

MONROE COUNTY, WISCONSIN

Annual Financial Report

December 31, 2023

 KerberRose

www.kerberrose.com

MONROE COUNTY, WISCONSIN

Table of Contents

December 31, 2023

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 10
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet – Governmental Funds	13
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Funds	17
Reconciliation of the Net Position of the Enterprise Funds to the Business-Type Activities	18
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	19
Reconciliation of the Change in Net Position of the Enterprise Funds to the Business-Type Activities	20
Statement of Cash Flows – Proprietary Funds	21 - 22
Statement of Fiduciary Net Position – Fiduciary Fund	23
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	24
Notes to Financial Statements	25 - 56
REQUIRED SUPPLEMENTARY INFORMATION	
Schedules of Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions – Wisconsin Retirement System	57
Schedule of Changes in Total OPEB Liability and Related Ratios	58
Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – General Fund	59
Statement Revenues, Expenditures and Change in Fund Balance – Budget and Actual – Human Services Fund	60
Notes to Required Supplementary Information	61

MONROE COUNTY, WISCONSIN

Table of Contents

December 31, 2023

	<u>Page</u>
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	63
Combining Statement of Net Position – Internal Service Funds	64
Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit) – Internal Service Funds	65
Combining Statement of Cash Flows – Internal Service Funds	66
Combining Statement of Net Position – Custodial Funds	67
Combining Statement of Changes in Net Position – Custodial Funds	68
ADDITIONAL REPORTS	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	69 - 70
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 Wisconsin <i>State Single Audit Guidelines</i>	71 - 73
FEDERAL AND STATE AWARDS	
Schedule of Expenditures of Federal Awards	74 - 75
Schedule of Expenditures of State Awards	76 - 77
Notes to the Schedules of Expenditures of Federal and State Awards	78 - 79
Schedule of Findings and Questioned Costs	80 - 82
Schedule of Prior Year Audit Findings	83
Corrective Action Plan	84

Independent Auditors' Report

To the County Board
Monroe County
Sparta, Wisconsin

Report on the Audit of 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 (County), as of and for the year ended December 31, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Monroe County, Wisconsin 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 Monroe County, Wisconsin'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.

Auditors' 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 auditors' 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.

To the County Board
Monroe County

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 Monroe County, Wisconsin'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 Monroe County, Wisconsin'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 requires that the management's discussion and analysis, the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, schedule of changes in total OPEB liability and related ratios, statement of revenues, expenditures and change in fund balance – budget and actual – general fund and statement of revenues, expenditures and change in fund balance – budget and actual – human services fund 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 of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining statement of net position – internal service funds, combining statement of revenues, expenses, and changes in net position (deficit) – internal service funds, combining statement of cash flows – internal service funds, combining statement of net position – custodial funds, combining statement of changes in net position – custodial funds, schedule of expenditures of federal awards and schedule of expenditures of state awards 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements.

To the County Board
Monroe County

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 balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining statement of net position – internal service funds, combining statement of revenues, expenses, and changes in net position (deficit) – internal service funds, combining statement of cash flows – internal service funds, combining statement of net position – custodial funds, combining statement of changes in net position – custodial funds, schedule of expenditures of federal awards and schedule of expenditures of state awards 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 19, 2024, 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 Monroe County, Wisconsin'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 Monroe County, Wisconsin's internal control over financial reporting and compliance.

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
June 19, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Monroe County, Wisconsin

Management's Discussion and Analysis

December 31, 2023

As management of 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, 2023.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflow of resources as of December 31, 2023 by \$126,349,658 (net position). Of this amount, \$23,736,307 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$6,526,239. 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, 2023, the County's governmental funds reported combined ending fund balances of \$19,802,341 million, an increase of \$1,843,179 in comparison with the prior year.
- As of December 31, 2023, unassigned fund balance for the general fund was \$11,884,938.
- The County's total general-obligation debt decreased by \$3,690,000 during 2023.

Overview of the Basic Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 11 - 12 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 13 - 16 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 self-funded health insurance, information systems, technology pool and self-funded workers' compensation. 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 17 - 22 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 23 and 24 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 25 - 56 of this report.

Required supplementary information. Information on the County's pension and other post-employment benefit plan and certain budget to actual schedules is presented immediately following the notes to the basic financial statements and can be found on pages 57 - 61.

Supplementary information. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information and can be found on pages 62 – 68.

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 \$126.3 million at the close of 2023.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current & other assets	\$ 46,100,698	\$ 53,142,804	\$ 26,527,632	\$ 31,057,610	\$ 72,628,330	\$ 84,200,414
Capital assets	93,605,461	89,829,118	31,913,098	31,250,365	125,518,559	121,079,483
Total assets	<u>139,706,159</u>	<u>142,971,922</u>	<u>58,440,730</u>	<u>62,307,975</u>	<u>198,146,889</u>	<u>205,279,897</u>
Deferred outflow of resources	16,702,306	13,012,683	6,958,406	5,788,372	23,660,712	18,801,055
Long-term liabilities outstanding	15,158,299	13,166,574	29,219,223	28,615,547	44,377,522	41,782,121
Other liabilities	11,196,519	13,621,162	4,310,306	4,463,491	15,506,825	18,084,653
Total liabilities	<u>26,354,818</u>	<u>26,787,736</u>	<u>33,529,529</u>	<u>33,079,038</u>	<u>59,884,347</u>	<u>59,866,774</u>
Deferred inflow of resources	25,068,131	31,255,404	10,505,465	13,135,355	35,573,596	44,390,759
Net position:						
Net investment in capital assets	80,788,834	75,031,347	9,643,604	10,981,843	90,432,438	86,013,190
Restricted	4,639,281	5,482,896	7,541,632	1,717,512	12,180,913	7,200,408
Unrestricted	19,557,401	17,427,222	4,178,906	9,182,599	23,736,307	26,609,821
Net position	<u>\$ 104,985,516</u>	<u>\$ 97,941,465</u>	<u>\$ 21,364,142</u>	<u>\$ 21,881,954</u>	<u>\$ 126,349,658</u>	<u>\$ 119,823,419</u>

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

An additional portion of the County's net position (9.64%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$23,736,307) 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 \$7,044,051 while business-type activities decreased net position by \$517,812. A summary of the changes in net position follows:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Fees, fines, & charges for services	\$ 4,447,858	\$ 4,064,601	\$ 15,448,249	\$ 13,132,595	\$ 19,896,107	\$ 17,197,196
Operating grants and contributions	20,642,299	18,284,371	2,015,346	-	22,657,645	18,284,371
General revenues:						
Property taxes	15,451,245	12,866,445	5,912,506	5,384,586	21,363,751	18,251,031
Sales tax	5,135,955	4,890,006	-	-	5,135,955	4,890,006
Other taxes	308,931	306,329	-	-	308,931	306,329
Grants & contributions not restricted to specific programs	3,253,304	2,706,338	-	-	3,253,304	2,706,338
Investment income	1,604,541	171,922	344,959	98,539	1,949,500	270,461
Gain on Property Sales	24,400	-	-	-	24,400	-
Other	182,428	604,028	-	-	182,428	604,028
Total revenues	<u>51,050,961</u>	<u>43,894,040</u>	<u>23,721,060</u>	<u>18,615,720</u>	<u>74,772,021</u>	<u>62,509,760</u>
Expenses:						
General government	9,037,920	9,210,726	-	-	9,037,920	9,210,726
Public protection	10,967,078	8,096,921	-	-	10,967,078	8,096,921
Public ways & facilities	2,201,467	2,129,357	-	-	2,201,467	2,129,357
Health	23,856,003	20,146,808	-	-	23,856,003	20,146,808
Culture, recreation, and education	741,804	704,496	-	-	741,804	704,496
Conservation & development	2,555,816	14,956	-	-	2,555,816	14,956
Interest & fiscal charges	148,256	10,928	-	-	148,256	10,928
Rolling Hills	-	-	8,737,176	8,099,254	8,737,176	8,099,254
Solid waste	-	-	2,833,752	3,168,933	2,833,752	3,168,933
Highway operations	-	-	7,166,510	6,835,965	7,166,510	6,835,965
Total expenses	<u>49,508,344</u>	<u>40,314,192</u>	<u>18,737,438</u>	<u>18,104,152</u>	<u>68,245,782</u>	<u>58,418,344</u>
Change in net position before transfers	<u>1,542,617</u>	<u>3,579,848</u>	<u>4,983,622</u>	<u>511,568</u>	<u>6,526,239</u>	<u>4,091,416</u>
Loss on Impairment of Leachate Systems	-	-	-	(1,407,095)	-	(1,407,095)
Transfers	5,501,434	144,316	(5,501,434)	(144,316)	-	-
Net Position - January 1	<u>97,941,465</u>	<u>94,217,301</u>	<u>21,881,954</u>	<u>22,921,797</u>	<u>119,823,419</u>	<u>117,139,098</u>
Net Position - December 31	<u>\$ 104,985,516</u>	<u>\$ 97,941,465</u>	<u>\$ 21,364,142</u>	<u>\$ 21,881,954</u>	<u>\$ 126,349,658</u>	<u>\$ 119,823,419</u>

Funding for the County's operating budget come from several sources, including property taxes, revenues from other governments (Federal, State and Local), user fees, permits, fines and sales tax. Sales tax collections increased in 2023 and interest on investment increased due to higher interest rates. The State of Wisconsin is continuing to increase funding to the Comprehensive Community Services (CCS) and Children's Long Term Support Waiver Program (CLTS) programs resulting in the Human Services department experiencing continued growth.

Rolling Hills moved into their new building in August 2022 and operating revenue increased 70% and operating expenses decreased by 12% from 2022 to 2023.

The Solid Waste department had a decrease in expenses from 2022 to 2023 due to lower depreciation expense. \$306,766 was set aside for future costs of closing the landfill-

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, 2023, the County's governmental funds reported combined ending fund balances of \$19,802,341, an increase of \$1,843,179 in comparison with the prior year. Approximately 60% of this amount (\$11.9 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 (\$118,653), 2) the portion of delinquent taxes purchased from other taxing jurisdictions (\$483,447) and 3) nonspendable contributions for local history room endowment and Haney Reserve (\$2,118,947). The restricted includes 1) amounts restricted by statutes (\$960,269), 2) amounts restricted by donors (\$771,471), and 3) debt service (\$64,402). The committed amount includes \$2,075,706 in various projects approved by the County Board. The assigned amounts represent tentative management plans for certain items in the General Fund (\$1,241,890), jail assessment activities of \$39,588, human services activities of \$597 and the Local History Room special revenue fund (\$42,433).

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 \$11,884,938 while total fund balance was \$14,449,056. 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 51.50% of total general fund expenditures, while total fund balance represents 63% 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 general fund increased \$94,196 for the year ended December 31, 2023. This positive performance was primarily due actual expense less than the anticipated budgeted amount.

The County's Human Services fund increased \$123,765 due to the reserve account allowance increased by \$100,000 to \$400,000 and deposits into the DOT Trust account. The Human Services fund transferred \$332,689 to the General fund due to revenues more than originally budgeted and expenditures being less than 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 \$6,925,551, an increase of \$1,776,379 as expenditures were less than revenue.

Net position of the solid waste fund at the end of the year amounted to \$1,653,043, an increase of \$122,025 over the prior year.

Net position of the highway fund at the end of the year amounted to \$12,918,846, a decrease of \$2,236,863 over the prior year due primarily to projects being completed being and able to be purchase equipment that hadn't been available due to supply issues since COVID-19.

General Fund Budgetary Highlights

The County's general fund balance increased \$94,196 during the current year. Key factors in this change are as follows:

- The general fund transferred \$2,637,517 to other funds in the current year.
- Overall expenditures were less than final budget amounts by \$4,306,746

Budgetary amendments were made during the year as noted on page 59 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, 2023 amounts to \$125,518,559 (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 \$4,439,076 over last year and primarily due the completion of road projects.

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,217,976	\$ 2,077,690	\$ 567,642	\$ 567,642	\$ 2,785,618	\$ 2,645,332
Construction in progress	3,151,173	4,882,380	1,326,912	-	4,478,085	4,882,380
Right-of-Use Asset	1,561,043	1,652,105	-	-	1,561,043	1,652,105
Land improvements	18,266	35,458	2,121,151	2,324,745	2,139,417	2,360,203
Buildings & improvements	36,638,472	36,754,885	21,775,018	22,467,203	58,413,490	59,222,088
Machinery & equipment	5,089,766	5,186,469	6,122,375	5,890,775	11,212,141	11,077,244
Infrastructure	44,928,765	39,240,131	-	-	44,928,765	39,240,131
Total	<u>\$ 93,605,461</u>	<u>\$ 89,829,118</u>	<u>\$ 31,913,098</u>	<u>\$ 31,250,365</u>	<u>\$ 125,518,559</u>	<u>\$ 121,079,483</u>

Long-term debt. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$33,175,000 backed by the full faith and credit of the government.

