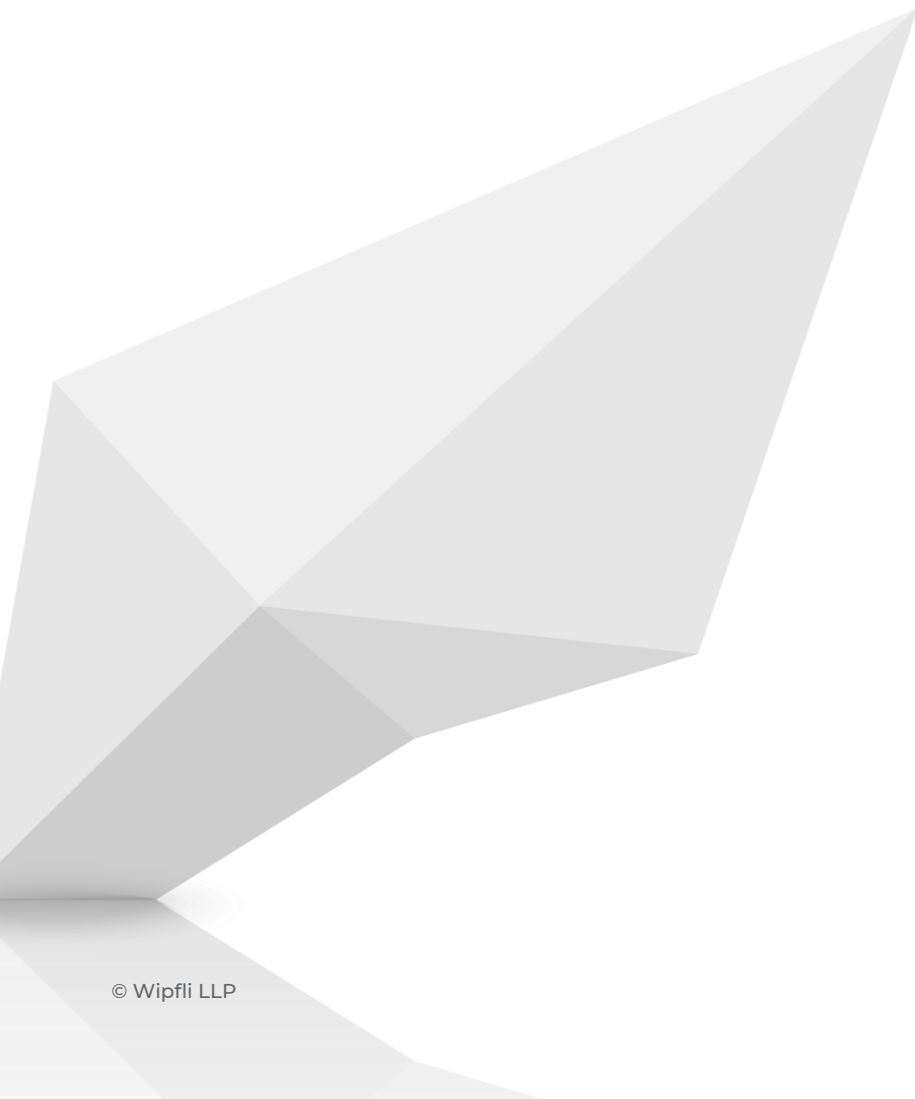


# Monroe County

Sparta, Wisconsin

Financial Report

Year Ended 12/31/2021



# Monroe County, Wisconsin

## Financial Statements and Supplementary Financial Information Year Ended December 31, 2021

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## **Independent Auditor's Report**

County Board of Supervisors  
Monroe County  
Sparta, Wisconsin

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

#### ***Opinions***

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, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Wisconsin, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Human Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension asset (liability) and contributions – Wisconsin Retirement System and the schedule of changes in the County's total OPEB liability and related ratios on pages 4 through 10 and 57 through 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to

the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Financial Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining fund statements and schedule of federal and state assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements and schedule of federal and state assistance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

June 20, 2022  
Madison, Wisconsin

# **Management's Discussion and Analysis**

# Monroe County, Wisconsin

## Management's Discussion and Analysis

### For the Year Ended December 31, 2021

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, 2021.

#### Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflow of resources as of December 31, 2021 by \$117.52 million (net position). Of this amount, \$22.9 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 \$8,651,709. This increase was due primarily to an increase in funding that was used to increase the County's net investment in capital assets.
- As of December 31, 2021, the County's governmental funds reported combined ending fund balances of \$23.5 million, an increase of \$6,148,951 in comparison with the prior year.
- As of December 31, 2021, unassigned fund balance for the general fund was \$5.3 million.
- The County's total general-obligation debt increased by \$22,525,000 during 2021.

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

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

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

The government-wide financial statements can be found on pages 11 - 13 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. The funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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

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

The basic governmental fund financial statements can be found on pages 14 - 19 of this report.

**Proprietary funds.** The County maintains enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its nursing home, solid waste, and highway, which are all considered to be major funds of the County. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its information systems, technology pool, workers' compensation, and self-funded health insurance. The four 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 20 - 24 of this report.



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

The basic fiduciary fund financial statements can be found on pages 25 and 26 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 27 - 56 of this report.

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

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

## Government-wide Financial Analysis

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$117.62 million at the close of 2021.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 51,125,469	\$ 39,807,492	\$ 36,203,982	\$ 23,718,255	\$ 87,329,451	\$ 63,525,747
Capital assets	87,367,624	85,374,247	22,430,059	11,345,276	109,797,683	96,719,523
<b>Total assets</b>	<b>138,493,093</b>	<b>125,181,739</b>	<b>58,634,041</b>	<b>35,063,531</b>	<b>197,127,134</b>	<b>160,245,270</b>
<b>Total deferred outflows of resources</b>	<b>8,490,534</b>	<b>6,037,800</b>	<b>4,079,938</b>	<b>2,947,257</b>	<b>12,570,472</b>	<b>8,985,057</b>
Long-term liabilities	20,667,437	18,283,998	25,707,904	5,775,939	46,375,341	24,059,937
Other liabilities	7,700,069	4,489,819	3,031,392	1,996,140	10,731,461	6,485,959
<b>Total liabilities</b>	<b>28,367,506</b>	<b>22,773,817</b>	<b>28,739,296</b>	<b>7,772,079</b>	<b>57,106,802</b>	<b>30,545,896</b>
<b>Total deferred inflows of resources</b>	<b>24,015,383</b>	<b>20,320,083</b>	<b>11,052,886</b>	<b>9,493,521</b>	<b>35,068,269</b>	<b>29,813,604</b>
Net position:						
Net investment in capital assets	72,456,087	68,306,732	13,401,349	10,823,463	85,857,436	79,130,195
Restricted	8,710,758	6,035,520	11,972	11,188	8,722,730	6,046,708
Unrestricted	13,433,893	13,783,387	9,508,476	9,910,537	22,942,369	23,693,924
<b>Total net position</b>	<b>\$ 94,600,738</b>	<b>\$ 88,125,639</b>	<b>\$ 22,921,797</b>	<b>\$ 20,745,188</b>	<b>\$ 117,522,535</b>	<b>\$ 108,870,827</b>

By far the largest portion of the County's net position (73%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$22.9 million) may be used to meet the County's ongoing obligations to citizens and creditors.

Change in net position. Governmental activities increased the County's net position by \$6,475,099 while business-type activities increased net position by \$2,176,610. A summary of the changes in net position follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 10,909,795	\$ 4,543,015	\$ 11,276,040	\$ 11,130,489	\$ 22,185,835	\$ 15,673,504
Operating grants and contributions	15,538,568	12,922,532	3,957,291	3,218,226	19,495,859	16,140,758
General revenues:						
Property taxes	13,286,307	12,641,832	5,395,163	5,149,292	18,681,470	17,791,124
Sales tax	4,521,337	3,852,786	-	-	4,521,337	3,852,786
Other taxes	69,905	74,262	-	-	69,905	74,262
Grants and contributions not restricted to specific programs	2,700,268	2,784,623	-	-	2,700,268	2,784,623
Investment income	798,997	755,953	58,259	21,330	857,256	777,283
Other	219,276	120,165	-	-	219,276	120,165
<b>Total revenues</b>	<b>48,044,453</b>	<b>37,695,168</b>	<b>20,686,754</b>	<b>19,519,337</b>	<b>68,731,207</b>	<b>57,214,505</b>
Expenses:						
General government	15,599,082	8,089,017	-	-	15,599,082	8,089,017
Public safety	8,673,329	9,558,253	-	-	8,673,329	9,558,253
Public works	1,513,446	1,607,823	-	-	1,513,446	1,607,823
Health and human services	17,093,951	16,092,213	-	-	17,093,951	16,092,213
Culture, recreation, and education	1,077,197	1,017,443	-	-	1,077,197	1,017,443
Conservation and development	1,557,442	824,608	-	-	1,557,442	824,608
Interest and fiscal charges	406,907	404,996	-	-	406,907	404,996
Nursing home	-	-	7,005,074	7,578,975	7,005,074	7,578,975
Solid waste	-	-	1,185,501	2,335,110	1,185,501	2,335,110
Highway	-	-	5,967,569	5,625,164	5,967,569	5,625,164
<b>Total expenses</b>	<b>45,921,354</b>	<b>37,594,353</b>	<b>14,158,144</b>	<b>15,539,249</b>	<b>60,079,498</b>	<b>53,133,602</b>
Change in net position before transfers	2,123,099	100,815	6,528,610	3,980,088	8,651,709	4,080,903
Transfers	4,352,000	867,069	(4,352,000)	(867,069)	-	-
Change in net position	6,475,099	967,884	2,176,610	3,113,019	8,651,709	4,080,903
Net position - January 1	88,125,639	87,157,755	20,745,188	17,632,169	108,870,827	104,789,924
<b>Net position - December 31</b>	<b>\$ 94,600,738</b>	<b>\$ 88,125,639</b>	<b>\$ 22,921,797</b>	<b>\$ 20,745,188</b>	<b>\$ 117,522,535</b>	<b>\$ 108,870,827</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. 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, 2021, the County's governmental funds reported combined ending fund balances of \$23,501,519, an increase of \$6,148,951 in comparison with the prior year. Approximately 22% of this amount (\$5.3 million) constitutes unassigned fund balance. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been accounted for. The nonspendable amounts include 1) current year prepayments that benefit periods beyond the end of the current year (\$73,951), 2) the portion of delinquent taxes purchased from other taxing jurisdictions (\$915,146) and 3) nonspendable contributions for Wegner Grotto, local history room endowment and Haney Reserve (\$2,128,173). The restricted includes 1) amounts restricted by statutes (\$554,085), 2) amounts restricted by donors (\$446,865), and 3) grant programs (\$570,001). The committed amount includes 1) amounts restricted for debt service (\$7,065,587) and 2) \$4,862,089 in various projects approved by the County Board. The assigned amounts represent tentative management plans for certain items in the General Fund (\$990,235), assigned for Human Services (\$300,000) and the Local History Room special revenue fund (\$341,270).

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 \$5,254,117 while total fund balance was \$12,831,384. 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 29% of total general fund expenditures, while total fund balance represents 70% of that same amount. Because the County annually transfers back unassigned fund balances of special revenue funds, the reader of the financial statements should also consider the expenditures of these funds when analyzing the County's general fund.

The County's human services fund increased \$105,346 due primarily to expenditures being less than originally budgeted.

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

Net position of the Rolling Hills Rehabilitation Center at the end of the year amounted to \$5,178,916, an increase of \$1,130,116 as expenditures were less than revenue.

Net position of the solid waste fund at the end of the year amounted to \$3,319,527, an increase of \$1,751,669 over the prior year due to estimated operation and maintenance being slightly less than fees.

Net position of the highway fund at the end of the year amounted to \$14,035,199, a decrease of \$633,649 over the prior year due primarily to large projects being undertaken.

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

## General Fund Budgetary Highlights

The County's general fund balance increased \$3,164,980 during the current year. Key factors in this change are as follows:

- The general fund transferred \$1,054,645 to other funds in the current year.
- Overall expenditures were less than final budget amounts by \$4,590,698.

Budgetary amendments were made during the year as noted on page 18 of the financial statements. The main changes were to account for amounts carried over from the prior year and funding transfers to other funds.

## Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$109,797,683 (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 \$13,078,160 over last year mainly due to construction in progress on a new nursing home.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,705,187	\$ 1,705,187	\$ 574,911	\$ 574,911	\$ 2,280,098	\$ 2,280,098
Construction in progress	3,815,498	223,898	13,890,482	2,633,198	17,705,980	2,857,096
Land improvements	147,036	162,618	1,148,806	1,172,819	1,295,842	1,335,437
Buildings	37,158,618	37,712,798	1,258,837	1,402,289	38,417,455	39,115,087
Machinery and equipment	4,426,209	4,960,828	5,557,025	5,562,059	9,983,234	10,522,887
Infrastructure	40,115,076	40,608,918	-	-	40,115,076	40,608,918
<b>Total</b>	<b>\$ 87,367,624</b>	<b>\$ 85,374,247</b>	<b>\$ 22,430,059</b>	<b>\$ 11,345,276</b>	<b>\$ 109,797,683</b>	<b>\$ 96,719,523</b>

**Long-term debt.** At the end of the current fiscal year, the County had total general obligation debt outstanding of \$39,115,000 backed by the full faith and credit of the government.

	Governmental Activities	
	2021	2020
General obligation debt:		
Bonds	\$ 39,115,000	\$ 16,590,000

The County's general obligation debt increased \$22,525,000 during the current fiscal year. State statutes limit the amount of general obligation debt the County may issue up to 5% of its total equalized valuation. The current debt limitation for the County is \$196,733,235, which is significantly higher than the County's \$39,115,000 in outstanding general obligation debt.

## **Economic and Other Factors**

Groundbreaking and construction began May 26, 2021 for the new Rolling Hills Nursing Home/Senior Living facility. \$20 million in General Obligation Bonds were issued and \$2,437,852 in American Recovery Act funding was used to build the new facility. Occupancy is scheduled for early September 2022.

In January 2022, the Board approved a resolution to issue \$5 million in General Obligation Bonds to be used for construction and improvement of County highways. The \$5 million in bonds were issued March 2022.

Monroe County has been allocated \$8,984,103 American Recovery Act funding. The first half of the funds (\$4,492,052) were received in May 2021 and the second half of the funds were received in June 2022. The county has identified projects for this funding.

## **Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 124 N Court Street, Sparta, WI 54656.

# **Basic Financial Statements**

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# Monroe County, Wisconsin

## Statement of Net Position

December 31, 2021

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 20,946,102	\$ 8,194,286	\$ 29,140,388
Receivables			
Taxes	12,861,494	5,732,087	18,593,581
Delinquent taxes	1,152,903	-	1,152,903
Accounts	3,598,354	2,090,316	5,688,670
Internal balances	(388,155)	388,155	-
Due from other governments	-	1,117,978	1,117,978
Inventories and prepaid items	84,187	1,211,184	1,295,371
Restricted assets:			
Cash and investments	7,746,584	13,242,584	20,989,168
Deposits with the State	-	1,797,853	1,797,853
Net pension asset	5,011,634	2,429,538	7,441,172
Loans receivables	112,366	-	112,366
Capital assets, nondepreciable	5,520,685	14,465,392	19,986,077
Capital assets, depreciable, net	81,846,939	7,964,667	89,811,606
Total assets	<u>138,493,093</u>	<u>58,634,041</u>	<u>197,127,134</u>
Deferred outflows of resources:			
Deferred outflows-pension/OPEB	8,490,534	4,079,938	12,570,472
<b>Liabilities:</b>			
Accounts payable	1,721,559	2,292,029	4,013,588
Other accrued liabilities	1,522,023	288,980	1,811,003
Accrued interest payable	299,753	12,314	312,067
Due to other governments	338,066	209	338,275
Unearned revenues	3,818,668	422,712	4,241,380
Payable from restricted assets			
Resident trust fund payable	-	15,148	15,148
Long-term obligations			
Due within one year	2,706,281	1,156,209	3,862,490
Due in more than one year	17,961,156	24,551,695	42,512,851
Total liabilities	<u>28,367,506</u>	<u>28,739,296</u>	<u>57,106,802</u>
Deferred inflows of resources:			
Property taxes	12,861,494	5,732,087	18,593,581
Deferred inflows related to pensions	11,153,889	5,320,799	16,474,688
Total deferred inflows of resources	<u>24,015,383</u>	<u>11,052,886</u>	<u>35,068,269</u>
Net position:			
Net investment in capital assets	72,456,087	14,013,021	86,469,108
Restricted	8,710,758	11,972	8,722,730
Unrestricted	13,433,893	8,896,804	22,330,697
Total net position	<u>\$ 94,600,738</u>	<u>\$ 22,921,797</u>	<u>\$ 117,522,535</u>

See accompanying notes to the financial statements.

# Monroe County, Wisconsin

## Statement of Activities

For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 15,599,082	\$ 8,459,048	\$ 2,471,219
Public safety	8,673,329	506,534	429,194
Public works	1,513,446	102,629	5,070
Health and human services	17,093,951	1,454,241	12,004,587
Culture, recreation and education	1,077,197	227,904	273,580
Conservation and development	1,557,442	159,439	354,918
Interest and fiscal charges	406,907	-	-
Total governmental activities	<u>45,921,354</u>	<u>10,909,795</u>	<u>15,538,568</u>
Business-type activities:			
Nursing home	6,555,384	5,272,026	1,535,149
Solid waste	1,635,191	2,779,010	153,212
Highway	5,967,569	3,225,004	2,268,930
Total business-type activities	<u>14,158,144</u>	<u>11,276,040</u>	<u>3,957,291</u>
Total	<u>\$ 60,079,498</u>	<u>\$ 22,185,835</u>	<u>\$ 19,495,859</u>

### General revenues:

#### Taxes:

Property taxes, levied for general purposes

Sales tax

Other taxes

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

Investment income

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending



# Monroe County, Wisconsin

## Statement of Activities - Continued

For the Year Ended December 31, 2021

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (4,668,815)	\$ -	\$ (4,668,815)
(7,737,601)	-	(7,737,601)
(1,405,747)	-	(1,405,747)
(3,635,123)	-	(3,635,123)
(575,713)	-	(575,713)
(1,043,085)	-	(1,043,085)
(406,907)	-	(406,907)
<u>(19,472,991)</u>	<u>-</u>	<u>(19,472,991)</u>
-	251,791	251,791
-	1,297,031	1,297,031
-	(473,635)	(473,635)
-	<u>1,075,187</u>	<u>1,075,187</u>
<u>(19,472,991)</u>	<u>1,075,187</u>	<u>(18,397,804)</u>
13,286,307	5,395,163	18,681,470
4,521,337	-	4,521,337
69,905	-	69,905
2,700,268	-	2,700,268
798,997	58,259	857,256
219,276	-	219,276
4,352,000	(4,352,000)	-
<u>25,948,090</u>	<u>1,101,422</u>	<u>27,049,512</u>
6,475,099	2,176,610	8,651,709
<u>88,125,639</u>	<u>20,745,188</u>	<u>108,870,827</u>
<u>\$ 94,600,738</u>	<u>\$ 22,921,797</u>	<u>\$ 117,522,535</u>

See accompanying notes to the financial statements.

# Monroe County, Wisconsin

Balance Sheet  
 Governmental Funds  
 December 31, 2021

	General	Human Services	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and investments	\$ 14,507,418	\$ 7,224	\$ 2,344,353	\$ 498,824	\$ 17,357,819
Restricted cash and investments	199,429	26,451	4,707,188	2,813,516	7,746,584
Receivables					
Taxes	7,319,536	3,905,354	-	440,000	11,664,890
Delinquent taxes	1,152,903	-	-	-	1,152,903
Accounts	1,545,252	1,547,713	14,046	219,891	3,326,902
Other	112,366	-	-	-	112,366
Due from other funds	575,152	-	-	-	575,152
Prepaid items	73,951	10,236	-	-	84,187
<b>Total assets</b>	<b>\$ 25,486,007</b>	<b>\$ 5,496,978</b>	<b>\$ 7,065,587</b>	<b>\$ 3,972,231</b>	<b>\$ 42,020,803</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	382,723	695,935	-	52,392	1,131,050
Other accrued liabilities	864,577	141,023	-	38,100	1,043,700
Due to other funds	-	411,510	-	163,642	575,152
Due to other governments	338,066	-	-	-	338,066
Unearned revenues	3,361,069	16,705	-	-	3,377,774
<b>Total liabilities</b>	<b>4,946,435</b>	<b>1,265,173</b>	<b>-</b>	<b>254,134</b>	<b>6,465,742</b>
<b>Deferred inflows of resources:</b>					
Property taxes	7,319,536	3,905,354	-	440,000	11,664,890
Delinquent taxes	388,652	-	-	-	388,652
<b>Total deferred inflows of resources</b>	<b>7,708,188</b>	<b>3,905,354</b>	<b>-</b>	<b>440,000</b>	<b>12,053,542</b>
<b>Fund balances:</b>					
Nonspendable	990,097	-	-	2,127,173	3,117,270
Restricted	769,142	26,451	-	775,358	1,570,951
Committed	4,827,793	-	7,065,587	34,296	11,927,676
Assigned	990,235	300,000	-	341,270	1,631,505
Unassigned	5,254,117	-	-	-	5,254,117
<b>Total fund balances</b>	<b>12,831,384</b>	<b>326,451</b>	<b>7,065,587</b>	<b>3,278,097</b>	<b>23,501,519</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 25,486,007</b>	<b>\$ 5,496,978</b>	<b>\$ 7,065,587</b>	<b>\$ 3,972,231</b>	<b>\$ 42,020,803</b>

# Monroe County, Wisconsin

## Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position December 31, 2021

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Total fund balance - governmental funds	\$ 23,501,519
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements	87,367,624
Other long-term assets are not available to pay current expenditures and therefore are deferred in the funds:	
Delinquent taxes	388,652
The County's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource, therefore, it is not reported in the fund statements:	
Net pension asset	5,011,635
Deferred outflows of resources	8,490,534
Deferred inflows of resources	(11,153,889)
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	1,961,854
Some liabilities are not due and payable in the current period and, therefore are not reported in the funds:	
Bonds and notes payable	(19,165,000)
Debt premium	(313,847)
Forest crop loans payable	(159,462)
Capital lease payable	(14,712)
Compensated absences	(606,745)
Post-employment health benefits payable	(407,671)
Accrued interest on long-term obligations	(299,754)
Total net position of governmental activities	<u>\$ 94,600,738</u>

# Monroe County, Wisconsin

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

For the Year Ended December 31, 2021

	General	Human Services	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 12,518,758	\$ 3,851,823	\$ -	\$ 503,091	\$ 16,873,672
Intergovernmental	6,038,093	11,074,020	-	1,228,012	18,340,125
Licenses and permits	252,327	-	-	-	252,327
Fines and forfeits	349,372	-	-	-	349,372
Public charges for services	1,484,856	886,676	205,863	172,824	2,750,219
Intergovernmental charges	798,783	-	-	-	798,783
Miscellaneous	498,232	2,959	1,676	428,976	931,843
<b>Total revenues</b>	<b>21,940,421</b>	<b>15,815,478</b>	<b>207,539</b>	<b>2,332,903</b>	<b>40,296,341</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	6,665,646	-	-	-	6,665,646
Public safety	8,078,454	-	-	123,360	8,201,814
Public works	138,958	-	-	-	138,958
Health and human services	321,315	15,548,218	-	1,724,503	17,594,036
Culture and recreation	1,072,642	-	-	-	1,072,642
Conservation and development	1,584,137	-	-	-	1,584,137
<b>Debt service:</b>					
Principal	25,503	-	1,935,000	-	1,960,503
Interest and fiscal charges	2,490	-	437,574	-	440,064
Capital outlay	419,550	-	-	-	419,550
<b>Total expenditures</b>	<b>18,308,695</b>	<b>15,548,218</b>	<b>2,372,574</b>	<b>1,847,863</b>	<b>38,077,350</b>
<b>Excess of revenues over (under) expenditures</b>	<b>3,631,726</b>	<b>267,260</b>	<b>(2,165,035)</b>	<b>485,040</b>	<b>2,218,991</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	587,899	-	-	-	587,899
Transfers out	(1,054,645)	(161,914)	-	(146,892)	(1,363,451)
Debt proceeds	-	-	4,510,000	-	4,510,000
Debt premium	-	-	195,512	-	195,512
<b>Total other financing sources (uses)</b>	<b>(466,746)</b>	<b>(161,914)</b>	<b>4,705,512</b>	<b>(146,892)</b>	<b>3,929,960</b>
<b>Net Change in Fund Balances</b>	<b>3,164,980</b>	<b>105,346</b>	<b>2,540,477</b>	<b>338,148</b>	<b>6,148,951</b>
<b>Fund Balances - Beginning</b>	<b>9,666,404</b>	<b>221,105</b>	<b>4,525,110</b>	<b>2,939,949</b>	<b>17,352,568</b>
<b>Fund Balances - Ending</b>	<b>\$ 12,831,384</b>	<b>\$ 326,451</b>	<b>\$ 7,065,587</b>	<b>\$ 3,278,097</b>	<b>\$ 23,501,519</b>

See accompanying notes to the financial statements.

