	-	-	510
Angelo Wayside Improvements	527	-	-	-	-	527
UW Extension Educational Programs	19,129	-	-	-	-	19,129
<b>Total</b>	<b>\$ 1,072,508</b>	<b>\$ -</b>	<b>\$ 3,076,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,148,508</b>
<b>Assigned</b>						
Long-range capital pool	\$ 463,521	\$ -	\$ -	\$ -	\$ -	\$ 463,521
Human services	-	300,000	-	-	-	300,000
Capital improvements	-	-	6,220	-	-	6,220
Local history	-	-	-	-	161,113	161,113
<b>Total</b>	<b>\$ 463,521</b>	<b>\$ 300,000</b>	<b>\$ 6,220</b>	<b>\$ -</b>	<b>\$ 161,113</b>	<b>\$ 930,854</b>

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Minimum Fund Balance Policy

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

General fund cash balance December 31, 2015	\$ 24,844,176
Restricted funds	(405,987)
Committed funds	(5,134,069)
Assigned funds	(847,498)
General fund balance less restricted, committed and assigned funds	\$ 18,456,622
Actual 2015 Total County Adopted Budgeted Expenditures	\$ 47,237,598
Minimum Fund Balance %	(x) 25%
Subtotal	11,809,400
Provision for unexpected volatile operational costs	1,000,000
Provision for future delinquent taxes	2,000,000
Minimum Fund Balance Amount	\$ 14,809,400

The contingency fund balance of \$83,977 will roll forward into the 2016 contingency fund balance at the end of 2015 as the required fund balance per policy was attained.

**NOTE D - OTHER INFORMATION**

1. Risk Management

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

Workers Compensation

The County is self-funded for workers compensation claims. Funding is provided by charges to County departments. The program is supplemented by stop loss protection, which limits the County's annual liability. Expenses consist of payments to a third-party administrator for claims, stop loss insurance premiums and administrative fees. The claims liability of \$328,678 reported in the fund at December 31, 2015 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for 2015 follows:

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

	Liability January 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31,
2014	\$ 515,559	\$ 3,738	\$ 80,011	\$ 439,286
2015	439,286	(23,711)	86,897	328,678

Public Entity Risk Pool

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

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

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

2. Contingencies

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

The Village of Warrens, Wisconsin (the "Village") is currently in default on a \$3.4 million Clean Water Fund Loan from the Wisconsin Department of Administration. The Village has entered into a Forbearance Agreement whereby the State of Wisconsin ("State") has agreed not to take any action to enforce its rights as a result of the default; provided the Village takes certain actions to address the default. The Forbearance Agreement was set to expire on December 31, 2013. Under 66.0301, of the Wisconsin Statutes, the County is responsible if the Village defaults on the loan.

**MONROE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

In connection with this default, the Village has requested Monroe County to enter into an Intergovernmental Agreement pursuant to Section 66.0301, of the Wisconsin Statutes, for the purpose of creating the Warrens-Monroe Wastewater Commission (the "Commission") that will purchase and subsequently operate the wastewater treatment and collection system within the Village. On January 23, 2013, Monroe County approved of the Agreement; and executed it. The Village executed the Agreement on February 14, 2013. On September 25, 2013, the County authorized an unconditional guaranty of the pro rata share of the Warrens-Monroe Wastewater Commission not to exceed \$5,000,000. Once financing is received, the Commission will purchase from the Village, its wastewater facilities, including the treatment plant and collection system. The purchase price will equal the outstanding principal amount of the Clean Water Fund Loan, the principal amount of the BANS attributable to sewer facilities, and certain additional funds. It was anticipated that the Commission would receive a loan from the USDA in an amount sufficient to pay the entirety of the purchase price. The Commission will then be obligated to the USDA, to repay amounts borrowed over a loan having a term of forty years, at the applicable interest rate financed from actual sewer revenues from the wastewater system within the Village. On July 11, 2013, the USDA approved the Commission's application for a loan to finance the acquisition of the Village's wastewater treatment plant. The USDA loan was finalized during 2014.

3. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2015 and 2016 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2015 budget was 2.16%. The actual limit for the County for the 2016 budget was 1.32%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

4. Cumulative Effect of Change in Accounting Principles

The County has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The cumulative effect of this change is summarized below:

	Governmental Activities	Business-type Activities				Total
		Rolling Hills	Solid Waste	Highway	Total	
Net Pension Asset	\$ 2,891,116	\$ 1,055,432	\$ 25,780	\$ 570,868	\$ 1,652,080	\$ 4,543,196
Deferred Outflows of Resources	696,312	257,089	6,546	138,903	402,538	1,098,850
Total Cumulative Effect of Change in Accounting Principle	\$ 3,587,428	\$ 1,312,521	\$ 32,326	\$ 709,771	\$ 2,054,618	\$ 5,642,046

5. Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

**REQUIRED SUPPLEMENTARY INFORMATION**

**MONROE COUNTY, WISCONSIN**  
Schedule of Funding Progress  
Other Post-employment Benefit Plan  
For the Year Ended December 31, 2015

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
1/1/2011	\$ -	\$ 786,474	0.00%	\$ 786,474	\$ 15,526,975	5.07%
1/1/2013	-	589,024	0.00%	589,024	15,328,037	3.84%
1/1/2015	-	567,466	0.00%	567,466	16,439,338	3.45%

See Notes to Required Supplementary Information.



**MONROE COUNTY, WISCONSIN**  
 Schedule of Employer Contributions  
 Other Post-employment Benefit Plan  
 For the Year Ended December 31, 2015

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Contributed
2013	\$ 23,518	\$ 58,840	39.97%
2014	33,098	58,841	56.25%
2015	32,991	61,366	53.76%

See Notes to Required Supplementary Information.

**MONROE COUNTY, WISCONSIN**  
 Schedule of Proportionate Share of the Net Pension Asset  
 Wisconsin Retirement System  
 Last 10 Fiscal Years\*

	2015
Proportion of the net pension asset	0.11312878%
Proportionate share of the net pension asset	\$ 2,778,752
Covered-employee payroll	\$ 14,683,347
Plan fiduciary net position as a percentage of the total pension asset	102.74%

\* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

**MONROE COUNTY, WISCONSIN**  
 Schedule of Contributions  
 Wisconsin Retirement System  
 Last 10 Fiscal Years\*

	2015
Contractually required contributions	\$ 1,098,694
Contributions in relation to the contractually required contributions	\$ 1,098,694
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 14,683,347
Contributions as a percentage of covered-employee payroll	7.48%

\* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

**MONROE COUNTY, WISCONSIN**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2015

**NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71**

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available.

**NOTE B - WISCONSIN RETIREMENT SYSTEM**

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

**NOTE C - SCHEDULE OF FUNDING PROGRESS**

The January 1, 2015 actuarial valuation differs from the January 1, 2013 actuarial valuation due to the following factor:

The medical trend rate in the 2013 valuation started at 10% and decreased to 5% over a period of 6 years. The medical trend rate in the 2015 valuation started at 7.5% and decreased to 5% over a period of 18 years.