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General Obligation Debt						
Bonds and notes	\$ 10,270,000	\$ 12,465,000	\$ 22,905,000	\$ 24,400,000	\$ 33,175,000	\$ 36,865,000

The County's general obligation debt decreased \$3,690,000 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 legal margin for new debt for the County is \$246,514,430, which is significantly in excess of the County's \$33,175,000 in outstanding general obligation debt.

Economic and Other Factors

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, projects funded with the bond issue will be completed during 2023 and 2024.

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.

Monroe County is partnering with Vernon Communications Cooperative to bring high-speed broadband to rural areas of the county. Phase 1 was completed in 2023 and Phase 2 is to be completed in 2024. The project will cost \$11,651,775 with Monroe County providing \$1,696,704 of American Recovery Act funds towards the project. The remainder of the cost will be funded with State and Federal Grants and by Vernon Communications Cooperative.

The Solid Waste department is working with the DNR to move into the next phase of the landfill. This involves a phase 5 new cell expansion integrated with the existing phase 1-4 landfill site. Construction is to take place during 2024 with an estimated budget of \$2,907,934. The project will be funded with awarded HUD congressionally directed spending of \$951,961 and \$1,955,973 in landfill funds.

To date, Monroe County has received \$729,366 in Opioid Settlement Funds. The County is looking at qualified projects to best utilize the funds received and the funds yet to be received from the settlements.

Monroe County continues to see economic impact from Fort McCoy military base improvements. The master plan includes construction of four 60,000-square-foot barracks, three 20,000-square-foot brigade headquarters buildings, and two 160-room officer quarters. The total estimated economic impact to the region for fiscal year (FY) 2023 was at \$1.38 billion.

Contacting the County's Financial Management

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

BASIC FINANCIAL STATEMENTS

MONROE COUNTY, WISCONSIN

Statement of Net Position
As of December 31, 2023

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current Assets			
Pooled Cash and Investments	\$ 20,773,781	\$ 6,467,066	\$ 27,240,847
Accounts Receivable	4,620,739	4,561,418	9,182,157
Taxes Receivable	-	6,488,582	6,488,582
Leases Receivable	90,102	-	90,102
Property Taxes Levied for Subsequent Year	15,333,132	-	15,333,132
Delinquent Property Taxes	1,414,299	-	1,414,299
Interest Receivable	25,070	-	25,070
Loans Receivable	67,707	-	67,707
Internal Balances	133,298	(133,298)	-
Due from Other Governments	-	1,503,021	1,503,021
Prepaid Items	118,653	-	118,653
Inventories	-	1,256,421	1,256,421
Total Current Assets	42,576,781	20,143,210	62,719,991
Noncurrent Assets			
Restricted Cash and Investments	3,344,436	6,384,422	9,728,858
Noncurrent Lease Receivable	179,481	-	179,481
Capital Assets - Nondepreciable	5,369,149	1,894,554	7,263,703
Capital Assets - Depreciable, Net	88,236,312	30,018,544	118,254,856
Total Noncurrent Assets	97,129,378	38,297,520	135,426,898
TOTAL ASSETS	139,706,159	58,440,730	198,146,889
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	16,576,621	6,887,075	23,463,696
Deferred Outflows of Resources Related to Other Post-Employment Benefits	125,685	71,331	197,016
Total Deferred Outflows of Resources	16,702,306	6,958,406	23,660,712
LIABILITIES			
Current Liabilities			
Accounts and Claims Payable	2,692,248	779,347	3,471,595
Accrued Liabilities	1,093,967	373,315	1,467,282
Due to Other Governments	325,763	17,307	343,070
Accrued Interest Payable	84,550	158,409	242,959
Deposits from Others	270,898	7,936	278,834
Current Portion of Other Post-Employment Benefits Liability	15,285	13,114	28,399
Current Portion of Compensated Absences	635,858	288,297	924,155
Current Portion of Lease Obligations	52,555	-	52,555
Current Portion of Notes Payable	2,240,000	1,400,000	3,640,000
Unearned Revenue	3,785,395	1,272,581	5,057,976
Total Current Liabilities	11,196,519	4,310,306	15,506,825
Noncurrent Liabilities			
Net Pension Liability - Wisconsin Retirement System	4,416,096	1,851,297	6,267,393
Loans Payable	128,426	-	128,426
Noncurrent Portion of Compensated Absences	135,311	84,948	220,259
Noncurrent Portion of Lease Obligations	1,986,126	-	1,986,126
Noncurrent Portion of Notes Payable	8,210,917	22,494,265	30,705,182
Noncurrent Portion of Contracts Payable	-	75	75
Accrued Landfill Closure/Post Closure Care Cost	-	4,547,206	4,547,206
Noncurrent Portion Other Post-Employment Benefits Liability	281,423	241,432	522,855
Total NonCurrent Liabilities	15,158,299	29,219,223	44,377,522
TOTAL LIABILITIES	26,354,818	33,529,529	59,884,347
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	15,301,866	6,488,582	21,790,448
Deferred Inflows of Resources Related to Pension	9,252,984	3,878,568	13,131,552
Deferred Inflows of Resources Related to Other Post-Employment Benefits	243,698	138,315	382,013
Deferred Inflows of Resources Related to Leases	269,583	-	269,583
Total Deferred Inflows of Resources	25,068,131	10,505,465	35,573,596
NET POSITION			
Net Investment in Capital Assets	80,788,834	9,643,604	90,432,438
Restricted	4,639,281	7,541,632	12,180,913
Unrestricted	19,557,401	4,178,906	23,736,307
TOTAL NET POSITION	\$ 104,985,516	\$ 21,364,142	\$ 126,349,658

See Accompanying Notes

MONROE COUNTY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fines, Fees, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES						
General Government	\$ 9,037,920	\$ 1,778,005	\$ 330,377	\$ (6,929,538)	\$ -	\$ (6,929,538)
Public Protection	10,967,078	912,592	276,315	(9,778,171)	-	(9,778,171)
Public Works	2,201,467	-	-	(2,201,467)	-	(2,201,467)
Health and Human Services	23,856,003	1,261,188	19,075,541	(3,519,274)	-	(3,519,274)
Culture and Recreation	741,804	211,578	445,990	(84,236)	-	(84,236)
Conservation and Development	2,555,816	284,495	514,076	(1,757,245)	-	(1,757,245)
Interest and Fiscal Charges	148,256	-	-	(148,256)	-	(148,256)
Total Governmental Activities	49,508,344	4,447,858	20,642,299	(24,418,187)	-	(24,418,187)
BUSINESS-TYPE ACTIVITIES						
Rolling Hills	8,737,176	8,460,792	578,788	-	302,404	302,404
Solid Waste	2,833,752	2,582,227	151,741	-	(99,784)	(99,784)
Highway	7,166,510	4,405,230	1,284,817	-	(1,476,463)	(1,476,463)
Total Business-Type Activities	18,737,438	15,448,249	2,015,346	-	(1,273,843)	(1,273,843)
TOTAL MONROE COUNTY	\$ 68,245,782	\$ 19,896,107	\$ 22,657,645	(24,418,187)	(1,273,843)	(25,692,030)
GENERAL REVENUES:						
Taxes:						
Property Taxes, Levied for General Purposes				15,451,245	5,912,506	21,363,751
Sales Taxes				5,135,955	-	5,135,955
Other Taxes				308,931	-	308,931
State and Federal Aids not Restricted to						
Specific Functions				3,253,304	-	3,253,304
Interest and Investment Earnings				1,604,541	344,959	1,949,500
Gain (Loss) on Property Sales				24,400	-	24,400
Miscellaneous				182,428	-	182,428
Total General Revenues				25,960,804	6,257,465	32,218,269
TRANSFERS				5,501,434	(5,501,434)	-
CHANGE IN NET POSITION				7,044,051	(517,812)	6,526,239
NET POSITION - BEGINNING OF YEAR				97,941,465	21,881,954	119,823,419
NET POSITION - END OF YEAR				\$ 104,985,516	\$ 21,364,142	\$ 126,349,658

MONROE COUNTY, WISCONSIN

Balance Sheet
Governmental Funds
As of December 31, 2023

	<u>General</u>	<u>Human Services</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Pooled Cash and Investments	\$ 15,301,075	\$ -	\$ 57,695	\$ 1,720,700	\$ 17,079,470
Delinquent Property Taxes	1,414,299	-	-	-	1,414,299
Accounts Receivable	1,820,061	2,171,154	7,182	384,519	4,382,916
Property Taxes Levied for Subsequent Year	7,060,335	4,085,157	2,291,076	440,000	13,876,568
Interest Receivable	25,070	-	-	-	25,070
Loans Receivable	67,707	-	-	-	67,707
Due from Other Funds	722,470	-	-	-	722,470
Prepaid Items	103,345	15,308	-	-	118,653
Lease Receivable	269,583	-	-	-	269,583
Restricted Assets - Pooled Cash and Investments	168,236	54,550	-	3,121,650	3,344,436
TOTAL ASSETS	<u>\$ 26,952,181</u>	<u>\$ 6,326,169</u>	<u>\$ 2,355,953</u>	<u>\$ 5,666,869</u>	<u>\$ 41,301,172</u>
LIABILITIES					
Accounts Payable	\$ 713,770	\$ 1,201,228	\$ 475	\$ 9,717	\$ 1,925,190
Accrued Liabilities	478,294	193,445	-	48,310	720,049
Due to Other Fund	-	376,218	-	346,252	722,470
Due to Other Governments	325,763	-	-	-	325,763
Deposits from Others	270,622	276	-	-	270,898
Unearned Revenues	3,197,223	3,552	-	-	3,200,775
Total Liabilities	<u>4,985,672</u>	<u>1,774,719</u>	<u>475</u>	<u>404,279</u>	<u>7,165,145</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes Levied for Subsequent Period	7,247,870	4,085,157	2,291,076	440,000	14,064,103
Deferred Inflows of Resources Related to Leases	269,583	-	-	-	269,583
Total Deferred Inflows of Resources	<u>7,517,453</u>	<u>4,085,157</u>	<u>2,291,076</u>	<u>440,000</u>	<u>14,333,686</u>
FUND BALANCES					
Nonspendable	587,792	15,308	-	2,117,947	2,721,047
Restricted	623,487	54,550	64,402	1,053,703	1,796,142
Committed	110,949	395,838	-	1,568,919	2,075,706
Assigned	1,241,890	597	-	82,021	1,324,508
Unassigned	11,884,938	-	-	-	11,884,938
Total Fund Balances	<u>14,449,056</u>	<u>466,293</u>	<u>64,402</u>	<u>4,822,590</u>	<u>19,802,341</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 26,952,181</u>	<u>\$ 6,326,169</u>	<u>\$ 2,355,953</u>	<u>\$ 5,666,869</u>	<u>\$ 41,301,172</u>

MONROE COUNTY, WISCONSIN
 Reconciliation of the Balance Sheet
 Governmental Funds to the Statement of Net Position
 As of December 31, 2023

Total Fund Balances - Governmental Funds		\$ 19,802,341
 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. Amounts reported for governmental activities in the statement of net position include the following:		
Capital Assets, Governmental	\$ 141,145,676	
Accumulated Depreciation, Governmental	<u>(47,540,215)</u>	93,605,461
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds, due to availability		
Delinquent Taxes		218,801
Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and Notes Payable, Face Value	(10,270,000)	
Debt Premium	(180,917)	
Forest Crop Loans Payable	(128,426)	
Lease Obligations	(2,038,681)	
Compensated Absences	(771,169)	
Accrued Interest	<u>(84,550)</u>	(13,473,743)
The County's proportionate share of the Wisconsin Retirement System pension plan affects the statement of net position, therefore it is not reported in the fund financial statements.		
Net Pension Liability	(4,416,096)	
Deferred Outflows of Resources Related to Pension	16,576,621	
Deferred Inflows of Resources Related to Pension	<u>(9,252,984)</u>	2,907,541
The County's Other Post-Employment Benefits Liability affects the statement of net position; therefore, it is not reported in the fund financial statements.		
Other Post-Employment Healthcare Benefits Liability	(296,708)	
Deferred Outflows of Resources Related to Other Post-Employment Benefits	125,685	
Deferred Inflows of Resources Related to Other Post-Employment Benefits	<u>(243,698)</u>	(414,721)
Internal service funds are used by management to allocate the costs of various internal activities to all funds and departments of the County. These activities include technology services as well as employee insurance and wellness benefits. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position as follows. The remaining net position of the internal service funds are allocated to business-type activities, due to the highway department's participation in various services allocated to the internal service funds.		
		<u>2,339,836</u>
Total Net Position - Governmental Activities		<u>\$ 104,985,516</u>