# Monroe County, Wisconsin

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2021

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Net change in fund balance - governmental funds	\$ 6,148,951
<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	4,942,571
Depreciation expense reported in the statement of activities	(2,949,194)
Book value of assets disposed	-
<p>Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.</p>	
	1,498,603
<p>Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.</p>	
Principal payments on general obligation bonds	1,935,000
Principal payments on forest crop loan and capital leases	25,503
Amortization of premiums	158,391
<p>The issuance of long-term debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position.</p>	
Issuance of bond principal and premium	(4,705,512)
<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>	
	(125,234)
<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	(61,067)
<p>The net expenses of certain activities of internal service funds are reported with governmental activities</p>	
	<u>(392,913)</u>
Change in net position - governmental activities	<u>\$ 6,475,099</u>

# Monroe County, Wisconsin

## Statement of Revenues, Expenditures and Changes in Fund Balance

### Budget and Actual

### General Fund

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 11,305,371	\$ 11,776,061	\$ 12,518,758	\$ 742,697
Intergovernmental	5,831,886	5,990,247	6,038,093	47,846
Licenses and permits	217,330	229,190	252,327	23,137
Fines and forfeits	254,665	254,665	349,372	94,707
Public charges for services	1,370,366	1,355,039	1,484,856	129,817
Intergovernmental charges	720,053	777,378	798,783	21,405
Miscellaneous	685,093	3,501,157	498,232	(3,002,925)
<b>Total revenues</b>	<b>20,384,764</b>	<b>23,883,737</b>	<b>21,940,421</b>	<b>(1,943,316)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	6,850,804	7,216,766	6,665,646	551,120
Public safety	8,761,238	8,870,322	8,078,454	791,868
Public works	180,906	187,622	138,958	48,664
Health and human services	333,087	414,411	321,315	93,096
Culture and recreation	1,164,245	1,231,869	1,072,642	159,227
Conservation and development	2,662,984	3,356,188	1,584,137	1,772,051
<b>Debt service:</b>				
Principal	30,000	30,000	25,503	4,497
Interest	-	-	2,490	(2,490)
Capital outlay	485,301	1,592,215	419,550	1,172,665
<b>Total expenditures</b>	<b>20,468,565</b>	<b>22,899,393</b>	<b>18,308,695</b>	<b>4,590,698</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(83,801)</b>	<b>984,344</b>	<b>3,631,726</b>	<b>2,647,382</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	83,801	83,801	587,899	504,098
Transfers out	-	(1,068,145)	(1,054,645)	13,500
<b>Total other financing sources (uses)</b>	<b>83,801</b>	<b>(984,344)</b>	<b>(466,746)</b>	<b>517,598</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>3,164,980</b>	<b>3,164,980</b>
<b>Fund Balances - Beginning</b>	<b>9,666,404</b>	<b>9,666,404</b>	<b>9,666,404</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 9,666,404</b>	<b>\$ 9,666,404</b>	<b>\$ 12,831,384</b>	<b>\$ 3,164,980</b>

See accompanying notes to the financial statements.

# Monroe County, Wisconsin

## Statement of Revenues, Expenditures and Changes in Fund Balance

### Budget and Actual

### Human Services Fund

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,852,033	\$ 3,851,823	\$ 3,851,823	\$ -
Intergovernmental charges	9,234,745	11,202,732	11,074,020	(128,712)
Public charges for services	1,035,174	1,035,642	886,676	(148,966)
Miscellaneous	10,400	11,617	2,959	(8,658)
Total revenues	14,132,352	16,101,814	15,815,478	(286,336)
Expenditures:				
Current:				
Health and human services	14,132,352	16,101,814	15,548,218	553,596
Excess of revenues over (under) expenditures	-	-	267,260	267,260
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(161,914)	(161,914)
Total other financing sources (uses)	-	-	(161,914)	(161,914)
Net change in fund balances	-	-	105,346	105,346
Fund Balances - Beginning	221,105	221,105	221,105	-
Fund Balances - Ending	\$ 221,105	\$ 221,105	\$ 326,451	\$ 105,346

# Monroe County, Wisconsin

## Statement of Net Position

### Proprietary Funds

December 31, 2021

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and investments	\$ 2,179,397	\$ 379,886	\$ 5,635,003	\$ 8,194,286	\$ 3,588,283
Receivables					
Taxes	1,288,915	-	4,443,172	5,732,087	1,196,604
Accounts	698,122	646,750	745,444	2,090,316	271,454
Due from other governments	-	-	1,117,978	1,117,978	-
Inventories and prepaid items	17,347	-	1,193,837	1,211,184	-
<b>Total current assets</b>	<b>4,183,782</b>	<b>1,026,636</b>	<b>13,135,434</b>	<b>18,345,852</b>	<b>5,056,341</b>
<b>Noncurrent assets:</b>					
<b>Restricted assets:</b>					
Cash and investments	12,180,702	1,061,882	-	13,242,584	-
Deposits with the State	-	1,797,853	-	1,797,853	-
Net pension asset	1,417,192	44,187	968,159	2,429,538	-
<b>Capital assets, nondepreciable</b>					
Land	7,269	384,595	183,047	574,911	-
Construction in progress	11,557,512	2,332,970	-	13,890,482	-
<b>Capital assets, depreciable</b>					
Land improvements	497,496	5,008,910	730,814	6,237,220	-
Buildings and improvements	5,310,249	214,262	3,547,211	9,071,722	-
Machinery and equipment	2,658,935	274,755	14,799,999	17,733,689	-
Less: Accumulated depreciation	(7,226,355)	(4,494,517)	(13,357,093)	(25,077,965)	-
<b>Total capital assets, net of     accumulated depreciation</b>	<b>12,805,106</b>	<b>3,720,975</b>	<b>5,903,978</b>	<b>22,430,059</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>26,403,000</b>	<b>6,624,897</b>	<b>6,872,137</b>	<b>39,900,034</b>	<b>-</b>
<b>Total assets</b>	<b>30,586,782</b>	<b>7,651,533</b>	<b>20,007,571</b>	<b>58,245,886</b>	<b>5,056,341</b>
<b>Deferred outflows of resources:</b>					
Deferred outflows-pension/OPEB	2,370,753	75,765	1,633,420	4,079,938	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 32,957,535</b>	<b>\$ 7,727,298</b>	<b>\$ 21,640,991</b>	<b>\$ 62,325,824</b>	<b>\$ 5,056,341</b>

See accompanying notes to the financial statements.



# Monroe County, Wisconsin

## Statement of Net Position - Continued

### Proprietary Funds

December 31, 2021

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	1,893,725	213,645	184,868	2,292,238	590,510
Other accrued liabilities	121,767	4,684	162,529	288,980	478,323
Accrued interest	-	12,314	-	12,314	-
Unearned revenues	102,755	-	319,957	422,712	440,895
Compensated absences	174,017	5,399	97,063	276,479	-
Long-term debt-current portion	611,672	268,058	-	879,730	-
<b>Total current liabilities</b>	<b>2,903,936</b>	<b>504,100</b>	<b>764,417</b>	<b>4,172,453</b>	<b>1,509,728</b>
Payable from restricted assets					
Resident trust fund payable	15,148	-	-	15,148	-
<b>Noncurrent liabilities:</b>					
Bonds payable	19,338,328	-	-	19,338,328	-
Bond premium	964,234	-	-	964,234	-
OPEB liability	198,245	3,375	115,465	317,085	-
Compensated absences	68,915	998	61,337	131,250	-
Post closure	-	3,800,798	-	3,800,798	-
<b>Total noncurrent liabilities</b>	<b>20,569,722</b>	<b>3,805,171</b>	<b>176,802</b>	<b>24,551,695</b>	<b>-</b>
<b>Total liabilities</b>	<b>23,488,806</b>	<b>4,309,271</b>	<b>941,219</b>	<b>28,739,296</b>	<b>1,509,728</b>
<b>Deferred inflows of resources:</b>					
Property taxes	1,288,915	-	4,443,172	5,732,087	1,196,604
Related to pensions	3,000,898	98,500	2,221,401	5,320,799	-
<b>Total deferred inflows</b>	<b>4,289,813</b>	<b>98,500</b>	<b>6,664,573</b>	<b>11,052,886</b>	<b>1,196,604</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>27,778,619</b>	<b>4,407,771</b>	<b>7,605,792</b>	<b>39,792,182</b>	<b>2,706,332</b>
<b>Net position:</b>					
Net investment in capital assets	4,656,126	3,452,917	5,903,978	14,013,021	-
Restricted for:					
Resident trust	11,972	-	-	11,972	-
Unrestricted (deficit)	510,818	(133,390)	8,131,221	8,508,649	2,350,009
<b>Total net position</b>	<b>5,178,916</b>	<b>3,319,527</b>	<b>14,035,199</b>	<b>22,533,642</b>	<b>2,350,009</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 32,957,535</b>	<b>\$ 7,727,298</b>	<b>\$ 21,640,991</b>	<b>\$ 62,325,824</b>	<b>\$ 5,056,341</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				388,155	
Net position of business-type activities as reported on the Statement of Net Position				<u>\$ 22,921,797</u>	

See accompanying notes to the financial statements.

# Monroe County, Wisconsin

## Statement of Revenues, Expenses and Changes in Net Position

### Proprietary Funds

For the Year Ended December 31, 2021

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Charges for services	\$ 5,272,026	\$ 2,779,010	\$ 3,168,530	\$ 11,219,566	\$ -
Intergovernmental charges for services	-	-	56,474	56,474	5,076,956
Other operating revenues	-	-	-	-	1,584,422
Total operating revenues	<u>5,272,026</u>	<u>2,779,010</u>	<u>3,225,004</u>	<u>11,276,040</u>	<u>6,661,378</u>
Operating expenses:					
Operation and maintenance	6,385,433	1,133,938	9,498,284	17,017,655	9,257,878
Depreciation	169,951	24,238	749,759	943,948	-
Total operating expenses	<u>6,555,384</u>	<u>1,158,176</u>	<u>10,248,043</u>	<u>17,961,603</u>	<u>9,257,878</u>
Operating income (loss)	<u>(1,283,358)</u>	<u>1,620,834</u>	<u>(7,023,039)</u>	<u>(6,685,563)</u>	<u>(2,596,500)</u>
Nonoperating revenues (expenses):					
General property taxes	1,274,703	-	4,120,460	5,395,163	1,292,551
Intergovernmental aids	1,535,149	153,212	2,268,930	3,957,291	52,500
Interest income	53,311	4,948	-	58,259	11,458
Interest expense	(449,690)	(27,325)	-	(477,015)	-
Total nonoperating revenues (expenses)	<u>2,413,474</u>	<u>130,835</u>	<u>6,389,390</u>	<u>8,933,699</u>	<u>1,356,509</u>
Net income before transfers	<u>1,130,116</u>	<u>1,751,669</u>	<u>(633,649)</u>	<u>2,248,136</u>	<u>(1,239,991)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	1,054,645
Transfers out	-	-	-	-	(279,093)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>775,552</u>
Change in net position	<u>1,130,116</u>	<u>1,751,669</u>	<u>(633,649)</u>	<u>2,248,136</u>	<u>(464,439)</u>
Net position - beginning	<u>4,048,801</u>	<u>1,567,858</u>	<u>14,668,848</u>	<u>20,285,507</u>	<u>2,814,448</u>
Net position - ending	<u>\$ 5,178,916</u>	<u>\$ 3,319,527</u>	<u>\$ 14,035,199</u>	<u>\$ 22,533,642</u>	<u>\$ 2,350,009</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(71,526)</u>	
Changes in net position of business-type activities as reported on the Statement of Activities				<u>\$ 2,176,610</u>	

See accompanying notes to the financial statements.