## **SUPPLEMENTARY INFORMATION**

**MONROE COUNTY, WISCONSIN**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2015

	Special Revenue					Total Nonmajor Governmental Funds
	Senior Services	Child Support	Health	Jail Assessment	Local History Room	
<b>ASSETS</b>						
Cash and investments	\$ 50	\$ -	\$ 9,623	\$ 328,690	\$ 170,107	\$ 508,470
Restricted cash and investments	42,977	-	-	-	802,733	845,710
Receivables						
Taxes	251,462	-	427,276	-	-	678,738
Accounts	60,777	103,177	24,388	3,767	-	192,109
Other	15	-	-	-	-	15
<b>TOTAL ASSETS</b>	<b>\$ 355,281</b>	<b>\$ 103,177</b>	<b>\$ 461,287</b>	<b>\$ 332,457</b>	<b>\$ 972,840</b>	<b>\$ 2,225,042</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 36,863	\$ 5,889	\$ 4,665	\$ 10,475	\$ -	\$ 57,892
Accrued and other current liabilities	20,482	13,419	26,527	-	-	60,428
Due to other funds	979	32,540	-	14,561	8,994	57,074
Unearned revenues	2,503	-	2,819	-	-	5,322
Total Liabilities	60,827	51,848	34,011	25,036	8,994	180,716
Deferred Inflows of Resources						
Property taxes	251,462	-	427,276	-	-	678,738
Interest	15	-	-	-	-	15
Total Deferred Inflows of Resources	251,477	-	427,276	-	-	678,753
Fund Balances						
Nonspendable	-	-	-	-	671,027	671,027
Restricted	42,977	51,329	-	307,421	131,706	533,433
Assigned	-	-	-	-	161,113	161,113
Total Fund Balances	42,977	51,329	-	307,421	963,846	1,365,573
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 355,281</b>	<b>\$ 103,177</b>	<b>\$ 461,287</b>	<b>\$ 332,457</b>	<b>\$ 972,840</b>	<b>\$ 2,225,042</b>

**MONROE COUNTY, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015

	Special Revenue					Total Nonmajor Governmental Funds
	Senior Services	Child Support	Health	Jail Assessment	Local History Room	
Revenues						
Taxes	\$ 257,117	\$ -	\$ 374,379	\$ -	\$ -	\$ 631,496
Intergovernmental	364,069	499,220	382,439	-	-	1,245,728
Public charges for services	316,655	3,255	137,907	53,152	-	510,969
Miscellaneous	15,080	-	5,830	1,904	378,326	401,140
Total Revenues	<u>952,921</u>	<u>502,475</u>	<u>900,555</u>	<u>55,056</u>	<u>378,326</u>	<u>2,789,333</u>
Expenditures						
Current						
Public safety	-	-	-	58,155	-	58,155
Health and human services	885,568	456,145	805,004	-	-	2,146,717
Total Expenditures	<u>885,568</u>	<u>456,145</u>	<u>805,004</u>	<u>58,155</u>	<u>-</u>	<u>2,204,872</u>
Excess of Revenues Over (Under) Expenditures	<u>67,353</u>	<u>46,330</u>	<u>95,551</u>	<u>(3,099)</u>	<u>378,326</u>	<u>584,461</u>
Other Financing Uses						
Transfers out	<u>(87,831)</u>	<u>(46,330)</u>	<u>(95,551)</u>	<u>(14,561)</u>	<u>(19,524)</u>	<u>(263,797)</u>
Net Change in Fund Balances	<u>(20,478)</u>	<u>-</u>	<u>-</u>	<u>(17,660)</u>	<u>358,802</u>	<u>320,664</u>
Fund Balances - January 1	<u>63,455</u>	<u>51,329</u>	<u>-</u>	<u>325,081</u>	<u>605,044</u>	<u>1,044,909</u>
Fund Balances - December 31	<u>\$ 42,977</u>	<u>\$ 51,329</u>	<u>\$ -</u>	<u>\$ 307,421</u>	<u>\$ 963,846</u>	<u>\$ 1,365,573</u>

**MONROE COUNTY, WISCONSIN**  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2015

	Information Systems	Information Technology	Workers Compensation	Total Internal Service Funds
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 37,484	\$ 531,966	\$ 2,752,104	\$ 3,321,554
Receivables				
Taxes	941,803	-	-	941,803
Accounts	8,182	-	-	8,182
Total Current Assets	<u>987,469</u>	<u>531,966</u>	<u>2,752,104</u>	<u>4,271,539</u>
<b>TOTAL ASSETS</b>	<u>987,469</u>	<u>531,966</u>	<u>2,752,104</u>	<u>4,271,539</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	23,365	3,404	-	26,769
Accrued and other current liabilities	10,559	-	328,678	339,237
Total Current Liabilities	<u>33,924</u>	<u>3,404</u>	<u>328,678</u>	<u>366,006</u>
<b>TOTAL LIABILITIES</b>	<u>33,924</u>	<u>3,404</u>	<u>328,678</u>	<u>366,006</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	<u>941,803</u>	<u>-</u>	<u>-</u>	<u>941,803</u>
<b>NET POSITION</b>				
Unrestricted	<u>\$ 11,742</u>	<u>\$ 528,562</u>	<u>\$ 2,423,426</u>	<u>\$ 2,963,730</u>