MONROE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Human Services	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 12,849,210	\$ 4,052,375	\$ 2,261,689	\$ 439,035	\$ 19,602,309
Intergovernmental	7,856,363	14,513,245	-	1,374,814	23,744,422
Regulation and Compliance	287,727	-	-	-	287,727
Fines and Forfeitures	315,449	-	-	-	315,449
Charges for Services	1,528,930	1,097,693	108,160	169,755	2,904,538
Commercial	855,645	-	-	-	855,645
Private Donations	44,199	10,872	-	111,852	166,923
Interest Income	1,252,295	2,312	-	203,557	1,458,164
Miscellaneous	198,685	-	-	-	198,685
Total Revenues	<u>25,188,503</u>	<u>19,676,497</u>	<u>2,369,849</u>	<u>2,299,013</u>	<u>49,533,862</u>
EXPENDITURES					
Current:					
General Government	8,010,467	-	-	-	8,010,467
Public Protection	8,278,891	-	-	114,982	8,393,873
Public Works	267,204	-	-	-	267,204
Health and Human Services	1,158,500	19,460,916	-	1,929,001	22,548,417
Culture and Recreation	1,123,138	-	-	-	1,123,138
Conservation and Development	2,405,093	-	-	-	2,405,093
Debt Service:					
Principal Retirement	-	-	2,195,000	-	2,195,000
Interest and Fiscal Charges	-	-	278,370	-	278,370
Capital Outlay	1,832,116	-	-	-	1,832,116
Total Expenditures	<u>23,075,409</u>	<u>19,460,916</u>	<u>2,473,370</u>	<u>2,043,983</u>	<u>47,053,678</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,113,094</u>	<u>215,581</u>	<u>(103,521)</u>	<u>255,030</u>	<u>2,480,184</u>
OTHER FINANCING SOURCES (USES)					
Sale of Property and Equipment	24,400	-	-	-	24,400
Transfers In	594,219	240,873	1,534,623	1,546,961	3,916,676
Transfers Out	(2,637,517)	(332,689)	(1,534,623)	(73,252)	(4,578,081)
Total Other Financing Sources (Uses)	<u>(2,018,898)</u>	<u>(91,816)</u>	<u>-</u>	<u>1,473,709</u>	<u>(637,005)</u>
NET CHANGE IN FUND BALANCES	94,196	123,765	(103,521)	1,728,739	1,843,179
FUND BALANCES - BEGINNING	14,354,860	342,528	167,923	3,093,851	17,959,162
FUND BALANCES - ENDING	<u>\$ 14,449,056</u>	<u>\$ 466,293</u>	<u>\$ 64,402</u>	<u>\$ 4,822,590</u>	<u>\$ 19,802,341</u>

MONROE COUNTY, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,843,179

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay Reported in Governmental Funds	\$ 7,522,535	
Depreciation Expense Reported in Governmental Activities	(3,378,578)	
Net Book Value of Disposals	<u>(367,614)</u>	
Amount by which capital outlays and disposals are more than depreciation in the current period.		3,776,343

Governmental funds do not present revenues that are not available to pay current obligations. In contrast such revenues are reported in the statement of activities when earned:

Delinquent Taxes		(169,851)
------------------	--	-----------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of new position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds and Notes Payable		2,195,000
Forest Crop Loans Payable		13,241
Lease Obligations		46,708

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest		3,700
Amortization of Debt Premium		66,465
Change in Compensated Absences		(101,594)
Change in Pension Related Balances		(1,019,680)
Change in Other Post-Employment Benefit Related Balances		(26,956)

Internal service funds are used by the County to charge the costs of reproduction, motor pool, technology services and the County's insurance to individual funds. The net revenue of the internal service funds and is reported with the governmental activities.

417,496

Change in Net Position - Governmental Activities \$ 7,044,051

MONROE COUNTY, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2023

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current Assets:					
Pooled Cash and Investments	\$ 642,116	\$ 131,890	\$ 5,693,060	\$ 6,467,066	\$ 3,694,311
Receivables					
Accounts	3,144,357	385,204	1,031,857	4,561,418	237,823
Taxes	1,293,143	-	5,195,439	6,488,582	-
Property Taxes Levied for Subsequent Year	-	-	-	-	1,456,564
Due from Other Governments	-	-	1,503,021	1,503,021	-
Inventories	-	-	1,256,421	1,256,421	-
Total Current Assets	5,079,616	517,094	14,679,798	20,276,508	5,388,698
Noncurrent Assets:					
Restricted Assets - Cash and Investments	27,128	4,531,468	1,825,826	6,384,422	-
Land	-	384,595	183,047	567,642	-
Construction Work in Progress	-	-	1,326,912	1,326,912	-
Land Improvements	855,803	6,044,293	938,843	7,838,939	-
Buildings	22,064,818	214,262	3,547,211	25,826,291	-
Machinery and Equipment	1,154,325	290,900	15,838,371	17,283,596	-
Accumulated Depreciation	(1,318,637)	(5,516,233)	(14,095,412)	(20,930,282)	-
Total Noncurrent Assets	22,783,437	5,949,285	9,564,798	38,297,520	-
TOTAL ASSETS	27,863,053	6,466,379	24,244,596	58,574,028	5,388,698
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources Related to Pension	3,770,200	136,800	2,980,075	6,887,075	-
Deferred Outflows of Resources					
Related to Other Post-Employment Benefits	46,099	970	24,262	71,331	-
Total Deferred Outflows of Resources	3,816,299	137,770	3,004,337	6,958,406	-
CURRENT LIABILITIES					
Accounts Payable	121,194	271,995	386,158	779,347	767,058
Accrued Liabilities	190,277	5,654	177,384	373,315	373,918
Accrued Interest Payable	119,176	-	39,233	158,409	-
Due to Other Governments	17,307	-	-	17,307	-
Deposits from Others	7,936	-	-	7,936	-
Unearned Revenue	102,755	-	1,169,826	1,272,581	584,620
Current Portion of Other Post-Employment Benefits Liability	8,117	131	4,866	13,114	-
Current Portion of Compensated Absences	173,332	7,859	107,106	288,297	-
Current Portion of Long-Term Obligations	885,000	-	515,000	1,400,000	-
Total Current Liabilities	1,625,094	285,639	2,399,573	4,310,306	1,725,596
NONCURRENT LIABILITIES					
Net Pension Liability	1,016,472	36,825	798,000	1,851,297	-
Other Post-Employment Benefits Liability	149,447	2,403	89,582	241,432	-
Noncurrent Portion of Compensated Absences	57,955	-	26,993	84,948	-
Noncurrent Portion of Long-Term Obligations	18,392,810	-	4,101,455	22,494,265	-
Noncurrent Portion of Contracts Payable	-	-	75	75	-
Accrued Landfill Closure/Post Closure Care Cost	-	4,547,206	-	4,547,206	-
Total Noncurrent Liabilities	19,616,684	4,586,434	5,016,105	29,219,223	-
TOTAL LIABILITIES	21,241,778	4,872,073	7,415,678	33,529,529	1,725,596
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Period	1,293,143	-	5,195,439	6,488,582	1,456,564
Deferred Inflows of Resources Related to Pension	2,129,493	77,151	1,671,924	3,878,568	-
Deferred Inflows of Resources					
Related to Other Post-Employment Benefits	89,387	1,882	47,046	138,315	-
Total Deferred Inflows of Resources	3,512,023	79,033	6,914,409	10,505,465	1,456,564
NET POSITION					
Investment in Capital Assets	3,478,499	1,417,817	4,747,288	9,643,604	-
Restricted for Pension	651,363	4,554,292	2,335,977	7,541,632	-
Unrestricted (Deficit)	2,795,689	(4,319,066)	5,835,581	4,312,204	2,206,538
TOTAL NET POSITION	\$ 6,925,551	\$ 1,653,043	\$ 12,918,846	\$ 21,497,440	\$ 2,206,538

See the Accompanying Notes

MONROE COUNTY, WISCONSIN

Reconciliation of the Net Position of the Enterprise Funds to the Business-Type Activities
As of December 31, 2023

Total Net Position as shown on previous page	\$ 21,497,440
Some amounts reported for business-type activities in the statement of net position are different because certain internal service assets and liabilities are included with business-type activities.	<u>(133,298)</u>
Net Position of Business-Type Activities as Reported on the Statement of Net Position (see page 11)	<u>\$ 21,364,142</u>

MONROE COUNTY, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Rolling Hills	Solid Waste	Highway	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 8,460,792	\$ 2,582,227	\$ 4,405,230	\$ 15,448,249	\$ -
Intergovernmental Charges For Services	-	-	-	-	6,369,647
Other Operating Revenues	-	-	-	-	1,173,833
Total Operating Revenues	<u>8,460,792</u>	<u>2,582,227</u>	<u>4,405,230</u>	<u>15,448,249</u>	<u>7,543,480</u>
OPERATING EXPENSES					
General and Administrative	820,346	-	364,784	1,185,130	144,511
Operation and Maintenance	6,680,886	2,573,476	11,725,724	20,980,086	8,971,556
Depreciation	759,930	258,429	722,291	1,740,650	-
Total Operating Expenses	<u>8,261,162</u>	<u>2,831,905</u>	<u>12,812,799</u>	<u>23,905,866</u>	<u>9,116,067</u>
OPERATING INCOME (LOSS)	<u>199,630</u>	<u>(249,678)</u>	<u>(8,407,569)</u>	<u>(50,048)</u>	<u>(1,572,587)</u>
NONOPERATING REVENUES (EXPENSES)					
General Property Taxes	1,248,647	-	4,663,859	5,912,506	1,293,822
Grants	578,788	151,741	1,284,817	2,015,346	52,500
Interest Income	18	183,503	161,438	344,959	146,377
Gain (Loss) on Sale of Equipment	(34,302)	-	30,515	(3,787)	-
Interest Expense	(382,826)	-	(83,612)	(466,438)	-
Miscellaneous	-	(292)	(26,510)	(26,802)	-
Total Nonoperating Revenues (Expenses)	<u>1,410,325</u>	<u>334,952</u>	<u>6,030,507</u>	<u>7,775,784</u>	<u>1,492,699</u>
INCOME (LOSS) BEFORE TRANSFERS	1,609,955	85,274	(2,377,062)	(681,833)	(79,888)
TRANSFERS IN	166,424	36,751	140,199	343,374	506,309
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(188,278)</u>
CHANGE IN NET POSITION	1,776,379	122,025	(2,236,863)	(338,459)	238,143
NET POSITION - BEGINNING	<u>5,149,172</u>	<u>1,531,018</u>	<u>15,155,709</u>	<u>21,835,899</u>	<u>1,968,395</u>
NET POSITION - ENDING	<u>\$ 6,925,551</u>	<u>\$ 1,653,043</u>	<u>\$ 12,918,846</u>	<u>\$ 21,497,440</u>	<u>\$ 2,206,538</u>

See the Accompanying Notes

MONROE COUNTY, WISCONSIN

Reconciliation of the Change in Net Position of the Enterprise Funds to the Business-Type Activities
For the Year Ended December 31, 2023

Change in Net Position as shown on previous page	\$ (338,459)
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	<u>(179,353)</u>
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities (see page 12)	<u><u>\$ (517,812)</u></u>

MONROE COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise Funds				Internal Service Funds
	Rolling Hills	Solid Waste	Highway	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Customers	\$ 5,874,580	\$ 2,577,883	\$ 4,382,053	\$ 12,834,516	\$ 7,198,811
Payments to Employees	(6,151,624)	(165,450)	(4,010,797)	(10,327,871)	(8,807,792)
Payments to Suppliers	(1,134,025)	(2,060,424)	(7,795,810)	(10,990,259)	(384,130)
Net Cash Flows From Operating Activities	<u>(1,411,069)</u>	<u>352,009</u>	<u>(7,424,554)</u>	<u>(8,483,614)</u>	<u>(1,993,111)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property Taxes	1,248,647	-	4,663,859	5,912,506	1,293,822
Local Grants	578,788	151,741	1,284,817	2,015,346	52,500
Transfer to Other Funds	-	-	-	-	(188,278)
Transfer From Other Funds	166,424	36,751	140,199	343,374	506,309
Miscellaneous Revenue (Expense)	-	(292)	(26,510)	(26,802)	-
Net Cash Flows From Noncapital Financing Activities	<u>1,993,859</u>	<u>188,200</u>	<u>6,062,365</u>	<u>8,244,424</u>	<u>1,664,353</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of Capital Assets	(50,685)	(16,805)	(2,461,912)	(2,529,402)	-
Sale of Capital Assets	-	4,025	118,207	122,232	-
Interest Paid on Long-Term Debt	(445,344)	-	(129,175)	(574,519)	-
Principal Payments on Long-Term Debt	(945,000)	-	(550,000)	(1,495,000)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(1,441,029)</u>	<u>(12,780)</u>	<u>(3,022,880)</u>	<u>(4,476,689)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received on Investments	18	183,503	161,438	344,959	146,377
CHANGE IN CASH AND INVESTMENTS	(858,221)	710,932	(4,223,631)	(4,370,920)	(182,381)
CASH AND INVESTMENTS - BEGINNING	<u>1,527,465</u>	<u>3,952,426</u>	<u>11,742,517</u>	<u>17,222,408</u>	<u>3,876,692</u>
CASH AND INVESTMENTS - ENDING	<u>\$ 669,244</u>	<u>\$ 4,663,358</u>	<u>\$ 7,518,886</u>	<u>\$ 12,851,488</u>	<u>\$ 3,694,311</u>
RECONCILIATION OF CASH ACCOUNTS					
Cash and Investments	\$ 640,429	\$ 131,890	\$ 5,693,060	\$ 6,465,379	\$ 3,694,311
Petty Cash	1,687	-	-	1,687	-
Restricted Cash and Investments	27,128	4,531,468	1,825,826	6,384,422	-
Total Reconciliation of Cash Accounts	<u>\$ 669,244</u>	<u>\$ 4,663,358</u>	<u>\$ 7,518,886</u>	<u>\$ 12,851,488</u>	<u>\$ 3,694,311</u>