# Monroe County, Wisconsin

## Statement of Cash Flows

### Proprietary Funds

For the Year Ended December 31, 2021

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 5,456,801	\$ 2,402,123	\$ 2,637,584	\$ 10,496,508	\$ 6,389,924
Cash payments to suppliers	(1,822,886)	(2,255,488)	(9,036,551)	(13,114,925)	(8,227,458)
Cash payments to employees	(5,353,136)	(135,333)	(272,691)	(5,761,160)	(276,668)
Net cash from operating activities	(1,719,221)	11,302	(6,671,658)	(8,379,577)	(2,114,202)
Cash flows from noncapital financing activities:					
General property taxes	1,274,703	-	4,120,460	5,395,163	1,292,551
Intergovernmental grants received	1,535,149	153,212	2,268,930	3,957,291	52,500
Transfer in	-	-	-	-	1,054,645
Transfer out	-	-	-	-	(279,093)
Net cash from noncapital financing activities	2,809,852	153,212	6,389,390	9,352,454	2,120,603
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(9,522,095)	(7,803)	(708,824)	(10,238,722)	-
Proceeds of long-term debt	19,338,328	-	-	19,338,328	-
Premium on long-term debt	964,234	-	-	964,234	-
Principal payments on long-term debt	-	(253,755)	-	(253,755)	-
Interest payments on long-term debt	(449,690)	(27,325)	-	(477,015)	-
Net cash from capital and related financing activities	10,330,777	(288,883)	(708,824)	9,333,070	-
Cash flows from investing activities:					
Interest income received	53,311	4,948	-	58,259	11,458
Change in cash and cash equivalents	11,474,720	(119,421)	(991,092)	10,364,207	17,859
Cash and cash equivalents - beginning	2,273,707	3,359,042	6,626,095	12,258,844	3,570,424
Cash and cash equivalents - ending	\$ 13,748,427	\$ 3,239,621	\$ 5,635,003	\$ 22,623,051	\$ 3,588,283

See accompanying notes to the financial statements.

# Monroe County, Wisconsin

## Statement of Cash Flows - Continued

### Proprietary Funds

For the Year Ended December 31, 2021

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
Reconciliation to Statement of Net Position:					
Cash and investments - Unrestricted	\$ 2,179,397	\$ 379,886	\$ 5,635,003	\$ 8,194,286	\$ 3,588,283
Cash and investments - Restricted	12,180,702	1,061,882	-	13,242,584	-
Deposits with the State - Restricted	-	1,797,853	-	1,797,853	-
Cash and cash equivalents - ending	<u>\$ 14,360,099</u>	<u>\$ 3,239,621</u>	<u>\$ 5,635,003</u>	<u>\$ 23,234,723</u>	<u>\$ 3,588,283</u>
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ (1,283,358)	\$ 1,620,834	\$ (7,023,039)	\$ (6,685,563)	\$ (2,596,500)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	169,951	24,238	749,759	943,948	-
Change in pension related assets, deferred outflows, liabilities and deferred inflows	(537,820)	(13,770)	(221,770)	(773,360)	-
Changes in assets and liabilities					
Receivables	184,775	(376,887)	(620,690)	(812,802)	(271,454)
Due from other governments	-	-	33,270	33,270	-
Inventories and prepaid items	2,164	-	396,039	398,203	97,688
Accounts payable	2,571	(614,660)	80,329	(531,760)	584,813
Accrued and other current liabilities	2,998	984	12,629	16,611	50,514
Compensated absences	(62,924)	634	(45,693)	(107,983)	-
Resident trust fund payable	(3,710)	-	-	(3,710)	-
Unearned revenues	(200,000)	-	(35,899)	(235,899)	20,737
Post-employment health benefits payable	6,133	136	3,407	9,676	-
Post closure liability	-	(630,207)	-	(630,207)	-
Net cash provided (used) by operating activities	<u>\$ (1,719,221)</u>	<u>\$ 11,302</u>	<u>\$ (6,671,658)</u>	<u>\$ (8,379,577)</u>	<u>\$ (2,114,202)</u>
Noncash capital and related financing activities					
Capital assets financed by accounts payable	\$ 1,790,010	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

# Monroe County, Wisconsin

## Statement of Fiduciary Net Position

December 31, 2021

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	<u>Custodial Funds</u>
Assets:	
Cash and investments	<u>\$ 882,752</u>
Net position	
Restricted for Sheriff	94,075
Restricted for Clerk of Courts	<u>788,677</u>
Total net position	<u>\$ 882,752</u>

# Monroe County, Wisconsin

## Statement of Changes in Fiduciary Net Position

### For the Year Ended December 31, 2021

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	Custodial Funds
Additions:	
Sheriff receipts	\$ 480,706
Court of Courts receipts	<u>3,578,958</u>
Total additions	<u>4,059,664</u>
Deductions:	
Sheriff disbursements	487,388
Court of Courts disbursements	<u>3,354,601</u>
Total deductions	<u>3,841,989</u>
Change in net position	217,675
Net position - beginning of year	<u>665,077</u>
Net position - end of year	<u><u>\$ 882,752</u></u>

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Introduction**

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

#### **Reporting Entity**

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

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

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The County does not allocate indirect expenses to functions in the statement of activities.

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

The County reports the following major governmental funds:

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

**Special Revenue Fund – Human Services** - This fund accounts for the resources accumulated and payments made for the human services department. The significant revenues for the fund are property taxes and state and federal grants.

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

The County reports the following major proprietary funds:

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

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

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

In addition, the government reports the following fund types:

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

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

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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



# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

The property tax calendar for the 2021 tax roll, collected in 2021/2022, is:

Lien date and levy date	December 1, 2021
Tax bills mailed	December 1, 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - tax roll delinquent real estate taxes	September 1, 2022

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

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

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

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Deposits and Investments

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

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

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

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

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

#### Accounts Receivable

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

#### Inventories and Prepaid Items

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) method, or market. Prepaid items represent payments made by the County for which benefits extend beyond December 31, 2021.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of 2 years. The Rolling Hills enterprise fund uses a \$1,000 capitalization threshold. Infrastructure capital assets have a \$25,000 capitalization threshold. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Pension Plan**

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

#### **Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with County policy. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. Employees who retire from the County are paid 25% of their accumulated sick leave at their current rate of pay. If an employee leaves for reasons other than retirement, all unused sick leave is forfeited.

#### **Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **Deferred Outflows/Inflows of Resources**

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

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Net Position/Fund Equity**

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

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

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

#### **Budget and Appropriations, Over Expenditures, and Deficit Equity Balances**

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

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

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

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

### Note 2 Cash and Investments

#### Deposits with Financial Institutions

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

The carrying amount of the County's cash and investments on December 31, 2021 is summarized below:

		<u>Fair Value Level</u>
Petty cash and cash on hand	\$ 5,358	N/A
Deposits with financial institutions	48,564,386	N/A
Investments		
Stocks	1,496,477	Level 1
Mutual funds	946,087	Level 1
	<u>\$51,012,308</u>	

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$29,140,388
Restricted cash and investments	20,989,168
Fiduciary fund statement of net position	
Custodial fund	882,752
	<u>\$51,012,308</u>

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### **Note 2: Cash and Investments (Continued)**

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

As of December 31, 2021, the County's bank balance of \$49,555,829 was exposed to custodial credit risk as follows: \$2,580,610 was covered by FDIC insurance, \$2,060,345 was covered by the State of Wisconsin, \$44,914,874 was covered by collateral held in the County's name, and none was uninsured and uncollateralized.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk. As of December 31, 2021, none of the County's investment balances are considered uninsured and uncollateralized.

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 3: Restricted Assets

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

Funds	Amount	Purpose
Governmental Activities:		
General Fund		
Section 125	\$ 43,949	Restricted for Flexible Benefit Claims
Recording fees	154,480	Cash restricted by statute for recording fees
Haney trust	1,000	Cash restricted by donor
Human Services Fund		
Transportation	26,451	DOT Trust
Debt Service Fund		
Refinancing bond proceeds	4,707,188	Restricted for future bond payments
Local History Room Fund	2,813,516	Endowments to cover expenditures at the Local History Room
Total Governmental Activities	<u>7,746,584</u>	
Business-Type Activities:		
Rolling Hills Enterprise Fund		
Resident Trust	27,120	Cash deposited for the benefit of residents
Bond Proceeds	<u>12,153,582</u>	Restricted for nursing home construction
Subtotal	<u>12,180,702</u>	
Solid Waste Enterprise Fund		
Ridgeview I Long-Term Care	313,250	State of Wisconsin Department of Natural Resources to finance the County's closure and postclosure financial responsibilities
Ridgeview II Closure	1,484,603	
Ridgeview II Long-term Care	<u>1,061,882</u>	
Subtotal	<u>2,859,735</u>	
Total Business-Type Activities	<u>15,040,437</u>	
Total Restricted Assets	<u>\$ 22,787,021</u>	



# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 4: Taxes Receivable

Taxes receivable at December 31, 2021, consist of the current (2021) tax roll collectible in 2022 amounting to \$18,593,581 and delinquent property taxes (certificates, sundry tax items, and deeds) amounting to \$1,152,903 for a total \$19,746,484. Property taxes levied in 2021 to finance the 2022 budget became a lien on the date levied and have been recorded as a receivable at December 31, 2021. Since they are not available to fund expenditures until 2022, the County's portion of the current tax roll is recorded as deferred inflows of resources while the state's portion is shown as a liability. Under Wisconsin Statutes, the County's tax levy is apportioned to the local taxing districts for collection. After settlement is made with the local taxing districts, the County treasurer is responsible for the collection of all delinquent property taxes, except delinquent personal property taxes, which may be retained for collection by local taxing districts as is the case in Monroe County. As of the December 31, 2021, delinquent property taxes totaled \$583,549, \$388,652 of which remained uncollected at February 28, 2022, and is recorded as deferred inflows of resources. This amount includes not only the delinquent taxes for levies by Monroe County, but also the delinquent taxes for levies by the state and other local governmental units (cities, villages, towns, school districts, and special districts) within the County. As provided in the statutes, Monroe County has paid the state and local governmental units for their equity in these delinquent property taxes. Experience of previous years' collection indicates it is not necessary to establish an amount for estimated uncollectible delinquent property taxes.

Delinquent property taxes on December 31, 2021, are aged as shown below:

Year Acquired	Total	Delinquent Special Assessments	Property Taxes	
			County Purchased	County Levied
Tax Certificates:				
2014	\$ 152	\$ -	\$ 102	\$ 50
2015	3,548	-	2,472	1,076
2016	35,293	2,640	22,857	9,796
2017	89,647	1,734	63,965	23,948
2018	338,923	11,454	238,507	88,962
2019	571,517	27,012	434,919	109,586
2020	490,617	1,341	376,903	112,373
	<u>1,529,697</u>	<u>44,181</u>	<u>1,139,725</u>	<u>345,791</u>
Tax Deeds	62,144	-	-	62,144
Interest	175,614	-		175,614
	<u>\$ 1,767,455</u>	<u>\$ 44,181</u>	<u>\$ 1,139,725</u>	<u>583,549</u>
Less: 2022 collections within 60 days				<u>194,897</u>
Deferred inflow of resources - delinquent property taxes				<u>\$ 388,652</u>

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,705,187	\$ -	\$ -	\$ -	\$ 1,705,187
Construction in progress	223,898	3,591,600	-	-	3,815,498
Total	1,929,085	3,591,600	-	-	5,520,685
Capital assets, being depreciated:					
Land improvements	378,096	-	-	-	378,096
Buildings and improvements	39,941,893	7,336	-	-	39,949,229
Machinery and equipment	8,866,109	270,325	-	-	9,136,434
Infrastructure	67,878,387	1,073,310	-	42,000	68,909,697
Subtotals	117,064,485	1,350,971	-	42,000	118,373,456
Less accumulated depreciation for:					
Land improvements	607,656	15,582	-	-	623,238
Buildings and improvements	2,229,095	561,516	-	-	2,790,611
Machinery and equipment	3,513,103	804,944	-	-	4,318,047
Infrastructure	27,269,469	1,567,152	-	42,000	28,794,621
Subtotals	33,619,323	2,949,194	-	42,000	36,526,517
Net depreciated capital assets	83,445,162	(1,598,223)	-	-	81,846,939
Net capital assets	\$85,374,247	\$ 1,993,377	\$ -	\$ -	87,367,624
Less related long-term debt outstanding					14,911,537
Net investment in capital assets					<u>\$72,456,087</u>