**MONROE COUNTY, WISCONSIN**

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the Year Ended December 31, 2015

	Information Systems	Information Technology	Workers Compensation	Total Internal Service Funds
Operating Revenues				
Intergovernmental charges for services	\$ 48,623	\$ 135,220	\$ 491,809	\$ 675,652
Other operating revenues	-	-	9,072	9,072
Total Operating Revenues	<u>48,623</u>	<u>135,220</u>	<u>500,881</u>	<u>684,724</u>
Operating Expenses				
Salaries and fringe benefits	278,254	-	-	278,254
Contractual services	636,512	63,305	122,139	821,956
Supplies	85	-	-	85
Insurance and other fixed charges	-	-	(23,711)	(23,711)
Total Operating Expenses	<u>914,851</u>	<u>63,305</u>	<u>98,428</u>	<u>1,076,584</u>
Operating Income (Loss)	<u>(866,228)</u>	<u>71,915</u>	<u>402,453</u>	<u>(391,860)</u>
Nonoperating Revenues				
General property taxes	875,198	-	-	875,198
Interest income	-	-	7,246	7,246
Total Nonoperating Revenues	<u>875,198</u>	<u>-</u>	<u>7,246</u>	<u>882,444</u>
Net Income Before Transfers	8,970	71,915	409,699	490,584
Transfers out	<u>(8,978)</u>	<u>-</u>	<u>-</u>	<u>(8,978)</u>
Change in Net Position	(8)	71,915	409,699	481,606
Net Position - January 1	<u>11,750</u>	<u>456,647</u>	<u>2,013,727</u>	<u>2,482,124</u>
Net Position - December 31	<u>\$ 11,742</u>	<u>\$ 528,562</u>	<u>\$ 2,423,426</u>	<u>\$ 2,963,730</u>

**MONROE COUNTY, WISCONSIN**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2015

	Information Systems	Technology Pool	Workers Compensation	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 40,441	\$ 135,220	\$ 500,881	\$ 676,542
Cash payments to suppliers	(651,001)	(70,089)	(209,036)	(930,126)
Cash payments to employees	(274,864)	-	-	(274,864)
Net Cash Provided (Used) by Operating Activities	<u>(885,424)</u>	<u>65,131</u>	<u>291,845</u>	<u>(528,448)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
General property taxes	875,198	-	-	875,198
Transfers out	(8,978)	-	-	(8,978)
Net Cash Provided by Noncapital Financing Activities	<u>866,220</u>	<u>-</u>	<u>-</u>	<u>866,220</u>
<b>Cash Flows from Investing Activities</b>				
Interest income received	-	-	7,246	7,246
Change in Cash and Cash Equivalents	(19,204)	65,131	299,091	345,018
Cash and Cash Equivalents - January 1	<u>56,688</u>	<u>466,835</u>	<u>2,453,013</u>	<u>2,976,536</u>
Cash and Cash Equivalents - December 31	<u>\$ 37,484</u>	<u>\$ 531,966</u>	<u>\$ 2,752,104</u>	<u>\$ 3,321,554</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (866,228)	\$ 71,915	\$ 402,453	\$ (391,860)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities				
Accounts receivable	(8,182)	-	-	(8,182)
Prepaid items	14,381	-	-	14,381
Accounts payable	(28,785)	(6,784)	-	(35,569)
Accrued and other current liabilities	3,390	-	(110,608)	(107,218)
Net Cash Provided (Used) by Operating Activities	<u>\$ (885,424)</u>	<u>\$ 65,131</u>	<u>\$ 291,845</u>	<u>\$ (528,448)</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
None				