MONROE COUNTY, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise Funds				Internal Service Funds
	Rolling Hills	Solid Waste	Highway	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 199,630	\$ (249,678)	\$ (8,407,569)	\$ (8,457,617)	\$ (1,572,587)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Depreciation	759,930	258,429	722,291	1,740,650	-
Changes in Assets and Liabilities:					
Customer Accounts Receivable	(2,586,212)	(4,344)	(23,177)	(2,613,733)	(133,040)
Inventories	-	-	(15,315)	(15,315)	-
Net Pension Asset	1,658,243	57,766	1,232,551	2,948,560	-
Deferred Outflows Related to Pension	(574,990)	(24,906)	(586,303)	(1,186,199)	-
Deferred Outflows Related to OPEB	9,357	261	6,547	16,165	(170,509)
Accounts Payable	(114,254)	20,476	39,333	(54,445)	-
Deposits Payable	(2,510)	-	-	(2,510)	-
Accrued Liabilities	57,104	899	(19,760)	38,243	(210,351)
Accrued Closure and Postclosure Liability	-	306,765	-	306,765	-
Unearned Revenue	-	-	22,386	22,386	93,376
Compensated Absences	(15,040)	2,591	(9,869)	(22,318)	-
Net Pension Liability	1,016,472	36,825	798,000	1,851,297	-
Contracts Payable	-	-	(2,001)	(2,001)	-
Net OPEB Liability	(54,185)	(1,141)	(28,519)	(83,845)	-
Deferred Inflows Related to Pension	(1,819,360)	(53,046)	(1,180,950)	(3,053,356)	-
Deferred Inflows Related to OPEB	54,746	1,112	27,801	83,659	-
Net Cash Flows From Operating Activities	<u>\$ (1,411,069)</u>	<u>\$ 352,009</u>	<u>\$ (7,424,554)</u>	<u>\$ (8,483,614)</u>	<u>\$ (1,993,111)</u>

MONROE COUNTY, WISCONSIN

Statement of Fiduciary Net Position

Fiduciary Fund

As of December 31, 2023

	Custodial Funds
ASSETS	
Cash and Investments	<u>\$ 1,013,811</u>
NET POSITION	
Restricted	
Sheriff	145,857
Clerk of Courts	<u>867,954</u>
Total Net Position	<u><u>\$ 1,013,811</u></u>

MONROE COUNTY, WISCONSIN
Statement of Change in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2023

	Custodial Funds
ADDITIONS	
Sheriff Receipts	\$ 513,164
Clerk of Court Receipts	3,288,236
Total Additions	3,801,400
DEDUCTIONS	
Sheriff Disbursements	457,812
Clerk of Court Disbursements	3,230,334
Total Deductions	3,688,146
CHANGE IN NET POSITION	113,254
NET POSITION - BEGINNING	900,557
NET POSITION - ENDING	\$ 1,013,811

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies

Introduction

This summary of significant accounting policies of Monroe County, Wisconsin (County) is presented to assist in understanding the County's financial statements. The financial statements and notes are representations of County's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform with accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

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, proprietary funds and fiduciary 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 funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

General Fund

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

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

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 health insurance and 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 and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources) or economic resources (all assets, deferred outflows of resources, liabilities, and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

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

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.

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (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 and expenses.

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

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

Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value except for the Wisconsin Local Government Investment Pool which is stated at amortized cost. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Property Tax Apportionments

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

Property taxes recorded on December 31, 2023 for collection in 2024 are \$21,790,448. The County apportionment is for financing 2024 operations and will be transferred in 2024 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

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 and Loans Receivable

Accounts receivable in the governmental and proprietary funds are recorded at gross. An allowance for doubtful accounts of \$149,497 is recorded in the Rolling Hills fund to account for amounts that may not be collected in the future.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

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

Inventories and Prepaid Items

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) method. Prepaid items represent payments made by the County for which benefits extend beyond December 31, 2023.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$20,000 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.

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

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

<u>Assets</u>	<u>Governmental</u>	<u>Business-Type</u>
	<u>Activities</u>	<u>Activities</u>
	<u>Years</u>	
Land Improvements	15 - 30	10 - 30
Buildings	15 - 75	25 - 75
Improvements Other Than Buildings	10 - 30	25 - 100
Machinery and Equipment	3 - 25	3 - 25
Infrastructure	25 - 50	N/A
Right To Use Assets	5 - 25	N/A

Leases

The County follows GASB Statement No. 87, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating lease and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Subscription-Based Information Technology Agreements

The County adopted GASB Statement No. 96 for the year ended December 31, 2023, which requires recognition in the financial statements of certain subscription-based information technology agreements (SBITAs). A SBITA is any contract conveying control of the right to use another party's information technology software. This statement requires the County to report a right-to-use subscription asset and corresponding subscription liability for any SBITAs. There were no material SBITAs that were required to be recorded for the year ended December 31, 2023.

Compensated Absences

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

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and lease revenue. 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.

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.

Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Pension Expense

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

Other Postemployment Benefits Other Than Pensions (OPEB)

Qualifying employees are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the County. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the County has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitation requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Non-spendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

Committed fund balance - Amounts that are constrained for specific purposes by action of the County Board. These constraints can only be removed by the County Board using the same action that was used to create them.

Assigned fund balance - Amounts that are constrained for specific purposes by action of County Management.

Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

Government-wide and Proprietary Fund Statements

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

Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, lease obligations or other borrowings that are attributable to the acquisition, construction, or improvement of existing capital assets.

Restricted net position - Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from these estimates, and such differences may be material.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 2 - Cash and Investments

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

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

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

The carrying amount of the County's cash and investments totaled \$37,983,516 on December 31, 2023 as summarized below:

Petty cash and cash on hand	\$ 4,786
Deposits with financial institutions	31,143,174
Investments:	
Stocks	4,784,540
Mutual Funds	2,051,016
Total	<u>\$ 37,983,516</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 27,236,061
Petty cash	4,786
Restricted cash and investments	9,728,858
Fiduciary fund statement of net position	
Custodial funds	1,013,811
Total	<u>\$ 37,983,516</u>

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. All trades of marketable securities are executed by delivery versus payment through an independent third-party custodian and evidenced by safekeeping receipts in Monroe County's name.

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

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 2 - Cash and Investments (Continued)

As of December 31, 2023, the County's deposits were:

Fully Insured Deposits	\$ 16,444,166
Collateralized	14,906,405
Total	<u>\$ 31,350,571</u>

The difference between the carrying value and the bank balance of deposits is due to deposits in transit and outstanding checks.

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of December 31, 2023:

	Fair Value Measurements Using:
	<u>Level 1</u>
Raymond James	\$ 435,485
Fidelity	2,051,016
Total investments by fair value level	<u>\$ 2,486,501</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County further reduces credit risk through its investment policy which limits types of investments, prequalifies institutions, and diversifies the investments. Presented below is the actual rating at time of purchase for each investment type.

<u>Investments</u>	<u>Total</u>	<u>Not Rated</u>	<u>AAA</u>
Raymond James	\$ 435,485	\$ 435,485	\$ -
Fidelity	2,051,016	2,051,016	-
Wisconsin Local Government Investment Pool	4,349,055	4,349,055	-
	<u>\$ 6,835,556</u>	<u>\$ 6,835,556</u>	<u>\$ -</u>

As of December 31, 2023, the County is not in violation of diversification limits as imposed by its investment policy.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 2 - Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investments	Total	Less Than One Year	One to Two Years	Three to Four Years
Raymond James	\$ 435,485	\$ 435,485	\$ -	\$ -
Fidelity	2,051,016	2,051,016	-	-
Wisconsin Local Government Investment Pool	4,349,055	4,349,055	-	-
	\$ 6,835,556	\$ 6,835,556	\$ -	\$ -

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investents	Fair Value at Year-End
Raymond James	\$ 435,485
Fidelity	2,051,016

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$4,349,055 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. LGIP is valued and reported at amortized cost. Participants in the LGIP have the right to withdraw their funds in total on one day's notice.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 3 - Delinquent Property Taxes - General Fund

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

On December 31, 2023, the County's general fund showed an investment of \$1,150,801 in delinquent taxes as follows:

Tax certificates	\$ 955,778
Tax deeds	195,023
Total	<u>\$ 1,150,801</u>

An aging of the total delinquent taxes of \$955,778 on December 31, 2023 follows:

Year Acquired	Total	Delinquent Special Assessments	Property Taxes	
			County Purchased	County Levied
Tax Certificates:				
2016	\$ 2	\$ -	\$ 1	\$ 1
2017	13,799	-	12,667	1,132
2018	9,906	1,110	5,820	2,976
2019	98,881	921	69,779	28,181
2020	120,971	4,495	82,532	33,944
2021	236,954	5,871	173,138	57,945
2022	475,265	32,303	341,072	101,890
	<u>955,778</u>	<u>44,700</u>	<u>685,009</u>	<u>226,069</u>
Tax Deeds	195,023	-	-	195,023
Interest	218,801	-	-	218,801
Totals	<u>\$ 1,369,602</u>	<u>\$ 44,700</u>	<u>\$ 685,009</u>	<u>639,893</u>
Less: 2024 collections within 60 days				<u>156,446</u>
Nonspendable Fund Balance				<u>\$ 483,447</u>

The total of \$955,778 for delinquent taxes, \$156,446 was collected by the County within 60 days after December 31, 2023. The remaining unpaid balance is recorded as non-spendable fund balance for the general fund.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 4 - Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2023 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Jail Assessment	\$ 11,545	Year End Cash Flow Timing
General Fund	Local History Room	8,490	Year End Cash Flow Timing
General Fund	Health	203,884	Year End Cash Flow Timing
General Fund	Human Services	376,218	Year End Cash Flow Timing
General Fund	Child Support	122,333	Year End Cash Flow Timing
		<u>\$ 722,470</u>	

Interfund transfers for the year ended December 31, 2023 were as follows:

<u>Transfer From:</u>	<u>Transfer To:</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Child Support	\$ 12,338	ARPA Funds for Wages
General Fund	Debt Service	1,534,623	Future Debt Service
General Fund	Human Services	240,873	ARPA Funds for Wages
General Fund	Rolling Hills	166,424	ARPA Funds for Wages
General Fund	Solid Waste	21,354	ARPA Funds for Wages
General Fund	Solid Waste	15,397	Year End Operating Results
General Fund	Highway	140,199	ARPA Funds for Wages
General Fund	Information Systems	6,309	ARPA Funds for Wages
General Fund	Self-Funded Health Insurance	500,000	Year End Operating Results
Health	General Fund	19,086	Year End Operating Results
Local History Room	General Fund	45,601	Year End Operating Results
Child Support	General Fund	742	Year End Operating Results
Jail Assessment	General Fund	7,823	Year End Operating Results
Information Systems	General Fund	188,278	Year End Operating Results
Human Services	General Fund	332,689	Year End Operating Results
Debt Service	Capital Projects	1,534,623	Year End Operating Results
		<u>\$ 4,766,359</u>	

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 5 - Restricted Assets

Restricted assets on December 31, 2023 totaled \$9,728,858 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
Governmental Funds:		
General Fund		
Section 125	\$ 43,265	To provide for flexible benefit claims
Recording Fees	123,971	To set aside recording fees as restricted by statute
Haney Trust	1,000	To cover expenditures restricted by donors
Human Services Fund		
Transportation	54,550	DOT Trust
Local History Room	2,839,418	To cover expenditures at the Local History Room
Jail Assessment	282,232	To cover medical expenses of jail inmates
Total Governmental Funds:	<u>3,344,436</u>	
Business-Type Funds:		
Rolling Hills		
Resident Trust	27,128	To benefit the residents
Solid Waste		
Ridgeview I Long-Term Care	334,649	To set aside amounts for deposits with the WI DNR
Ridgeview II Closure	1,108,593	To set aside amounts for deposits with the WI DNR
Ridgeview II Long-Term Care	1,716,378	To finance post-closure responsibilities
Ridgeview II Escrow	1,108,090	To finance closure responsibilities
Compliance Escrow	260,124	To comply with DNR requirements
Reserve	3,634	To set aside revenues for future projects
Highway		
Capital Projects	1,825,826	To provide for future projects
Total Business-Type Funds:	<u>6,384,422</u>	
Total Restricted Assets	<u>\$ 9,728,858</u>	