Depreciation was charged to the following functions:

Governmental activities:	
General government	\$ 257,668
Public safety	1,056,453
Public works	1,573,425
Health and human services	40,834
Culture, recreation, and education	14,850
Conservation and development	5,964
Total governmental activities depreciation	<u>\$ 2,949,194</u>

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 5: Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 574,911	\$ -	\$ -	\$ 574,911
Construction in progress	2,633,198	11,257,284	-	13,890,482
Total	3,208,109	11,257,284	-	14,465,393
Capital assets, being depreciated:				
Land improvements	6,240,329	7,350	10,459	6,237,220
Buildings and improvements	9,090,841	17,182	36,301	9,071,722
Machinery and equipment	17,459,381	772,582	498,274	17,733,689
Subtotals	32,790,551	797,114	545,034	33,042,631
Less accumulated depreciation for:				
Land improvements	5,067,509	31,364	10,458	5,088,415
Buildings and improvements	7,688,554	140,627	16,297	7,812,884
Machinery and equipment	11,897,321	771,957	492,612	12,176,666
Subtotals	24,653,384	943,948	519,367	25,077,965
Net depreciated capital assets	8,137,167	(146,834)	25,667	7,964,666
Net capital assets	<u>\$11,345,276</u>	<u>\$ 11,110,450</u>	<u>\$ 25,667</u>	22,430,059
Less related long-term debt outstanding				9,028,710
Net investment in capital assets				<u>\$13,401,349</u>

Depreciation was charged to the following functions:

<b>Business-type activities:</b>	
Rolling Hills	\$ 169,951
Solid Waste	24,238
Highway	749,759
Total business-type activities depreciation	<u>\$ 943,948</u>

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 6: Long-Term Obligations

The County's long-term obligations activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General obligation debt:					
Bonds	\$ 16,590,000	\$ 4,510,000	\$ 1,935,000	\$ 19,165,000	\$ 2,163,328
Debt premium	312,135	195,512	193,800	313,847	-
Forest crop loans payable	171,205	-	11,743	159,462	-
Capital leases payable	28,472	-	13,760	14,712	14,712
Total OPEB Liability	390,498	17,173	-	407,671	-
Compensated absences	791,688	-	184,943	606,745	528,241
<b>Total</b>	<b>\$ 18,283,998</b>	<b>\$ 4,722,685</b>	<b>\$ 2,339,246</b>	<b>\$ 20,667,437</b>	<b>\$ 2,706,281</b>
<b>Business-Type Activities:</b>					
General obligation debt:					
Bonds	\$ -	\$ 19,950,000	\$ -	\$ 19,950,000	\$ 611,672
Debt premium	-	964,234	-	964,234	-
Landfill closure/postclosure					
Ridgeville Cell I	944,758	-	23,905	920,853	-
Ridgeville Cell II	3,486,247	-	606,302	2,879,945	-
Capital leases payable	521,813	-	253,755	268,058	268,058
Total OPEB Liability	307,409	9,676	-	317,085	-
Compensated absences	515,712	-	107,983	407,729	276,479
<b>Total</b>	<b>\$ 5,775,939</b>	<b>\$ 20,923,910</b>	<b>\$ 991,945</b>	<b>\$ 25,707,904</b>	<b>\$ 1,156,209</b>

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

#### Legal Debt Limit

The Wisconsin State Statutes Chapter 67.03 provides that the amount of indebtedness of a county not exceed 5% of the equalized valuation of the taxable property in the county. The following computation compares the total debt allowable for the County with actual outstanding indebtedness at December 31, 2021:

Equalized valuation	<u>\$ 3,934,664,700</u>
Debt limit 5%	\$ 196,733,235
General obligation indebtedness	39,115,000
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>7,065,587</u>
Net outstanding general obligation debt applicable to debt limitation	<u>32,049,413</u>
Legal debt margin	<u>\$ 164,683,822</u>

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 6: Long-Term Obligations (Continued)

#### General Obligation Debt

The County has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt service requirements are direct obligations and pledge the full faith and credit of the County. General obligation debt outstanding consisted of the following issues:

#### Bonds

\$10,000,000 issued 10/16/13; \$200,000 to \$1,555,000 due annually through 2025; interest 2.00% to 3.00%	\$ 4,675,000
\$9,850,000 issued 10/15/14; \$380,000 to \$1,300,000 due annually through 2025; interest 1.00% to 2.00%	2,565,000
\$10,000,000 issued 8/12/15; \$250,000 to \$2,240,000 due annually through 2028; interest 2.00% to 3.00%	7,415,000
\$16,000,000 issued 3/1/21; \$620,000 to \$1,010,000 due annually through 2041; interest 1.00% to 5.00%	16,000,000
\$8,460,000 issued 12/1/21; \$190,000 to \$1,825,000 due annually through 2041; interest 2.00% to 4.00%	8,460,000
Total Bonds	<u>\$ 39,115,000</u>

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

Year Ended December 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,163,328	\$ 431,584	\$ 2,594,912	\$ 611,672	\$ 446,054	\$ 1,057,726
2023	3,167,908	399,923	3,567,831	1,472,093	428,727	1,900,820
2024	3,204,249	324,985	3,529,234	1,475,751	380,348	1,856,099
2025	3,141,305	245,691	3,386,996	1,378,695	332,379	1,711,074
2026	2,270,958	174,709	2,445,667	759,042	290,211	1,049,253
2027-2031	4,156,410	235,699	4,392,109	4,228,590	995,564	5,224,154
2032-2036	549,092	80,914	630,006	4,755,907	649,723	5,405,630
2037-2041	511,750	26,953	538,703	5,268,250	248,631	5,516,881
	<u>\$ 19,165,000</u>	<u>\$ 1,920,458</u>	<u>\$ 21,085,458</u>	<u>\$ 19,950,000</u>	<u>\$ 3,771,637</u>	<u>\$ 23,721,637</u>

#### County Forest Loans

Under Section 28.11 (8) of the Wisconsin Statutes, counties which have established and maintained a county forest are eligible to receive payments from the state as a noninterest bearing loan used for the purchase, development, preservation and maintenance of the county forest lands. The county shall pay a severance share of not less than 20% of the actual stumpage sales value of timber on timber cut from lands entered as "county forest lands." A higher rate of payment may be applied if agreed upon by the state and county. Severance share payments shall not exceed the balance due the state. The county shall also reimburse the state the amount previously paid to the county on any county forest land withdrawn from the program; except that the state may waive all or part of such reimbursement if it finds that the lands are withdrawn for a higher public use or that the amount of such reimbursement is unreasonable when compared to the value of the land. The County had an outstanding balance of \$159,462 under this program at December 31, 2021. There is no repayment schedule on this loan as payments depend on annual sales values.

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 6: Long-Term Obligations (Continued)

#### Capital Leases

The County entered into a lease agreement in 2019 for a Groundsmaster 4000-D mower. The lease is for a total of \$59,476 with \$16,250 due at the inception of the lease. The mower is recorded as an asset with a value of \$59,476 and accumulated depreciation of \$35,685 resulting in a book value of \$23,790. Annual lease payments are \$15,728. The final payment under this lease is due on January 9, 2022. Future minimum lease payments under this capital lease are as follows:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 14,712	\$ 1,016	\$ 15,728

The County entered into a lease agreement in 2018 for a Leachate Treatment System. The lease is for a total of \$1,000,000 with annual lease payments of \$281,080. The final payment under this lease is due on June 29, 2022. The system is recorded as an asset with a value of \$1,000,000 and accumulated depreciation of \$200,000 resulting in a book value of \$800,000. Future minimum lease payments under this capital lease are as follows:

Year Ended December 31,	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 268,058	\$ 13,022	\$ 281,080

#### Closure and Postclosure Care Costs

Federal and state laws and regulations require the County to place covers on landfill increments as they are filled (closure costs) and to perform certain maintenance and monitoring functions (post closure care) of the landfill site for forty years after the landfill stops accepting waste. Most closure costs are paid when individual landfill increments reach capacity for accepting waste and post closure care costs will normally only be paid after the entire landfill stops accepting waste. The County annually records an estimate of these closure and post closure care costs as an operating expense during the life of its landfills based on landfill capacity used compared to total estimated capacity available. The resultant liabilities for these estimated operating expenses are reduced each year for actual payments made. An analysis of the estimated liabilities for closure and post closure care costs and the recording of these costs as operating expenses follow:

	Landfill Closure and Postclosure Care		
	Ridgeville I	Ridgeville II	Total
Total estimated costs	\$ 920,853	\$ 2,998,381	
Percentage of storage capacity used	100%	96.05%	
	\$ 920,853	\$ 2,879,945	\$ 3,800,798

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	\$ 920,853	\$ 2,998,381	
Less: Charged to operations	920,853	2,879,945	
Future year closure and postclosure costs	\$ -	\$ 118,436	\$ 118,436

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 6: Long-Term Obligations (Continued)

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

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

### Note 7: Individual Fund Disclosures

Amounts due from/to other funds at December 31, 2021, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Human Services	\$ 411,510
	Nonmajor governmental funds:	
	Child Support	93,172
	Health	41,926
	Jail Assessment	26,727
	Local History Room	1,817
		<u>\$ 575,152</u>

The interfund payables from Human Services, Child Support and Health special revenue funds were cash advances to finance cash deficits. The interfund payable from jail assessment and local history room relate to operating costs paid by the general fund but not reimbursed until 2022.

Amounts transferred between funds during the year ended December 31, 2021, are as follows:

Fund Transferred To	Fund Transferred From	Amount
General Fund	Nonmajor governmental funds:	
	Child Support	\$ 8,550
	Health	21,504
	Jail Assessment	92,954
	Local History Room	23,884
	Human Services	161,914
	Information Systems	279,093
Information Systems	General Fund	554,645
Self-Funded Health Insurance	General Fund	500,000
		<u>\$ 1,642,544</u>

Operating transfers were made for the following purposes:

	Amount
Special revenue fund reimbursement of expenses	\$ 308,806
Internal service fund reimbursement of expenses	279,093
Subsidize internal service funds	1,054,645
	<u>\$ 1,642,544</u>

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 8: Net Position/Fund Balance

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

	Governmental Activities	Business-Type Activities	Total
Wegner Grotto	\$ 413,632	\$ -	\$ 413,632
DOT trust	26,451	-	26,451
Local history room	2,077,173	-	2,077,173
Haney reserve	1,915	-	1,915
Child support technology purchases	26,333	-	26,333
WEDCS election grant	673	-	673
Redaction fees	14,212	-	14,212
Land records fees	154,480	-	154,480
K-9 unit donations	10,989	-	10,989
Dog control	60,269	-	60,269
Veterans' services donations	1,645	-	1,645
Parks	6,159	-	6,159
CREP program	21,347	-	21,347
Forestry maintenance - land acquisition	49,255	-	49,255
Forestry Habelman reforestation	1,471	-	1,471
Justice dept donations	339	-	339
Wildlife habitat	351	-	351
Conservation Program	447,037	-	447,037
Jail assessment	385,393	-	385,393
Net pension asset	5,011,634		5,011,634
Resident trust	-	11,972	11,972
	<u>\$ 8,710,758</u>	<u>\$ 11,972</u>	<u>\$ 8,722,730</u>

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

	General	Human Services	Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Delinquent taxes	\$ 915,146	\$ -	\$ -	\$ -	\$ 915,146
Inventories and prepaid items	73,951	-	-	-	73,951
Haney reserve	1,000	-	-	-	1,000
Wegner Grotto	-	-	-	50,000	50,000
Local history room	-	-	-	2,077,173	2,077,173
	<u>\$ 990,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,127,173</u>	<u>\$ 3,117,270</u>



# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 8: Net Position/Fund Balance (Continued)

	General	Human Services	Debt Service	Other Governmental Funds	Total Government Funds
<b>Restricted:</b>					
Wegner Grotto	\$ -	\$ -	\$ -	\$ 363,632	\$ 363,632
DOT trust	-	26,451	-	-	26,451
Haney reserve	915	-	-	-	915
Child support technology purchases	-	-	-	26,333	26,333
WEDCS election grant	673	-	-	-	673
Redaction fees	14,212	-	-	-	14,212
Land records fees	154,480	-	-	-	154,480
K-9 unit donations	10,989	-	-	-	10,989
Dog control	60,269	-	-	-	60,269
Veterans' services donations	1,645	-	-	-	1,645
Parks	6,159	-	-	-	6,159
CREP program	21,347	-	-	-	21,347
Forestry maintenance - land acquisition	49,255	-	-	-	49,255
Forestry Habelman reforestation	1,471	-	-	-	1,471
Justice dept donations	339	-	-	-	339
Wildlife habitat	351	-	-	-	351
Conservation Programs	447,037	-	-	-	447,037
Jail assessment	-	-	-	385,393	385,393
	<u>\$ 769,142</u>	<u>\$ 26,451</u>	<u>\$ -</u>	<u>\$ 775,358</u>	<u>\$ 1,570,951</u>
<b>Committed:</b>					
Retirement of long-term debt	\$ -	\$ -	\$ 7,065,587	\$ -	\$ 7,065,587
Restricted	4,514,859	-	-	-	4,514,859
Capital projects	-	-	-	34,296	34,296
Parks programs	265,888	-	-	-	265,888
New construction - educational purposes (farm proceeds)	15,038	-	-	-	15,038
UW Extension Educational programs	32,008	-	-	-	32,008
	<u>\$ 4,827,793</u>	<u>\$ -</u>	<u>\$ 7,065,587</u>	<u>\$ 34,296</u>	<u>\$ 11,927,676</u>
<b>Assigned:</b>					
Long-range capital pool	\$ 895,419	\$ -	\$ -	\$ -	\$ 895,419
Retirement and fringe pool	94,816	-	-	-	94,816
Human services	-	300,000	-	-	300,000
Local history	-	-	-	341,270	341,270
	<u>\$ 990,235</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 341,270</u>	<u>\$ 1,631,505</u>

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### Note 8: Net Position/Fund Balance (Continued)

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

Commingled fund cash balance December 31, 2021	\$ 9,642,821
Restricted funds	(655,648)
Committed funds	(516,262)
Assigned funds	(1,192,192)
Commingled fund balance less restricted, committed and assigned funds	<u>\$ 7,278,719</u>
Actual 2021 Total County Adopted Budgeted Expenditures	36,390,765
Minimum Fund Balance %	(x) 20%
Subtotal	<u>\$ 7,278,153</u>

### Note 9: Employees' Retirement System – Wisconsin Retirement System

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and 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 annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	(1.2%)	11.0%
2012	(7.0%)	(7.0%)
2013	(9.6%)	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	(5.0%)
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	(10.0%)
2020	1.7%	21.0%

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

During the reporting period, the WRS recognized \$1,334,536 in contributions from the employer.

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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

Contribution rates as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.75%	6.75%
Executives and elected officials	6.75%	6.75%
Protective with social security	6.75%	11.75%
Protective without social security	6.75%	16.35%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2021, the County reported an asset of \$7,441,172 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. 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, 2020, the County's proportion was .11918960%, which was an increase of .00202320% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the County recognized pension income of \$805,442.

At December 31, 2021, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,769,660	\$ 2,319,765
Changes in assumptions	168,780	
Net differences between projected and actual earnings on pension plan investments	-	13,970,195
Changes in proportion and differences between employer contributions and proportionate share of contributions	30,690	10,943
Employer contributions subsequent to the measurement date	1,334,536	-
<u>Total</u>	<u>\$ 12,303,666</u>	<u>\$ 16,300,903</u>

\$1,334,536 reported as deferred outflows related to pensions results from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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

Year Ended December 31:	Net Deferred Outflows of Resources
2022	\$ (1,374,153)
2023	(368,952)
2024	(2,522,292)
2025	(1,066,376)
<b>Total</b>	<b>\$ (5,331,773)</b>

Actuarial Assumptions - The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2019
Measurement date of net pension liability (asset)	December 31, 2020
Actuarial cost method	Entry Age
Asset valuation method	Fair market value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

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

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

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global equities	51.0%	7.2%	4.7%
Fixed income	25.0%	3.2%	0.8%
Inflation sensitive assets	16.0%	2.0%	(0.4%)
Real estate	8.0%	5.6%	3.1%
Private equity/debt	11.0%	10.2%	7.6%
Multi-asset	4.0%	5.8%	3.3%
Total core fund	115%	6.6%	4.1%
Variable Fund Asset Class			
US equities	70%	6.6%	4.1%
International equities	30%	7.4%	4.9%
Total variable fund	100%	7.1%	4.6%

*New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.4%*

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

**Single Discount Rate** - A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.25% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
WRS Employer's proportionate share of the net pension asset (liability)	(\$7,082,964)	\$7,441,172	\$18,109,042

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

Payables to the Pension Plan - At December 31, 2021, the County reported a payable of \$356,426 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

### Note 10: Other Post-Employment Benefits

Plan Description - Early retirees, who are eligible and draw a monthly retirement annuity from the Wisconsin Retirement System through age 65, may remain in the County's health insurance group provided the retiree pays the full premium for the applicable coverage. Effective in 2013, only employees working half time or more are eligible for this benefit. Grandfathered employees working less than half time remain eligible for the benefit. After age 65, the retiree is eligible to remain in the County's health insurance group for an additional 18 months (36 months for the retiree's dependents) provided the retiree pays the full premium for the applicable coverage. There are 398 active and 12 retired employees in the plan. The County funds this cost on a pay-as-you-go or cash basis, recognizing the cost in their fund financial statements when paid.

The County's total OPEB liability at December 31, 2021 was \$724,756. The total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	December 31, 2020
Measurement date of OPEB liability	December 31, 2020
Actuarial cost method	Entry Age Normal
Medical care trend	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter
Discount rate	2.25%
Municipal bond rate source	Bond Buyer 20-Bond GO Index
Actuarial assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System experience from 2015-17.
Mortality assumptions	Wisconsin 2018 Mortality Table

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 10: Other Post-Employment Benefits (Continued)

Changes in the total OPEB liability for the year ended December 31, 2021, are as follows:

Balance at December 31, 2020	<u>\$ 697,907</u>
Changes for the year:	
Service cost	53,055
Interest	19,645
Benefit payments	(20,118)
Differences between expected and actual	172,880
Change of assumptions	<u>(198,613)</u>
Net changes	<u>26,849</u>
Balance at December 31, 2021	<u>\$ 724,756</u>

For the year ended December 31, 2021, the County recognized OPEB expense of \$87,685.

At December 31, 2021, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 161,457	\$ -
Changes in assumptions	105,349	173,785
<b>Total</b>	<u>\$ 266,806</u>	<u>\$ 173,785</u>

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

Year Ended December 31:	Net Deferred Outflows of Resources
2022	\$ 14,985
2023	14,985
2024	14,985
2025	14,985
2026	14,985
2027	18,096
<b>Total</b>	<u>\$ 93,021</u>



# Monroe County, Wisconsin

## Notes to Basic Financial Statements

### Note 10: Other Post-Employment Benefits (Continued)

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
County's total OPEB liability	\$774,154	\$724,756	\$677,708

The following represents the County's total OPEB liability calculated using the healthcare cost trend rate of 6.50% decreasing down to 5.0% as well as what the County's total OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
County's total OPEB liability	\$652,208	\$724,756	\$810,181

### Note 11: Risk Management

The County is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The County participates in a public entity risk pool called the Wisconsin County Mutual Insurance Corporation to provide coverage for general liability, automotive liability, and errors and omissions insurance and purchases insurance to provide coverage for losses from torts; thefts of, damage to, or destruction of assets; and health care for its employees. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year. Other risks such as workers compensation are accounted for in the County's general fund. A description of the County's self-insurance risk management programs is presented below:

Workers Compensation - The County is self-funded for workers compensation claims. Funding is provided by charges to County departments. The program is supplemented by stop loss protection, which limits the County's annual liability. Expenses consist of payments to a third-party administrator for claims, stop loss insurance premiums and administrative fees. The claims liability of \$468,749 reported in the fund at December 31, 2021 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Self-insurance is in effect up to an aggregate stop/loss of \$1,756,604 with a \$500,000 per covered person stop/loss. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop/loss amount. Changes in the fund's claims liability amount for 2021 follows:

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### Note 11: Risk Management (Continued)

	Liability January 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31,
2020	\$ 604,573	(15,647)	\$ 170,642	\$ 418,284
2021	418,284	6,489,932	6,439,467	468,749

Public Entity Risk Pool - Monroe County, along with several other Wisconsin counties, jointly participates in the Wisconsin County Mutual Insurance Corporation (WCMIC) for general and automobile liability insurance. This company began operation in January 1, 1988. The governing body is made up of 12 directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation. Summary financial information of WCMIC as of December 31, 2021, can be obtained directly from WCMIC's offices.

### Note 12: Commitments and Contingencies

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

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

The County participates in a number of state and federally assisted grant programs, principal of which are health and human service programs. A single audit of these programs for the year ended December 31, 2021, has been conducted. These programs may be subject to additional program compliance audits by grantors or their representatives. The amount, if any, of the expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

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

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

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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

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

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

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

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

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

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

For the budget year 2021, the County's levy is the same as the tax levy calculated under the 2011 Act levy limit.

# Monroe County, Wisconsin

## Notes to Basic Financial Statements

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### **Note 16: Subsequent Event**

In January 2022, the Board approved a resolution to issue \$5 million in General Obligation Bonds to be used for construction and improvement of County highways. The \$5 million in bonds were issued March 2022.

Monroe County has been allocated \$8,984,103 American Recovery Act funding. The first half of the funds (\$4,492,052) were received in May 2021 and the second half of the funds were received in June 2022. The county has identified projects for this funding.

## **Required Supplementary Information**

# Monroe County, Wisconsin

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

Measurement Year Ended December 31,	County's proportion of the net pension asset (liability)	County's proportionate share of the net pension asset (liability)	County's covered payroll during the measurement period	County's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.11918960%	\$ 7,441,172	\$ 19,228,050	38.70%	105.26%
2019	0.11716640%	3,777,979	17,779,273	21.25%	102.96%
2018	0.11655480%	(4,150,212)	17,067,982	-24.32%	96.45%
2017	0.11466272%	3,404,472	16,486,773	20.65%	102.93%
2016	0.11302718%	(931,614)	16,065,265	-5.80%	99.12%
2015	0.11233943%	(1,825,494)	15,187,864	-12.02%	98.20%
2014	0.11312878%	2,778,752	14,638,347	18.98%	102.74%

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

Year ended December 31,	Contractually required contribution for the fiscal period	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered payroll for the fiscal period	Contributions as a percentage of covered payroll
2021	\$ 1,334,536	\$ 1,334,536	\$ -	\$ 18,561,490	7.19%
2020	1,380,048	1,380,048	-	19,228,051	7.18%
2019	1,229,912	1,229,912	-	17,779,273	6.92%
2018	1,208,215	1,208,215	-	17,067,982	7.08%
2017	1,180,624	1,180,624	-	16,486,773	7.16%
2016	1,075,225	1,075,225	-	16,065,265	6.69%
2015	1,098,694	1,098,694	-	15,187,864	7.23%

### Notes to the Schedules:

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

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

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

# Monroe County, Wisconsin

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

	2021	2020	2019	2018
Measurement date	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability				
Service cost	\$ 53,055	\$ 42,527	\$ 31,809	\$ 31,809
Interest	19,645	24,698	17,362	16,890
Benefit payments	(20,118)	(44,851)	(35,209)	(35,209)
Difference between expected and actual experience	172,880	-	15,281	-
Change of assumptions	(198,612)	56,930	91,605	-
Net changes	26,850	79,304	120,848	13,490
Total OPEB liability - Beginning	697,907	618,603	497,755	484,265
Total OPEB liability - Ending	\$ 724,757	\$ 697,907	\$ 618,603	\$ 497,755
Covered employee payroll	\$ 17,894,625	\$ 16,385,951	\$ 16,385,951	\$ 11,056,450
Total OPEB liability as a percentage of covered employee payroll	4.05%	4.26%	3.78%	4.50%

### Notes to the Schedule:

*Benefit changes:* There were no changes of benefit terms.