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 6 - Capital Assets

Governmental activities' capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 2,077,690	\$ 140,286	\$ -	\$ 2,217,976
Construction in Progress	4,882,380	5,892,062	7,623,269	3,151,173
Total Capital Assets Not Being Depreciated	<u>6,960,070</u>	<u>6,032,348</u>	<u>7,623,269</u>	<u>5,369,149</u>
Capital Assets Being Depreciated				
Right-to-Use Assets	2,276,563	-	-	2,276,563
Land Improvements	745,316	-	-	745,316
Buildings and Improvements	44,700,072	496,392	69,934	45,126,530
Machinery and Equipment	11,041,883	993,795	1,091,801	10,943,877
Infrastructure	69,601,904	7,623,269	540,932	76,684,241
Total Capital Assets Being Depreciated	<u>128,365,738</u>	<u>9,113,456</u>	<u>1,702,667</u>	<u>135,776,527</u>
Less Accumulated Depreciation For				
Right-to-Use Assets	(624,458)	(91,062)	-	(715,520)
Land Improvements	(709,858)	(17,192)	-	(727,050)
Buildings and Improvements	(7,945,187)	(599,149)	(56,278)	(8,488,058)
Machinery and Equipment	(5,855,414)	(878,173)	(879,476)	(5,854,111)
Infrastructure	(30,361,773)	(1,793,002)	(399,299)	(31,755,476)
Total Accumulated Depreciation	<u>(45,496,690)</u>	<u>(3,378,578)</u>	<u>(1,335,053)</u>	<u>(47,540,215)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>82,869,048</u>	<u>5,734,878</u>	<u>367,614</u>	<u>88,236,312</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 89,829,118</u>	<u>\$ 11,767,226</u>	<u>\$ 7,990,883</u>	<u>\$ 93,605,461</u>

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

Governmental Activities:	
General Government	\$ 418,417
Public Protection	1,097,409
Public Works	1,793,002
Health and Human Services	40,898
Culture and Recreation	15,270
Conservation and Development	13,582
Total Depreciation Expense - Governmental Activities	<u>\$ 3,378,578</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 6 - Capital Assets (Continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities				
Capital Assets not Being Depreciated				
Land	\$ 567,642	\$ -	\$ -	\$ 567,642
Construction in Progress	-	1,326,912	-	1,326,912
Total Capital Assets Not Being Depreciated	<u>567,642</u>	<u>1,326,912</u>	<u>-</u>	<u>1,894,554</u>
Capital Assets Being Depreciated				
Land improvements	7,753,646	88,143	2,850	7,838,939
Buildings	25,826,291	-	-	25,826,291
Machinery and Equipment	16,828,563	1,114,347	659,314	17,283,596
Subtotal	<u>50,408,500</u>	<u>1,202,490</u>	<u>662,164</u>	<u>50,948,826</u>
Less Accumulated Depreciation For				
Land improvements	(5,428,901)	(291,737)	(2,850)	(5,717,788)
Buildings	(3,359,088)	(692,185)	-	(4,051,273)
Machinery and Equipment	<u>(10,937,788)</u>	<u>(756,728)</u>	<u>(533,295)</u>	<u>(11,161,221)</u>
Total Accumulated Depreciation	<u>(19,725,777)</u>	<u>(1,740,650)</u>	<u>(536,145)</u>	<u>(20,930,282)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>30,682,723</u>	<u>(538,160)</u>	<u>126,019</u>	<u>30,018,544</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 31,250,365</u>	<u>\$ 788,752</u>	<u>\$ 126,019</u>	<u>\$ 31,913,098</u>

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

Business-Type Activities:	
Highway	\$ 722,291
Rolling Hills	759,930
Solid Waste	258,429
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,740,650</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 7 - Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2023:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Debt:					
Bonds	\$ 12,465,000	\$ -	\$ 2,195,000	\$ 10,270,000	\$ 2,240,000
Plus: Debt Premium	247,382	-	66,465	180,917	-
	<u>12,712,382</u>	<u>-</u>	<u>2,261,465</u>	<u>10,450,917</u>	<u>2,240,000</u>
Other Liabilities:					
Forest Crop Loans Payable	141,667	-	13,241	128,426	-
Lease Obligations	2,085,389	-	46,708	2,038,681	52,555
Compensated Absences	669,575	695,024	593,430	771,169	635,858
Total Governmental Activity Long-Term Liabilities	<u>\$ 15,609,013</u>	<u>\$ 695,024</u>	<u>\$ 2,914,844</u>	<u>\$ 13,389,193</u>	<u>\$ 2,928,413</u>
Business-Type Activities					
Bonds	\$ 19,400,000	\$ -	\$ 945,000	\$ 18,455,000	\$ 885,000
Notes	5,000,000	-	550,000	4,450,000	515,000
Plus: Debt Premium	1,053,472	-	64,207	989,265	-
	<u>25,453,472</u>	<u>-</u>	<u>1,559,207</u>	<u>23,894,265</u>	<u>1,400,000</u>
Other Liabilities:					
Compensated Absences	395,563	373,245	395,563	373,245	288,297
Total Business-Type Activities Long-Term Liabilities	<u>\$ 25,849,035</u>	<u>\$ 373,245</u>	<u>\$ 1,954,770</u>	<u>\$ 24,267,510</u>	<u>\$ 1,688,297</u>

Total interest paid during the year on governmental activities and business-type activities long-term debt totaled \$278,370 and \$574,519, respectively.

Government-wide general obligation debt currently outstanding is detailed as follows:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balances 12/31/23</u>
Governmental Activities Long-Term Obligations					
2014 G.O. Building Bonds	09/17/14	03/01/25	2.00%	\$ 9,850,000	\$ 820,000
2015 G.O. Corporate Bonds	07/22/15	09/01/28	2.00-3.00%	10,000,000	6,515,000
2021 G.O. Corporate Bonds	10/27/21	03/01/25	2.00%	4,460,000	2,935,000
					<u>\$ 10,270,000</u>

Business-type long-term obligations as of year-end is detailed as follows:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balances 12/31/23</u>
Business-Type Activities Long-Term Obligations					
2021 G.O. Building Bonds	01/27/21	03/01/41	1.00-5.00%	\$ 16,000,000	\$ 14,780,000
2021 G.O. Corporate Bonds	10/27/21	03/01/41	2.00-4.00%	4,000,000	3,675,000
2022 G.O. Promissory Note	01/26/22	03/01/32	2.00-4.00%	5,000,000	4,450,000
					<u>\$ 22,905,000</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 7 - Long-term Obligations (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$33,175,000 on December 31, 2023 are detailed below:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,240,000	\$ 231,964	\$ 1,400,000	\$ 514,844	\$ 3,640,000	\$ 746,808
2025	2,285,000	185,751	1,270,000	459,019	3,555,000	644,770
2026	2,175,000	132,351	1,320,000	402,169	3,495,000	534,520
2027	2,240,000	68,845	1,325,000	346,719	3,565,000	415,564
2028	1,330,000	176,223	1,430,000	293,744	2,760,000	469,967
2029-2033	-	-	7,145,000	1,031,497	7,145,000	1,031,497
2034-2038	-	-	5,485,000	564,138	5,485,000	564,138
2039-2041	-	-	3,530,000	102,967	3,530,000	102,967
	<u>\$ 10,270,000</u>	<u>\$ 795,134</u>	<u>\$ 22,905,000</u>	<u>\$ 3,715,097</u>	<u>\$ 33,175,000</u>	<u>\$ 4,510,231</u>

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2023 was \$213,339,430 as follows:

Legal Margin For Debt	
Equalized Valuation of the County	\$ 4,930,288,600
Statutory Limitation Percentage	<u>5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	246,514,430
Net Outstanding General Obligation Debt Applicable to Debt Service Fund	<u>33,175,000</u>
 Legal Margin for New Debt	 <u>\$ 213,339,430</u>

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 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 costs and the recording of these costs as operating expenses follow:

	Closure and Post-Closure Care		Total
	Ridgeville I	Ridgeville II	
Total estimated costs	\$ 875,223	\$ 3,887,886	
Percentage of storage capacity used as of December 31, 2023	100.00%	94.45%	
Liabilities as of December 31, 2023	<u>\$ 875,223</u>	<u>\$ 3,671,983</u>	<u>\$ 4,547,206</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 7 - Long-term Obligations (Continued)

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

	Closure and Post-Closure Care		
	Ridgeville I	Ridgeville II	Total
Total estimated costs	\$ 875,223	\$ 2,998,381	
Less: Charged to operations	875,223	2,998,381	
Future year closure and post-closure costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 8 - Lease Obligations

The County is obligated under several leases accounted for as a lease obligation that was used to finance the acquisition of cell tower and land space.

At December 31, 2023, the County has a right to use asset of \$2,276,563 and a lease obligation of \$2,038,681 related to these leases. During the current fiscal year, the County recorded \$91,062 as depreciation expense and \$715,520 as total accumulated depreciation related to these right to use assets.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Lease Obligations					
American Tower	\$ 281,964	\$ -	\$ 8,476	\$ 273,488	\$ 9,111
US Cellular - Cashton	294,437	-	6,242	288,195	7,093
US Cellular - Kendall	294,437	-	6,242	288,195	7,093
US Cellular - Norwalk	294,437	-	6,242	288,195	7,093
US Cellular - Wilton	920,114	-	19,506	900,608	22,165
	<u>\$ 2,085,389</u>	<u>\$ -</u>	<u>\$ 46,708</u>	<u>\$ 2,038,681</u>	<u>\$ 52,555</u>

Interest paid on lease obligations during the year ended December 31, 2023 was \$51,370.

The remaining obligation associated with the leases at December 31, 2023 were as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 52,555	\$ 50,134	\$ 102,689
2025	58,775	48,746	107,521
2026	65,389	47,198	112,587
2027	72,418	45,478	117,896
2028	79,884	43,577	123,461
2029 - 2033	528,474	182,171	710,645
2034 - 2038	796,044	100,071	896,115
2039 - 2041	385,142	8,823	393,965
	<u>\$ 2,038,681</u>	<u>\$ 526,198</u>	<u>\$ 2,564,879</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 9 - Leases Receivable

The County leases out acreage for the purpose of farming, along with leasing land and a farm house to another party. These leases have terms of 5 and 6 years, respectively. For the year ended December 31, 2023, the County recognized \$96,634 in lease principal and interest revenue related to these agreements. At December 31, 2023, the County recorded \$269,583 in lease receivables and deferred inflows of resources for these arrangements.

<u>Leases Receivable</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>
Farm Lease	\$ 181,011	\$ -	\$ 59,158	\$ 121,853
Farm House Lease	176,538	-	28,808	147,730
Total Leases Receivable	<u>\$ 357,549</u>	<u>\$ -</u>	<u>\$ 87,966</u>	<u>\$ 269,583</u>

Remaining amounts to be received associated with these leases at December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 90,102	\$ 6,532	\$ 96,634
2025	92,294	4,340	96,634
2026	31,801	2,399	34,200
2027	32,866	1,334	34,200
2028	22,520	279	22,799
	<u>\$ 269,583</u>	<u>\$ 14,884</u>	<u>\$ 284,467</u>

Note 10 - Defined Benefit Pension Plan

General Information About the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

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.

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 either 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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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
2021	5.1	13.0
2022	7.4	15.0

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, Executives and Elected Officials. Starting on January 1, 2016, 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 \$1,589,099 in contributions from the County.

Contribution rates as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the County reported a liability of \$6,267,393 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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 liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the County's proportion was 0.11830396%, which was an increase of 0.00009125% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the County recognized pension expense of \$3,186,043.

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ 9,982,015	\$ 13,114,127
Changes of actuarial assumptions	1,232,428	-
Net differences between projected and actual investment earnings on pension plan investment	10,646,854	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,300	17,425
Employer contributions subsequent to the measurement date	1,589,099	-
Total	<u>\$ 23,463,696</u>	<u>\$ 13,131,552</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

The \$1,589,099 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability in the government-wide financial statements in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 364,539
2025	1,809,613
2026	1,852,974
2027	4,715,919
	<u>\$ 8,743,045</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

**No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

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 geometric real rates of return for each major asset class are summarized in the following table:

**Asset Allocation Targets and Expected Returns¹
As of December 31, 2022**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	48%	7.6%	5.0%
Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115% *	7.4%	4.8%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	7.2%	4.6%
International Equities	30	8.1	5.5
Total Variable Fund	100%	7.7%	5.1%

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (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, 2022. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

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 6.80 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 (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
County's proportionate share of the net pension liability (asset)	\$ 20,801,274	\$ 6,267,393	\$ (3,730,670)

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. The County is required to remit the monthly required contribution for both the employee and County portions by the last day of the following month. The amount due to WRS as of December 31, 2023 is \$434,052 for the December payroll.

Note 11 - Other Post-Employment Benefits Plan

General Information About the Other Post-Employment Benefits Plan

Plan Description. The County Post-Employment Benefit Plan (the Plan), is a single-employer defined benefit post-employment health plan that covers retired employees of Monroe County. Eligible retired employees have access to group medical coverage through the County's group plan. County paid medical benefits are paid for as indicated below. All employees of the County are eligible for the Plan if they meet the following age and service requirements indicated below.

Benefits Provided. For employees who were hired before January 1, 2012, and retire from the County after attaining age 55 and 20 years of service, the employee is eligible to remain on the County's medical insurance plan for eight years. For employees who were hired before January 1, 2012, and retire from the County after attaining age 62 and 15 years of service, the employee is eligible to remain on the County's medical insurance plan for eight years.

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Active employees or beneficiaries currently receiving benefit payments	<u>373</u>
Total	<u><u>378</u></u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 11 - Other Post-Employment Benefits Plan (Continued)

Actuarial Assumptions. The County's total OPEB liability at December 31, 2023 was \$551,254. The total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as December 31, 2022. 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, 2022
Measurement date of OPEB liability	December 31, 2022
Actuarial cost method	Entry Age Normal
Medical care trend	7.00% decreasing by 0.10% per year down to 4.50%, and level thereafter
Discount rate	4.25%
Municipal bond rate source	S&P Municipal Bond 20 Year High Grade Index
Actuarial assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System Experience from 2018-2020
Mortality assumptions	2020 WRS Experience Table

Discount rate. The discount rate used to measure the total OPEB liability was 4.25%. The projection of cash flows used to determine the discount rate was based upon all years of projected payments discounted at a municipal bond rate of 4.25%.

Changes in the Total OPEB Liabilities. Changes in the total OPEB liability for the year ended December 31, 2023 are as follows:

	Total OPEB Liability
Balance at December 31, 2021	<u>\$ 782,825</u>
Changes for the year:	
Service Cost	73,129
Interest	16,127
Differences Between Expected and Actual Experience	(173,899)
Changes of Assumption or Other Inputs	(120,823)
Benefit Payments	<u>(26,105)</u>
Net Changes	<u>(231,571)</u>
Balance at December 31, 2022	<u><u>\$ 551,254</u></u>

For the year ended December 31, 2023, Monroe County recognized OPEB expense of \$69,040.

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 11 - Other Post-Employment Benefits Plan (Continued)

At December 31, 2023, Monroe County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ 114,841	\$ 152,162
Changes in assumptions	82,175	229,851
Total	<u>\$ 197,016</u>	<u>\$ 382,013</u>

The previously displayed amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ (20,216)
2025	(20,216)
2026	(20,216)
2027	(20,216)
2028	(32,092)
Thereafter	(72,041)
	<u>\$ (184,997)</u>

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of Monroe 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 (3.25%) or 1-percentage-point higher (5.25%) than the current rate:

	<u>1% Decrease to Discount Rate (3.25%)</u>	<u>Current Discount Rate (4.25%)</u>	<u>1% Increase to Discount Rate (5.25%)</u>
County's proportionate share of the total OPEB liability	\$ 593,069	\$ 551,254	\$ 512,232

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of Monroe County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease (6.0% Decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)</u>	<u>1% Increase (8.0% Decreasing to 5.5%)</u>
County's proportionate share of the total OPEB liability	\$ 494,013	\$ 551,254	\$ 618,603

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 12 - Fund Balance

In the fund financial statements, the governmental fund balances are classified in the following categories:

Non-spendable Fund Balances

Portions of governmental fund balances are not in a spendable form or are required to be maintained intact. Fund balances in non-spendable form consisted of the following:

Nonspendable	
General Fund	
Prepaid Items	\$ 103,345
Delinquent Property Taxes	483,447
MM Haney Reserve	1,000
	<u>587,792</u>
Special Revenue Funds	
Major	
Health and Human Services - Prepaid Items	<u>15,308</u>
Nonmajor	
Local History Room	<u>2,117,947</u>
Total Nonspendable Fund Balance	<u>\$ 2,721,047</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 12 - Fund Balance (Continued)

Restricted Fund Balances

Portions of governmental fund balances are not in a spendable form or are required to be maintained intact. Fund balances in restricted form consisted of the following:

Restricted	
General Fund	
MM Haney Reserve	\$ 969
Redaction Fees	14,212
K-9 Unit	66
Dog Control	62,574
Justice Department Donations	321
Veterans' Services	1,745
Veterans' Suicide Prevention	4,555
Parks	6,844
Human Service Doantions	597
CREP Program	19,975
Broadband Projects	14,187
Economic Development & Tourism Projects	11,456
Forestry Land Acquisition	36,057
Forestry Habelman Reforestation	1,471
Wildlife Habitat	698
Conservation Program	93,148
Multi-Discharge Variance	31,047
ATC Funds	173,852
Land Development & Management	149,713
	<u>623,487</u>
Special Revenue Funds	
Local History Room	81,726
Wegner Grotto	689,745
Jail Assessment	282,232
Human Services	54,550
	<u>1,108,253</u>
Debt Service	<u>64,402</u>
Total Restricted Fund Balance	<u>\$ 1,796,142</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 12 - Fund Balance (Continued)

Committed Fund Balances

Portions of governmental fund balances have been committed to specific purposes by the County Board. These amounts cannot be used for any other purpose unless the County Board approves the change. At December 31, 2023, committed consisted of the following:

Committed	
General Fund	
Agronomist Position	\$ 25,573
Forest Maintenance & Development	49,862
Park Projects	14,521
UW Extension Educational Programs	20,993
	<u>110,949</u>
Special Revenue Funds	
Major	
Health and Human Services	395,838
Nonmajor	
Capital Projects	1,568,919
	<u>1,964,757</u>
Total Committed Fund Balance	<u>\$ 2,075,706</u>

Assigned Fund Balances

Portions of governmental fund balances have been assigned to specific purposes by County management with approval of the County's Administrative Committee. These amounts cannot be used for any other purpose unless the Administrative Committee approves the change.

At December 31, 2023, assigned fund balances consisted of the following:

Assigned	
General Fund	
Human Service Reserve	\$ 300,000
Retirement & Fringe Pool	76,501
Capital Projects	865,389
	<u>1,241,890</u>
Special Revenue Funds	
Human Services	597
Jail Assessment	39,588
Local History Room	42,433
	<u>82,618</u>
Total Assigned Fund Balance	<u>\$ 1,324,508</u>

Unassigned Fund Balances

Governmental fund unassigned fund balance on December 31, 2023 was:

Unassigned	
General Fund	<u>\$ 11,884,938</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 13 - Net Position

In the government-wide financial statements, the governmental activities and business-type activities net positions are classified in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Net Capital Assets	\$ 93,605,461	\$ 31,913,098	\$ 125,518,559
Less: Long-Term Debt	(10,398,426)	(22,905,000)	(33,303,426)
Less: Issuance Premium	(180,917)	(989,265)	(1,170,182)
Less: Capital Accounts Payable	(198,603)	(55,093)	(253,696)
Less: Lease Obligation	(2,038,681)	-	(2,038,681)
Add: Unspent Note Proceeds	-	1,679,864	1,679,864
Total Net Investment in Capital Assets	<u>80,788,834</u>	<u>9,643,604</u>	<u>90,432,438</u>
Restricted			
MM Haney Reserve	969	-	969
Redaction Fees	14,212	-	14,212
K-9 Unit	66	-	66
Dog Control	62,574	-	62,574
Justice Department Donations	321	-	321
Veterans' Services	1,745	-	1,745
Veterans' Suicide Prevention	4,555	-	4,555
Parks	6,844	-	6,844
Human Service Donations	597	-	597
CREP Program	19,975	-	19,975
Broadband Projects	14,187	-	14,187
Economic Development & Tourism Projects	11,456	-	11,456
Forestry Land Acquisition	36,057	-	36,057
Forestry Habelman Reforestation	1,471	-	1,471
Wildlife Habitat	698	-	698
Conservation Program	93,148	-	93,148
Multi-Discharge Variance	31,047	-	31,047
ATC Funds	173,852	-	173,852
Land Development & Management	149,713	-	149,713
Local History Room	81,726	-	81,726
Wegner Grotto	689,745	-	689,745
Jail Assessment	282,232	-	282,232
Human Services	54,550	-	54,550
Resident Trust Fund	-	27,128	27,128
Closure/Post Closure Reserve	-	2,480,441	2,480,441
Long-Term Care DNR Deposits	-	2,051,027	2,051,027
Debt Service	-	1,825,826	1,825,826
Pension Related Amounts	2,907,541	1,157,210	4,064,751
Total Restricted	<u>4,639,281</u>	<u>7,541,632</u>	<u>12,180,913</u>
Unrestricted	<u>19,557,401</u>	<u>4,178,906</u>	<u>23,736,307</u>
Total Net Position	<u>\$ 104,985,516</u>	<u>\$ 21,364,142</u>	<u>\$ 126,349,658</u>

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 14 - Minimum Fund Balance Policy

The County 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 GAAP as it is based on a modified cash basis method. The minimum fund balance amount is calculated by the County as follows:

General Fund and Special Revenue fund cash balances at December 31, 2023	\$ 11,442,369
Less:	
Restricted funds	(623,487)
Committed funds	(110,949)
Assigned funds	(1,241,890)
ARPA Funds transferred in subsequent to year-end	382,320
Roll forward from 2023 for projects to be completed in 2024	(412,140)
Commingled fund balance at December 31, 2023	<u>\$ 9,436,223</u>
Actual 2023 total General and Special Revenue adopted budgeted expenditures	\$ 41,453,681
Minimum Cash Fund Balance %	(x) 20%
	<u>\$ 8,290,736</u>

Note 15 - 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:

Self-Funded Health Insurance

The County is self-funded for health insurance 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 \$362,506 reported in the fund at December 31, 2023 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 \$1,642,299 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 2022 follows:

<u>Year</u>	<u>Liability January 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability December 31</u>
2021	\$ 418,284	\$ 6,489,932	\$ 6,439,467	\$ 468,749
2022	468,749	1,547,286	1,100,284	915,751
2023	915,751	672,755	1,226,000	362,506

MONROE COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 15 - Risk Management (Continued)

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, 2023, can be obtained directly from WCMIC's offices.

Note 16 - 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. 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, 2023, 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.

REQUIRED SUPPLEMENTARY INFORMATION

MONROE COUNTY, WISCONSIN

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System (WRS)

WRS Fiscal Year End Date (Measurement Date)	County's Proportion of the Net Pension Asset/Liability	County's Proportionate Share of the Net Pension (Asset)/Liability	County's Covered Payroll	County's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2022	0.11830396%	\$ 6,267,393	\$ 19,539,191	32.08%	95.72%
12/31/2021	0.11821271%	(9,528,161)	18,561,490	51.33%	106.02%
12/31/2020	0.11918960%	(7,441,172)	19,228,051	38.70%	105.26%
12/31/2019	0.11716640%	(3,777,979)	17,779,273	21.25%	102.96%
12/31/2018	0.11655480%	4,150,212	17,067,982	24.32%	96.45%
12/31/2017	0.11466272%	(3,404,472)	16,486,773	20.65%	102.93%
12/31/2016	0.11302718%	931,614	16,065,265	5.80%	99.12%
12/31/2015	0.11233943%	1,825,494	15,187,864	12.02%	98.20%
12/31/2014	0.11312878%	(2,778,752)	14,638,347	18.98%	102.74%

Schedule of Employer Contributions
Wisconsin Retirement System (WRS)

County Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2023	\$ 1,589,099	\$ 1,589,099	\$ -	\$ 21,503,248	7.39%
12/31/2022	1,370,722	1,370,722	-	19,539,191	7.02%
12/31/2021	1,334,536	1,334,536	-	18,561,490	7.19%
12/31/2020	1,380,048	1,380,048	-	19,228,051	7.18%
12/31/2019	1,229,912	1,229,912	-	17,779,273	6.92%
12/31/2018	1,208,215	1,208,215	-	17,067,982	7.08%
12/31/2017	1,180,624	1,180,624	-	16,486,773	7.16%
12/31/2016	1,075,225	1,075,225	-	16,065,265	6.69%
12/31/2015	1,098,694	1,098,694	-	15,187,864	7.23%

MONROE COUNTY, WISCONSIN
Schedule of Changes in Total OPEB Liability and Related Ratios
Other Post-Employment Benefits
Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 73,129	\$ 69,146	\$ 53,055	\$ 42,527	\$ 31,809	\$ 31,809
Interest	16,127	16,626	19,645	24,698	17,362	16,890
Differences Between Expected and Actual Experience	(173,899)	-	172,880	-	15,281	-
Changes of Assumptions or Other Input	(120,823)	13,112	(198,612)	56,930	91,605	-
Benefit Payments	<u>(26,105)</u>	<u>(40,816)</u>	<u>(20,118)</u>	<u>(44,851)</u>	<u>(35,209)</u>	<u>(35,209)</u>
Net Change in Total OPEB Liability	<u>(231,571)</u>	<u>58,068</u>	<u>26,850</u>	<u>79,304</u>	<u>120,848</u>	<u>13,490</u>
Total OPEB Liability - Beginning	<u>782,825</u>	<u>724,757</u>	<u>697,907</u>	<u>618,603</u>	<u>497,755</u>	<u>484,265</u>
Total OPEB Liability - Ending	<u>\$ 551,254</u>	<u>\$ 782,825</u>	<u>\$ 724,757</u>	<u>\$ 697,907</u>	<u>\$ 618,603</u>	<u>\$ 497,755</u>
Covered-Employee Payroll	\$ 19,276,868	\$ 17,894,625	\$ 17,894,625	\$ 16,385,951	\$ 16,385,951	\$ 11,056,450
Total OPEB Liability as a Percentage of Covered-Employee Payroll	2.86%	4.37%	4.05%	4.26%	3.78%	4.50%

*Ten years of data will be accumulated beginning with 2017.