*Changes of assumptions:* There were no changes in assumptions

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

## **Supplementary Financial Information**



# Monroe County, Wisconsin

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2021

	Child Support	Health	Jail Assessment	Local History Room	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets:</b>						
Cash and investments	\$ -	\$ 50	\$ 444,099	\$ 20,379	\$ 34,296	\$ 498,824
Restricted cash and investments	-	-	-	2,813,516	-	2,813,516
Receivables						
Taxes	-	440,000	-	-	-	440,000
Accounts	141,556	73,371	4,964	-	-	219,891
Total assets	<u>\$ 141,556</u>	<u>\$ 513,421</u>	<u>\$ 449,063</u>	<u>\$ 2,833,895</u>	<u>\$ 34,296</u>	<u>\$ 3,972,231</u>
<b>Liabilities, Deferred inflows of Resources and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 9,854	\$ 5,592	\$ 36,943	\$ 3	\$ -	\$ 52,392
Other accrued liabilities	12,197	25,903	-	-	-	38,100
Due to other funds	93,172	41,926	26,727	1,817	-	163,642
Total liabilities	<u>115,223</u>	<u>73,421</u>	<u>63,670</u>	<u>1,820</u>	<u>-</u>	<u>254,134</u>
<b>Deferred inflows of resources:</b>						
Property taxes	-	440,000	-	-	-	440,000
<b>Fund balances:</b>						
Nonspendable	-	-	-	2,127,173	-	2,127,173
Restricted	26,333	-	385,393	363,632	-	775,358
Committed	-	-	-	-	34,296	34,296
Assigned	-	-	-	341,270	-	341,270
Total fund balances	<u>26,333</u>	<u>-</u>	<u>385,393</u>	<u>2,832,075</u>	<u>34,296</u>	<u>3,278,097</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 141,556</u>	<u>\$ 513,421</u>	<u>\$ 449,063</u>	<u>\$ 2,833,895</u>	<u>\$ 34,296</u>	<u>\$ 3,972,231</u>

# Monroe County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2021

	Child Support	Health	Jail Assessment	Local History Room	Capital Projects	Total Nonmajor Governmental Funds
Revenues:						
Taxes	\$ -	\$ 503,091	\$ -	\$ -	\$ -	\$ 503,091
Intergovernmental	592,571	635,441	-	-	-	1,228,012
Public charges for services	1,472	89,721	81,631	-	-	172,824
Miscellaneous	1	3,710	192	425,073	-	428,976
Total revenues	594,044	1,231,963	81,823	425,073	-	2,332,903
Expenditures:						
Current:						
Public safety	-	-	123,360	-	-	123,360
Health and human services	585,494	1,139,009	-	-	-	1,724,503
Total expenditures	585,494	1,139,009	123,360	-	-	1,847,863
Excess of revenues over (under) expenditures	8,550	92,954	(41,537)	425,073	-	485,040
Other Financing Uses						
Transfers out	(8,550)	(92,954)	(21,504)	(23,884)	-	(146,892)
Total other financing uses	(8,550)	(92,954)	(21,504)	(23,884)	-	(146,892)
Net Change in Fund Balances	-	-	(63,041)	401,189	-	338,148
Fund Balances - Beginning	26,333	-	448,434	2,430,886	34,296	2,939,949
Fund Balances - Ending	\$ 26,333	\$ -	\$ 385,393	\$ 2,832,075	\$ 34,296	\$ 3,278,097

# Monroe County, Wisconsin

## Combining Statement of Net Position

### Internal Service Funds

December 31, 2021

	Information Systems	Information Technology	Workers Compensation	Self-Funded Health Insurance	Total Internal Service Funds
<b>Assets:</b>					
Cash and investments	\$ 153,840	\$ 630,124	\$ 2,442,192	\$ 362,127	\$ 3,588,283
Taxes receivable	1,196,604	-	-	-	1,196,604
Accounts receivable	-	-	199	271,255	271,454
<b>Total assets</b>	<b>1,350,444</b>	<b>630,124</b>	<b>2,442,391</b>	<b>633,382</b>	<b>5,056,341</b>
<b>Liabilities:</b>					
Accounts payable	89,764	3,900	500	496,346	590,510
Other accrued liabilities	9,574	-	468,749	-	478,323
Unearned revenue	-	-	-	440,895	440,895
<b>Total liabilities</b>	<b>99,338</b>	<b>3,900</b>	<b>469,249</b>	<b>937,241</b>	<b>1,509,728</b>
<b>Deferred inflows of resources:</b>					
Property taxes for subsequent year	1,196,604	-	-	-	1,196,604
<b>Net Position:</b>					
Unrestricted	\$ 54,502	\$ 626,224	\$ 1,973,142	\$ (303,859)	\$ 2,350,009

# Monroe County, Wisconsin

## Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds For the Year Ended December 31, 2021

	Information Systems	Information Technology	Workers Compensation	Self-Funded Health Insurance	Total Internal Service Funds
Operating Revenues:					
Intergovernmental charges	\$ 29,579	\$ 71,796	\$ 115,840	\$ 4,859,741	\$ 5,076,956
Other operating revenues	-	-	863	1,583,559	1,584,422
<b>Total operating revenues</b>	<b>29,579</b>	<b>71,796</b>	<b>116,703</b>	<b>6,443,300</b>	<b>6,661,378</b>
Operating Expenses:					
Salaries and fringe benefits	278,602	-	-	-	278,602
Contractual services	1,248,930	83,241	126,122	957,401	2,415,694
Supplies	365	-	-	-	365
Insurance and other fixed charges	-	-	149,544	6,413,673	6,563,217
<b>Total operating expenses</b>	<b>1,527,897</b>	<b>83,241</b>	<b>275,666</b>	<b>7,371,074</b>	<b>9,257,878</b>
<b>Operating loss</b>	<b>(1,498,318)</b>	<b>(11,445)</b>	<b>(158,963)</b>	<b>(927,774)</b>	<b>(2,596,500)</b>
Nonoperating Revenues:					
General property taxes	1,222,766	-	-	69,785	1,292,551
Intergovernmental revenues	-	-	-	52,500	52,500
Interest income	-	-	9,828	1,630	11,458
<b>Total nonoperating revenues</b>	<b>1,222,766</b>	<b>-</b>	<b>9,828</b>	<b>123,915</b>	<b>1,356,509</b>
<b>Net loss before Transfers</b>	<b>(275,552)</b>	<b>(11,445)</b>	<b>(149,135)</b>	<b>(803,859)</b>	<b>(1,239,991)</b>
Other Financing Sources (Uses)					
Transfers in	554,645	-	-	500,000	1,054,645
Transfers out	(279,093)	-	-	-	(279,093)
<b>Total other financing sources (uses)</b>	<b>275,552</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>775,552</b>
<b>Change in Net Position</b>	<b>-</b>	<b>(11,445)</b>	<b>(149,135)</b>	<b>(303,859)</b>	<b>(464,439)</b>
<b>Net Position - Beginning</b>	<b>54,502</b>	<b>637,669</b>	<b>2,122,277</b>	<b>-</b>	<b>2,814,448</b>
<b>Net Position - Ending</b>	<b>\$ 54,502</b>	<b>\$ 626,224</b>	<b>\$ 1,973,142</b>	<b>\$ (303,859)</b>	<b>\$ 2,350,009</b>

# Monroe County, Wisconsin

## Combining Statement of Cash Flows

### Internal Service Funds

For the Year Ended December 31, 2021

	Information Systems	Information Technology	Workers Compensation	Self-Funded Health Insurance	Total Internal Service Funds
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 29,579	\$ 71,796	\$ 116,546	\$ 6,172,003	\$ 6,389,924
Cash payments to suppliers	(1,098,725)	(79,341)	(224,701)	(6,824,691)	(8,227,458)
Cash payments to employees	(276,668)	-	-	-	(276,668)
<b>Net cash from operating activities</b>	<b>(1,345,814)</b>	<b>(7,545)</b>	<b>(108,155)</b>	<b>(652,688)</b>	<b>(2,114,202)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
General property taxes	1,222,766	-	-	69,785	1,292,551
Intergovernmental revenue	-	-	-	52,500	52,500
Transfers in	554,645	-	-	500,000	1,054,645
Transfers out	(279,093)	-	-	-	(279,093)
<b>Net cash from noncapital financing activities</b>	<b>1,498,318</b>	<b>-</b>	<b>-</b>	<b>622,285</b>	<b>2,120,603</b>
<b>Cash Flows from Investing Activities:</b>					
Interest income received	-	-	9,828	1,630	11,458
<b>Change in cash and cash equivalents</b>	<b>152,504</b>	<b>(7,545)</b>	<b>(98,327)</b>	<b>(28,773)</b>	<b>17,859</b>
Cash and cash equivalents - Beginning	1,336	637,669	2,540,519	390,900	3,570,424
<b>Cash and cash equivalents - Ending</b>	<b>\$ 153,840</b>	<b>\$ 630,124</b>	<b>\$ 2,442,192</b>	<b>\$ 362,127</b>	<b>\$ 3,588,283</b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities:</b>					
Operating loss	\$ (1,498,318)	\$ (11,445)	\$ (158,963)	\$ (927,774)	\$ (2,596,500)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Changes in assets and liabilities:					
Accounts receivable	-	-	(157)	(271,297)	(271,454)
Prepaid expenses	68,388	-	-	29,300	97,688
Accounts payable	84,067	3,900	500	496,346	584,813
Unearned revenue	-	-	-	20,737	20,737
Accrued and other current liabilities	49	-	50,465	-	50,514
<b>Net cash provided (used) by operating activities</b>	<b>\$ (1,345,814)</b>	<b>\$ (7,545)</b>	<b>\$ (108,155)</b>	<b>\$ (652,688)</b>	<b>\$ (2,114,202)</b>

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

County Board of Supervisors  
Monroe County  
Sparta, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 20, 2022.

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control that we consider to be a significant deficiency, which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

### **Report on Compliance and Other Matters**

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

## **Monroe County, Wisconsin's Responses to Findings**

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

### **Purpose of This Report**

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

*Wipfli LLP*

Wipfli LLP

June 20, 2022  
Madison, Wisconsin

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

County Board of Supervisors  
Monroe County  
Sparta, Wisconsin

### **Report on Compliance for Each Major Federal and State Program**

We have audited Monroe County, Wisconsin’s (the “County”) compliance with the types of compliance requirements described in the U.S. Office of Management and *Budget (OMB) Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021. The County’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2021.

### ***Basis for Opinion on Each Major Federal and State Program***

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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



## ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

Wipfli LLP

June 20, 2022  
Madison, Wisconsin

**Monroe County, Wisconsin**  
**Schedule of Federal Awards and State Financial Assistance**  
**For the Year Ended December 31, 2021**

Grantor Agency/Pass Through Agency/Program Title	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>FEDERAL AWARDS</b>			
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<hr/>			
Passed through the Wisconsin Department of Health Services Special Supplemental Food Program for Women, Infants and Children	10.557	154710, 154746, 154760	\$ 177,241
SNAP Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	154661	11,028
Passed through LaCrosse County, Wisconsin SNAP Cluster and State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	284	<u>213,100</u>
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		<u>224,128</u>
Forest Service Schools and Roads Cluster Passed through the Wisconsin Natural Resources Schools and Roads - Grants to States	10.665	None	<u>153,217</u>
Total Forest Service Schools and Roads Cluster	10.665		<u>153,217</u>
Soil and Water Conservation	10.902	None	3,366
Environmental Quality Incentives Program	10.912	None	11,781
Conservation Stewardship Program	10.924	None	<u>1,683</u>
Total U.S. Department of Agriculture			<u>571,416</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<hr/>			
Direct program COVID-19 Coronavirus Emergency Supplemental Funds	16.034	None	42,164
Passed through LaCrosse County, Wisconsin Public Safety Partnership and Community Policing Grant	16.710	None	598
Edward Byrne Memorial Justice Assistance Grant	16.738	None	<u>4,170</u>
Total U.S. Department of Justice			<u>46,932</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<hr/>			
Passed through the Wisconsin Department of Transportation Highway Safety Cluster State and Community Highway Safety	20.600	None	39,078
National Highway Traffic Safety	20.616	None	22,943
Total Highway Safety Cluster			<u>62,021</u>
Total U.S. Department of Transportation			<u>62,021</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<hr/>			
Passed through Wisconsin Department of Administration COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	None	<u>1,132,941</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
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Passed through the Wisconsin Department of Health Services Grants for Infants and Toddlers with Disabilities	84.181	550	<u>41,856</u>