MONROE COUNTY, WISCONSIN
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final Amounts</u>		
REVENUES				
Taxes	\$ 12,463,766	\$ 12,463,611	\$ 12,849,210	\$ 385,599
Intergovernmental	4,486,005	4,697,875	7,856,363	3,158,488
Regulation and Compliance	256,118	261,118	287,727	26,609
Fines and Forfeitures	312,415	312,415	315,449	3,034
Public Charges for Services	1,391,052	1,471,566	1,528,930	57,364
Commercial	853,523	853,523	855,645	2,122
Private Donations	-	34,710	44,199	9,489
Interest Income	350,425	446,773	1,252,295	805,522
Miscellaneous	504,001	555,990	198,685	(357,305)
Total Revenues	<u>20,617,305</u>	<u>21,097,581</u>	<u>25,188,503</u>	<u>4,090,922</u>
EXPENDITURES				
Current:				
General Government	8,548,323	10,652,022	8,010,467	2,641,555
Public Safety	8,723,285	8,751,973	8,278,891	473,082
Public Works	347,107	347,262	267,204	80,058
Health	1,016,511	1,399,078	1,158,500	240,578
Culture and Recreation	1,241,520	1,253,350	1,123,138	130,212
Conservation and Development	357,829	3,146,354	2,405,093	741,261
Capital Outlay	1,790,935	2,905,069	1,832,116	1,072,953
Total Expenditures	<u>22,025,510</u>	<u>28,455,108</u>	<u>23,075,409</u>	<u>5,379,699</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,408,205)</u>	<u>(7,357,527)</u>	<u>2,113,094</u>	<u>9,470,621</u>
OTHER FINANCING SOURCES (USE)				
Sale of Property and Equipment	-	-	24,400	24,400
Transfers In	84,970	94,395	594,219	499,824
Transfers Out	-	(1,770,020)	(2,637,517)	(867,497)
Total Other Financing Sources (Use)	<u>84,970</u>	<u>(1,675,625)</u>	<u>(2,018,898)</u>	<u>(343,273)</u>
NET CHANGE IN FUND BALANCE	(1,323,235)	(9,033,152)	94,196	9,127,348
FUND BALANCE - BEGINNING	<u>14,354,860</u>	<u>14,354,860</u>	<u>14,354,860</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 13,031,625</u>	<u>\$ 5,321,708</u>	<u>\$ 14,449,056</u>	<u>\$ 9,127,348</u>

MONROE COUNTY, WISCONSIN
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget and Actual
Human Services Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final Amounts</u>		
REVENUES				
Taxes	\$ 4,050,502	\$ 4,052,375	\$ 4,052,375	\$ -
Intergovernmental	10,596,468	14,106,165	14,513,245	407,080
Public Charges for Services	910,000	910,000	1,097,693	187,693
Private Donations	-	551	10,872	10,321
Interest Income	-	-	2,312	2,312
Total Revenues	<u>15,556,970</u>	<u>19,069,091</u>	<u>19,676,497</u>	<u>607,406</u>
EXPENDITURES				
Current:				
Health and Human Services	15,974,797	19,532,663	19,460,916	71,747
Culture and Recreation	250	250	-	250
Total Expenditures	<u>15,975,047</u>	<u>19,532,913</u>	<u>19,460,916</u>	<u>71,997</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(418,077)</u>	<u>(463,822)</u>	<u>215,581</u>	<u>679,403</u>
OTHER FINANCING SOURCE (USE)				
Transfers In	406,877	406,877	240,873	(166,004)
Transfer Out	-	-	(332,689)	(332,689)
Total Other Financing Source (Use)	<u>406,877</u>	<u>406,877</u>	<u>(91,816)</u>	<u>(498,693)</u>
NET CHANGE IN FUND BALANCE	(11,200)	(56,945)	123,765	180,710
FUND BALANCE - BEGINNING	<u>342,528</u>	<u>342,528</u>	<u>342,528</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 331,328</u>	<u>\$ 285,583</u>	<u>\$ 466,293</u>	<u>\$ 180,710</u>

MONROE COUNTY, WISCONSIN

Notes to Required Supplementary
Information December 31, 2023

Budgetary Process

The County follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedule:

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

Defined Benefit Pension Plan

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

Changes of assumptions.

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Post-Employment Benefits Other Than Pension Benefits

Changes of benefit terms. There were no recent changes in benefit terms.

Changes of assumptions. The assumption changes that were used to measure the December 31, 2022 total OPEB liabilities, including the following:

- Change in the discount rate from 2.00% to 4.25%

SUPPLEMENTARY INFORMATION

MONROE COUNTY, WISCONSIN

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of December 31, 2023

	<u>Child Support</u>	<u>Health</u>	<u>Jail Assessment</u>	<u>Local History Room</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS						
Cash and Investments	\$ -	\$ -	\$ 50,858	\$ 100,923	\$ 1,568,919	\$ 1,720,700
Receivables:						
Accounts Receivable	139,898	239,133	5,488	-	-	384,519
Taxes	-	440,000	-	-	-	440,000
Restricted Cash and Investments	-	-	282,232	2,839,418	-	3,121,650
TOTAL ASSETS	<u>\$ 139,898</u>	<u>\$ 679,133</u>	<u>\$ 338,578</u>	<u>\$ 2,940,341</u>	<u>\$ 1,568,919</u>	<u>\$ 5,666,869</u>
LIABILITIES						
Accounts Payable	\$ 1,474	\$ 3,030	\$ 5,213	\$ -	\$ -	\$ 9,717
Accrued Liabilities	16,091	32,219	-	-	-	48,310
Due to Other Funds	122,333	203,884	11,545	8,490	-	346,252
Total Liabilities	<u>139,898</u>	<u>239,133</u>	<u>16,758</u>	<u>8,490</u>	<u>-</u>	<u>404,279</u>
DEFERRED INFLOWS OF RESOURCES						
Taxes Levied for Subsequent Period	-	440,000	-	-	-	440,000
FUND BALANCES						
Fund Balances						
Nonspendable	-	-	-	2,117,947	-	2,117,947
Restricted	-	-	282,232	771,471	-	1,053,703
Committed	-	-	-	-	1,568,919	1,568,919
Assigned	-	-	39,588	42,433	-	82,021
Total Fund Balances	<u>-</u>	<u>-</u>	<u>321,820</u>	<u>2,931,851</u>	<u>1,568,919</u>	<u>4,822,590</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 139,898</u>	<u>\$ 679,133</u>	<u>\$ 338,578</u>	<u>\$ 2,940,341</u>	<u>\$ 1,568,919</u>	<u>\$ 5,666,869</u>

MONROE COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	<u>Child Support</u>	<u>Health</u>	<u>Jail Assessment</u>	<u>Local History Room</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES						
Property Taxes	\$ -	\$ 439,035	\$ -	\$ -	\$ -	\$ 439,035
Intergovernmental	626,599	748,215	-	-	-	1,374,814
Charges for Services	1,100	95,225	73,430	-	-	169,755
Donations	-	3,500	-	108,352	-	111,852
Interest Income	-	-	12,735	190,822	-	203,557
Total Revenues	<u>627,699</u>	<u>1,285,975</u>	<u>86,165</u>	<u>299,174</u>	<u>-</u>	<u>2,299,013</u>
EXPENDITURES						
Current:						
Public Safety	-	-	114,982	-	-	114,982
Health and Human Services	662,112	1,266,889	-	-	-	1,929,001
Total Expenditures	<u>662,112</u>	<u>1,266,889</u>	<u>114,982</u>	<u>-</u>	<u>-</u>	<u>2,043,983</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(34,413)</u>	<u>19,086</u>	<u>(28,817)</u>	<u>299,174</u>	<u>-</u>	<u>255,030</u>
OTHER FINANCING SOURCE (USE)						
Transfers In	12,338	-	-	-	1,534,623	1,546,961
Transfers Out	(742)	(19,086)	(7,823)	(45,601)	-	(73,252)
Total Other Financing Source (Use)	<u>11,596</u>	<u>(19,086)</u>	<u>(7,823)</u>	<u>(45,601)</u>	<u>1,534,623</u>	<u>1,473,709</u>
NET CHANGE IN FUND BALANCES	(22,817)	-	(36,640)	253,573	1,534,623	1,728,739
FUND BALANCES - BEGINNING	<u>22,817</u>	<u>-</u>	<u>358,460</u>	<u>2,678,278</u>	<u>34,296</u>	<u>3,093,851</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,820</u>	<u>\$ 2,931,851</u>	<u>\$ 1,568,919</u>	<u>\$ 4,822,590</u>

MONROE COUNTY, WISCONSIN

Combining Statement of Net Position

Internal Service Funds

As of December 31, 2023

	Internal Service Funds				Total
	Self-Funded Health Insurance	Worker's Compensation	Information Technology	Information Systems	
ASSETS					
Current Assets:					
Pooled Cash and Investments	\$ 596,929	\$ 2,314,673	\$ 616,112	\$ 166,597	\$ 3,694,311
Accounts Receivable	233,025	-	-	4,798	237,823
Property Taxes Levied for Subsequent Year	-	-	-	1,456,564	1,456,564
TOTAL ASSETS	<u>829,954</u>	<u>2,314,673</u>	<u>616,112</u>	<u>1,627,959</u>	<u>5,388,698</u>
LIABILITIES					
Accounts and Claims Payable	649,281	12,297	-	105,480	767,058
Accrued Liabilities	-	362,506	-	11,412	373,918
Unearned Revenue	584,620	-	-	-	584,620
TOTAL LIABILITIES	<u>1,233,901</u>	<u>374,803</u>	<u>-</u>	<u>116,892</u>	<u>1,725,596</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Period	-	-	-	1,456,564	1,456,564
NET POSITION					
Unrestricted (Deficit)	<u>\$ (403,947)</u>	<u>\$ 1,939,870</u>	<u>\$ 616,112</u>	<u>\$ 54,503</u>	<u>\$ 2,206,538</u>

MONROE COUNTY, WISCONSIN

Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit)

Internal Service Funds

For the Year Ended December 31, 2023

	Internal Service Funds				Total
	Self-Funded Health Insurance	Worker's Compensation	Information Technology	Information Systems	
OPERATING REVENUES					
Intergovernmental Charges for Services	\$ 6,044,609	\$ 182,023	\$ 81,657	\$ 61,358	\$ 6,369,647
Other Operating Revenues	1,173,833	-	-	-	1,173,833
Total Operating Revenues	<u>7,218,442</u>	<u>182,023</u>	<u>81,657</u>	<u>61,358</u>	<u>7,543,480</u>
OPERATING EXPENSES					
General and Administrative	-	102,009	144,511	-	246,520
Operation and Maintenance	7,643,836	-	-	1,225,711	8,869,547
Total Operating Expenses	<u>7,643,836</u>	<u>102,009</u>	<u>144,511</u>	<u>1,225,711</u>	<u>9,116,067</u>
OPERATING INCOME (LOSS)	<u>(425,394)</u>	<u>80,014</u>	<u>(62,854)</u>	<u>(1,164,353)</u>	<u>(1,572,587)</u>
NONOPERATING REVENUES					
General Property Taxes	-	-	-	1,293,822	1,293,822
Local Grants	-	-	-	52,500	52,500
Interest Income	33,299	113,078	-	-	146,377
Total Nonoperating Revenues	<u>33,299</u>	<u>113,078</u>	<u>-</u>	<u>1,346,322</u>	<u>1,492,699</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(392,095)</u>	<u>193,092</u>	<u>(62,854)</u>	<u>181,969</u>	<u>(79,888)</u>
TRANSFERS IN	500,000	-	-	6,309	506,309
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>	<u>(188,278)</u>	<u>(188,278)</u>
CHANGE IN NET POSITION	107,905	193,092	(62,854)	-	238,143
NET POSITION (DEFICIT) - BEGINNING	<u>(511,852)</u>	<u>1,746,778</u>	<u>678,966</u>	<u>54,503</u>	<u>1,968,395</u>
NET POSITION (DEFICIT) - ENDING	<u>\$ (403,947)</u>	<u>\$ 1,939,870</u>	<u>\$ 616,112</u>	<u>\$ 54,503</u>	<u>\$ 2,206,538</u>