# Monroe County, Wisconsin

## Schedule of Federal Awards and State Financial Assistance

### For the Year Ended December 31, 2021

Grantor Agency/Pass Through Agency/Program Title	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
FEDERAL AWARDS (continued)			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Greater Wisconsin Agency on Aging			
Health Promotion and Disease Prevention Aging Cluster	93.043	None	1,033
Grants for Supportive Services and Senior Centers (Title III-B)	93.044	None	76,414
Nutrition Services (Title III-C)	93.045	None	164,002
Nutrition Services Incentive Program	93.053	None	18,625
Total Aging Cluster			<u>259,041</u>
National Family Caregiver Support Program (Title III-E)	93.052	None	<u>27,100</u>
Passed through the Wisconsin Department of Health Services			
Public Health Emergency Preparedness	93.069	155015, 155050	19,250
Immunization Grants	93.268	155020	18,620
Epidemiology and Laboratory	93.323	155802, 155806	293,373
Public Health Emergency Response	93.354	155801	40,448
Social Service Block Grant	93.667	561	158,093
Elder Abuse Prevention Interventions Program	93.747	560332	3,301
Preventive Health & Health Services Block Grant	93.758	159220	11,536
State Targeted Response to the Opioid Crisis Grant	93.788	533259	89,797
Block Grants for Community Mental Health Services	93.958	515, 569, 533277, 533283	26,497
Block Grants for Prevention and Treatment of Substance Abuse	93.959	515, 545, 546, 570, 533165, 533166	47,581
Preventive Health & Health Services Block Grant	93.991	159220	11,536
Maternal & Child Health Services Block Grant	93.994	159320	26,973
Medicaid Cluster			
Medical Assistance	93.778	878, 881	1,286,726
Passed through LaCrosse County, Wisconsin			
Medical Assistance	93.778	284, 560020, 560040, 560060, 560070, 560076, 560077, 560080, 560086, 560096, 560133, 560151, 560157	<u>583,227</u>
Total Medical Assistance - Medicaid Cluster	93.778		<u>1,869,953</u>
State Health Insurance Assistance Program	93.324	560432	3,500
State Children's Insurance Program	93.767	284	25,183
Passed through the Wisconsin Department of Health Services			
Block Grants for Temporary Assistance for Needy Families	93.558	561	<u>84,215</u>
Passed through the Wisconsin Department of Children and Families			
Block Grants for Temporary Assistance for Needy Families	93.558	3612B	<u>14,641</u>
Total 93.558			<u>98,856</u>
Promoting Safe and Stable Families	93.556	3306	43,888
Child Support Enforcement (Title IV-D)	93.563	7332, 7477, 7482, 7506, 7616, 7903	498,378
Child Welfare Services	93.645	3413, 3561, 3681	23,600
Foster Care (Title IV-E)	93.658	3344, 3396, 3413, 3554, 3561, 3604, 3612, 3681	468,268

**Monroe County, Wisconsin**  
**Schedule of Federal Awards and State Financial Assistance**  
**For the Year Ended December 31, 2021**

<b>Grantor Agency/Pass Through Agency/Program Title</b>	<b>AL Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>FEDERAL AWARDS (continued)</b>			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>			
Passed through the Wisconsin Department of Children and Families (continued)			
Adoption Assistance	93.659	3574, 3584	14,579
Child Care Development Fund - CCDF Cluster	93.575	0831	13,241
Passed through LaCrosse County, Wisconsin			
Child Care Development Fund - CCDF Cluster	93.575	284	50,304
Total 93.575/CCDF Cluster			<u>63,545</u>
Medicare Improvements for Patients and Providers Act	93.071	560620	2,938
Passed through the Wisconsin Department of Administration			
Low-Income Home Energy Assistance	93.568	None	<u>53,940</u>
Total U.S. Department of Health and Human Services			<u>4,200,807</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through the Wisconsin Department of Military Affairs			
Hazard Mitigation (HM)	97.039	None	569,031
Emergency Management Performance Grant (EMPG)	97.042	None	52,651
Disaster Grants	97.036	None	<u>132,177</u>
Total U.S. Department of Homeland Security			<u>753,859</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 6,809,832</u></u>

# Monroe County, Wisconsin

## Schedule of Federal Awards and State Financial Assistance

### For the Year Ended December 31, 2021

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	State Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>		
<b>DEPARTMENT OF AGRICULTURE, TRADE, AND CONSUMER PROTECTION</b>		
<hr/>		
Direct program		
Agriculture Clean Sweep	115.04	\$ 7,800
County staff and support	115.150	127,296
Agriculture Resource Management	115.400	<u>88,282</u>
 Total Department of Agriculture, Trade, and Consumer Protection		 <u>223,378</u>
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<b>DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES</b>		
Direct program		
Private Sewage Replacement and Rehabilitation	143.110	<u>4,570</u>
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<b>DEPARTMENT OF NATURAL RESOURCES</b>		
Direct program		
Wildlife Damage Claims and Abatement	370.553	28,331
Recreation Aids - Fish	370.564	348
Resource Aids-Forest Croplands & Managed Land Aids	370.566	21,141
Urban & Community Forestry	370.572	51,459
Recreation Aids - Snowmobile Trail Areas-Trans Fd	370.574	105,442
Recycling Grants to Responsible Units	370.670	133,665
Recycling Consolidation Grants	370.673	<u>11,747</u>
 Total Department of Natural Resources		 <u>352,133</u>
<hr/>		
<b>DEPARTMENT OF TRANSPORTATION</b>		
Direct program		
Elderly Handicapped Transportation Aid	395.101	<u>130,886</u>
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<b>DEPARTMENT OF HEALTH SERVICES</b>		
Direct program		
APS Adult Proective SVCS	435.312	37,729
Children's COP	435.377	88,824
Alzheimer's Family Support	435.381	18,152
Coordinated Services County	435.515	32,258
Community Mental Health	435.516	179,509
Birth to Three Initiative	435.550	48,080
Birth to Three Innovation Grant	435.553	80,469
State Funded-Basic County Allocation	435.561	932,232
FoodShare Fraud Prevention Investigating Reporting	435.600	10,438
Community and Mental Health Services	435.681	128,456
CLTS Services	435.871	847,009
CLTS Other CWA Admin GPR	435.877	49,218

# Monroe County, Wisconsin

## Schedule of Federal Awards and State Financial Assistance

### For the Year Ended December 31, 2021

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	State Expenditures
STATE FINANCIAL ASSISTANCE (continued)		
DEPARTMENT OF HEALTH SERVICES (continued)		
Direct program		
WIC Farmer's Market	435.154720	2,576
State Funded Comm Disease Ctrl & Prev	435.155800	4,500
Lead Poisoning Prevention	435.157720	6,914
State Senior Community Services	435.560330	7,335
Congregate Meal Program	435.560350	36,679
Home Delivered Meals	435.560360	10,806
Elder Abuse Service	435.560490	7,584
Passed through LaCrosse County, Wisconsin		
IMAA State Share	435.283	210,307
IMAA Federal Share	435.284	3,214
Aging and Disability Resource Center	435.560100	265,281
ADRC Dementia Care Specialist	435.560158	90,013
Elderly Benefit Specialist Program	435.560320	28,215
Total Department of Health Services		<u>3,125,798</u>
DEPARTMENT OF CHILDREN AND FAMILIES		
Direct program		
Food Stamp Agency Initiatives	437.965	43,187
AFDC Agency Initiatives	437.975	31
Medicaid Agency Initiatives	437.980	29,246
Kinship Care Program - Benefits	437.3377	118,016
Kinship Care Program - Assessment	437.3380	11,163
JJ AODA	437.3411	12,554
JJ Youth Aids	437.3413	664,056
Basic County Allocation	437.3561	441,103
Basic County Allocation Overmatch	437.3681	35,340
CS WSACWIS Annual Op Maint Fee	437.3935	(5,963)
PDS Partnership Fees	437.3940	(2,042)
Child Support Enforcement	437.7502	77,627
CS Medical Support GPR Earned	437.7606	2,632
Total Department of Children and Families		<u>1,426,950</u>
DEPARTMENT OF JUSTICE		
Direct program		
DNA Sample Reimbursement	455.221	5,171
Tribal Law Enforcement	455.263	46,372
Treatment Alternative & Diversion	455.271	1,338
Victim Witness Assistance Program - A Program Cluster	455.532	43,880
Total Department of Justice		<u>96,761</u>

# Monroe County, Wisconsin

## Schedule of Federal Awards and State Financial Assistance

### For the Year Ended December 31, 2021

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Federal/State Expenditures
STATE FINANCIAL ASSISTANCE (continued)		
<u>DEPARTMENT OF MILITARY AFFAIRS</u>		
Direct program		
State Match - Federal Disaster Assistance	465.305	120,984
EPCRA Emergency Planning Grant Program	465.337	17,332
Computer and Hazmat Equipment Grant	465.308	<u>7,530</u>
Total Department of Military Affairs		<u>145,846</u>
<u>DEPARTMENT OF VETERAN'S AFFAIRS</u>		
Direct program		
Grants to Counties	485.001	<u>11,500</u>
<u>DEPARTMENT OF ADMINISTRATION</u>		
Direct program		
Land Information Board Grant	505.118	<u>83,272</u>
Total Department of Administration		<u>83,272</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE		<u><u>\$ 5,601,094</u></u>



# Monroe County, Wisconsin

Notes to the Schedule of Federal Awards and State Financial Assistance  
Year Ended December 31, 2021

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## Note 1: Basis of Presentation and Significant Accounting Policies

The accompanying schedule of federal and state assistance includes the federal and state grant activity of Monroe County under programs of the federal and state government for the year ended December 31, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and *State of Wisconsin Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Monroe County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Monroe County.

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

## Note 2: Subrecipients

For the year ended December 31, 2021, the County had no sub-recipients of federal funds.

## Note 3: State Direct Payments

Payments made directly to recipients and vendors by the State of Wisconsin on behalf of the County for the food stamp program totaled \$15,273,271 for 2021. The amounts are not included in the schedule of expenditures of federal awards and state financial assistance.

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

Detail of the sources and uses of the SWRM program for County Staff and Support and Land and Water Resource Management (LWRM) Plan Implementation for 2021 are as follows:

### SWRM - County Staff and Support 115.150

#### Sources:

Receipts from state	\$ 115,822
Less beginning receivable	(112,792)
Plus ending receivable	<u>124,266</u>
Total sources	<u>\$ 127,296</u>

#### Uses:

Reimbursed staff and support	<u>\$ 127,296</u>
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# Monroe County, Wisconsin

Notes to the Schedules of Federal Awards and State Financial Assistance  
(Continued)  
Year Ended December 31, 2021

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

### **LWRM Plan Implementation 115.400**

Sources:

Receipts from state	\$ 82,340
Less beginning receivable	(117,134)
Plus ending receivable	<u>123,076</u>
Total sources	<u>\$ 88,282</u>

Uses:

Total cost share payments	<u>\$ 88,282</u>
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## **Note 5: State of Wisconsin Community Aids Reporting System**

The Wisconsin Department of Children and Families (DCF) and Health Services (DHS) utilize the System for Payments and Reports of Contracts (SPARC) and the Community Aids Reporting System (CARS), respectively, for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance for various DCF and DHS programs agree with the expenditures reported on the April 20, 2022 CARS for the Human Services and Public Health departments and the December 31, 2021 Sparc for Child Support and Human Service departments, with adjustments for anticipated receivables.

# Monroe County, Wisconsin

## Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

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### Section I - Summary of Auditor's Results

#### Financial Statements

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

#### Federal Awards

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

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

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

Identification of major federal programs:

<u>Name of Federal Major Program or Cluster</u>	<u>AL No.</u>
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027
Foster Care (Title IV-E)	93.658

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

Auditee qualified as low-risk auditee? Yes

#### State Awards

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

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

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

# Monroe County, Wisconsin

## Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

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Identification of major state programs:

<u>Name of State Major Program or Cluster</u>	<u>State ID No.</u>
State Funded-Basic County Allocation	435.561
Aging and Disability Resource Center	435.560100
Children's Long-Term Support	435.871
Basic County Allocation	437.3561
County and Staff Support	115.150
Agriculture Resource Management	115.400

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

### Section II - Financial Statement Findings

#### *Finding 2021-001 – Financial Accounting and Reporting*

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

Condition – As part of our professional services for the year ended December 31, 2021, we were requested to draft the financial statements and accompanying notes to the financial statements.

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

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

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

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

### Section III - Federal and State Award Findings and Questioned Costs

None

# Monroe County, Wisconsin

## Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

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### Section IV - Other Issues

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

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

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

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

Name and signature of partner



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Brian Anderson, CPA

Date of report

June 20, 2022

# Monroe County, Wisconsin

Summary Schedule of Prior Year Findings

Year Ended December 31, 2021

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2020-001 - Financial Accounting and Reporting – See finding 2021-001.