MONROE COUNTY, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023

	Internal Service Funds				Total
	Self-Funded Health Insurance	Worker's Compensation	Information Technology	Information Systems	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Customers	\$ 7,090,200	\$ (29,606)	\$ 81,657	\$ 56,560	\$ 7,198,811
Paid to Suppliers for Goods and Services	(7,816,930)	(103,627)	(144,511)	(742,724)	(8,807,792)
Paid to Employees for Operating Payroll	-	-	-	(384,130)	(384,130)
Net Cash Flows From Operating Activities	<u>(726,730)</u>	<u>(133,233)</u>	<u>(62,854)</u>	<u>(1,070,294)</u>	<u>(1,993,111)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Property Taxes	-	-	-	1,293,822	1,293,822
Local Grants	-	-	-	52,500	52,500
Transfer to Other Funds	-	-	-	(188,278)	(188,278)
Transfers From Other Funds	500,000	-	-	6,309	506,309
Net Cash Flows From Noncapital Financing Activities	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>1,164,353</u>	<u>1,664,353</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	33,299	113,078	-	-	146,377
CHANGE IN CASH AND INVESTMENTS	(193,431)	(20,155)	(62,854)	94,059	(182,381)
CASH AND INVESTMENTS - BEGINNING	<u>790,360</u>	<u>2,334,828</u>	<u>678,966</u>	<u>72,538</u>	<u>3,876,692</u>
CASH AND INVESTMENTS - ENDING	<u>\$ 596,929</u>	<u>\$ 2,314,673</u>	<u>\$ 616,112</u>	<u>\$ 166,597</u>	<u>\$ 3,694,311</u>
RECONCILIATION OF CASH ACCOUNTS					
Cash and Investments	<u>\$ 596,929</u>	<u>\$ 2,314,673</u>	<u>\$ 616,112</u>	<u>\$ 166,597</u>	<u>\$ 3,694,311</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM					
Operating Income (Loss)	\$ (425,394)	\$ 80,014	\$ (62,854)	\$ (1,164,353)	\$ (1,572,587)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Changes in Assets and Liabilities:					
Customer Accounts Receivable	(128,242)	-	-	(4,798)	(133,040)
Accounts and Claims Payable	(266,470)	(1,618)	-	97,579	(170,509)
Accrued Liabilities	-	(211,629)	-	1,278	(210,351)
Unearned Revenue	93,376	-	-	-	93,376
Net Cash Flows From Operating Activities	<u>\$ (726,730)</u>	<u>\$ (133,233)</u>	<u>\$ (62,854)</u>	<u>\$ (1,070,294)</u>	<u>\$ (1,993,111)</u>

MONROE COUNTY, WISCONSIN
 Combining Statement of Net Position
 Custodial Funds
 As of December 31, 2023

	Sheriff	Clerk of Courts	Total Custodial Funds
ASSETS			
Cash and Investments	\$ 145,857	\$ 867,954	\$ 1,013,811
NET POSITION			
Restricted:			
Sheriff	145,857	-	145,857
Clerk of Courts	-	867,954	867,954
Total Net Position	\$ 145,857	\$ 867,954	\$ 1,013,811

MONROE COUNTY, WISCONSIN
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended December 31, 2023

	<u>Sheriff</u>	<u>Clerk of Courts</u>	<u>Total Custodial Funds</u>
ADDITIONS			
Sheriff Reciepts	\$ 513,164	\$ -	\$ 513,164
Clerk of Courts Receipts	-	3,288,236	3,288,236
Total Additions	<u>513,164</u>	<u>3,288,236</u>	<u>3,801,400</u>
DEDUCTIONS			
Sheriff Disbursements	457,812	-	457,812
Clerk of Courts Disbursements	-	3,230,334	3,230,334
Total Deductions	<u>457,812</u>	<u>3,230,334</u>	<u>3,688,146</u>
CHANGE IN NET POSITION	55,352	57,902	113,254
NET POSITION - BEGINNING	<u>90,505</u>	<u>810,052</u>	<u>900,557</u>
NET POSITION - ENDING	<u>\$ 145,857</u>	<u>\$ 867,954</u>	<u>\$ 1,013,811</u>

ADDITIONAL REPORTS

Independent Auditors' 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

To the County Board
Monroe County, Wisconsin

We have audited, in accordance with the 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, 2023, 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 19, 2024.

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 audit 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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 attention by 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 were not 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, described in the accompanying schedule of findings and questioned costs as finding 2023-001 that we consider to be a significant deficiency.

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*.

To the County Board
Monroe County, Wisconsin

Monroe County, Wisconsin's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Monroe County, Wisconsin's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 on compliance. Accordingly, this communication is not suitable for any other purpose.

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
June 19, 2024



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

To the County Board
Monroe County, Wisconsin

Report On Compliance For Each Major Federal And State Program

Opinion on the Major Federal and State Programs

We have audited Monroe County, Wisconsin's ("the County's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and Wisconsin *State Single Audit Guidelines* that could have a direct and material effect on each of Monroe County, Wisconsin's major federal and state programs for the year ended December 31, 2023. Monroe County, Wisconsin'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, Monroe County, Wisconsin complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Programs

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* (Uniform Guidance) and the *Wisconsin State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance and the *Wisconsin State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Monroe County, Wisconsin and to meet our other ethical responsibilities, in accordance with 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 the major federal and state programs. Our audit does not provide a legal determination of Monroe County, Wisconsin'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 Monroe County, Wisconsin's federal and state programs.

To the County Board
Monroe County, Wisconsin

Auditors' 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 Monroe County, Wisconsin'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*, Uniform Guidance and the *Wisconsin State Single Audit Guidelines* 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 of the report on compliance about Monroe County, Wisconsin's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the *Wisconsin State Single Audit Guidelines*, 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 Monroe County, Wisconsin'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 Monroe County, Wisconsin'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 and *Wisconsin State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of Monroe County, Wisconsin'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 control 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 over compliance, 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, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

To the County Board
Monroe County, Wisconsin

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 over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *Wisconsin State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
June 19, 2024

FEDERAL AND STATE AWARDS SECTION

MONROE COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/23	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/23	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF AGRICULTURE								
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WI Department of Health Services	154710	\$ (37,659)	\$ 195,780	\$ 37,659	\$ 195,780	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WI Department of Health Services	154760	(982)	8,697	1,609	9,324	-
Total Special Supplemental Nutrition Program for Women, Infant, and Children				(38,641)	204,477	39,268	205,104	-
<i>SNAP Cluster</i>								
State Administrative Matching Grants for Food Stamp Program	10.561	WI Department of Health Services	154661	-	11,637	-	11,637	-
State Administrative Matching Grants for Food Stamp Program	10.561	La Crosse County	284	-	197,007	-	197,007	-
Total SNAP Cluster				-	208,644	-	208,644	-
Soil and Water Conservation	10.902	Direct Program	Unknown	-	8,598	-	8,598	-
Environmental Quality Incentives Program	10.912	Direct Program	Unknown	-	30,092	-	30,092	-
Conservation Stewardship Program	10.924	Direct Program	Unknown	-	4,299	-	4,299	-
Total U.S. Department of Agriculture and SNAP Cluster				(38,641)	456,110	39,268	456,737	-
U.S. DEPARTMENT OF THE INTERIOR								
Payments in Lieu of Taxes	15.226	WI Department of Natural Resources	N/A	-	168,178	-	168,178	-
U.S. DEPARTMENT OF JUSTICE								
State Criminal Alien Assistance Program	16.606	Direct Program	Unknown	-	5,695	-	5,695	-
Bulletproof Vest Partnership Grant	16.607	Direct Program	Unknown	-	7,173	-	7,173	-
Total U.S. Department of Justice				-	12,868	-	12,868	-
U.S. DEPARTMENT OF TRANSPORTATION								
Highway Planning and Construction	20.205	WI Department of Transportation	4822-05-07/70	-	215,415	-	215,415	-
<i>Highway Safety Cluster</i>								
State and Community Highway Safety - BOTS Enforcement	20.800	WI Department of Transportation	Unavailable	-	38,909	-	38,909	-
National Priority Safety Programs	20.816	WI Department of Transportation	BOTS Grant	-	19,431	-	19,431	-
Total Highway Safety Cluster				-	58,340	-	58,340	-
Child Safety and Child Booster Seats Incentive Grants	20.613	WI Department of Transportation	3950957-25-34	-	4,079	-	4,079	-
Total U.S. Department of Transportation				-	277,834	-	277,834	-
U.S. DEPARTMENT OF THE TREASURY								
Coronavirus State and Local Fiscal Recovery Funds	21.027	WI Department of Health Services	115811	(57,350)	161,403	109,792	213,845	-
Coronavirus State and Local Fiscal Recovery Funds	21.027	WI Department of Revenue	N/A	5,511,407	-	(2,487,298)	3,024,109	-
Local Assistance and Tribal Consistency Fund	21.032	Direct Program	N/A	-	85,409	-	85,409	-
Total Coronavirus State and Local Fiscal Recovery Funds				5,454,057	246,812	(2,377,506)	3,323,363	-
U.S. DEPARTMENT OF EDUCATION								
Special Education - Grants for Infants and Families	84.181	WI Department of Health Services	550	-	47,481	-	47,481	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Health Promotion and Disease Prevention	93.043	Greater Wisconsin Agency on Aging Resources	N/A	-	3,378	-	3,378	-
<i>Aging Cluster</i>								
Grants for Supportive Services and Senior Centers	93.044	Greater Wisconsin Agency on Aging Resources	N/A	-	79,390	-	79,390	-
Nutrition Services	93.045	Greater Wisconsin Agency on Aging Resources	N/A	-	138,410	-	138,410	-
Nutrition Incentive Program	93.053	Greater Wisconsin Agency on Aging Resources	N/A	-	19,374	-	19,374	-
Total Aging Cluster				-	237,174	-	237,174	-
National Family Caregiver Support Program	93.052	Greater Wisconsin Agency on Aging Resources	N/A	-	42,032	-	42,032	-
Public Health Emergency Preparedness	93.069	WI Department Of Health Services	155015	-	38,343	-	38,343	-
Medicare Enrollment Assistance Program	93.071	WI Department of Health Services	560620	-	3,299	-	3,299	-
Guardianship Assistance	93.090	WI Department of Health Services	3456	(3,083)	20,433	-	17,350	-
Immunization Cooperative Agreements	93.268	WI Department of Health Services	155020	-	12,320	-	12,320	-
Complex Humanitarian Emergency Public Health Activities	93.269	WI Department of Health Services	155809	-	27,179	-	27,179	-
ELC CARES - Covid19	93.323	WI Department of Health Services	155817	-	59,779	-	59,779	-
State Health Assistance Program	93.324	WI Department of Health Services	560432	-	3,500	-	3,500	-
DPH PHEP Covid 19	93.354	WI Department of Health Services	155812	(7,909)	7,909	48,232	48,232	-
Qualitative Data	93.391	WI Department of Health Services	155815	-	5,858	-	5,858	-
NACCHO	93.421	WI Department of Health Services	-	-	15,175	-	15,175	-
Promoting Safe and Stable Families	93.556	WI Department of Children and Families	3306	(20,060)	51,839	-	31,779	-
Temporary Assistance for Needy Families	93.558	WI Department of Health Services	561	-	86,013	-	86,013	-
Temporary Assistance for Needy Families	93.558	WI Department of Children and Families	3645D	-	6,517	2,472	8,989	-
Total TANF				-	92,530	2,472	95,002	-

MONROE COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/23	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/23	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)								
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7332F	507	11,437	(6,050)	5,894	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7332R	(769)	769	-	9,167	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7477	(129,612)	481,151	133,544	485,083	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7482	119	(689)	(156)	(726)	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7506	(415)	1,599	514	1,698	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7620	-	37,972	-	38,412	-
Total Child Support Enforcement (Title IV-D)				(130,170)	532,679	137,019	539,528	-
<i>CCDF Cluster</i>								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.575	WI Department of Children and Families	831	(3,010)	15,661	-	12,651	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI Department of Children and Families	3681	-	6,609	-	6,609	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI Department of Children and Families	3561	-	82,493	-	82,493	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI Department of Children and Families	3413	-	5,653	-	5,653	-
Total Stephanie Tubbs Jones Child Welfare Services Program				-	94,755	-	94,755	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3554	(5,628)	7,733	-	2,105	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3413	-	10,136	-	10,136	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3561	-	367,096	-	367,096	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3568	(9,877)	39,061	-	29,184	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3584	-	716	-	716	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3588	(488)	488	-	-	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3604	(1,141)	2,523	-	1,382	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3645	(73)	35,843	-	35,770	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3681	-	29,411	-	29,411	-
Total Foster Care (Title IV-E)				(17,207)	493,007	-	475,800	-
Adoption Assistance	93.659	WI Department of Children and Families	3574	(5,540)	6,037	-	497	-
Social Services Block Grant	93.667	WI Department of Health Services	561	-	161,831	-	161,831	-
Elder Abuse Prevention Interventions Program	93.747	WI Department of Health Services	560333	-	700	-	700	-
Children's Health Insurance Program	93.767	La Crosse County	284	-	15,708	-	15,708	-
<i>Medicaid Cluster</i>								
Medical Assistance Program	93.778	La Crosse County	284	-	253,342	-	253,342	-
Medical Assistance Program	93.778	WI Department of Health Services	560152	(17,291)	81,295	6,486	70,490	-
Medical Assistance Program	93.778	WI Department of Health Services	560155	(45,258)	184,304	14,343	153,389	-
Medical Assistance Program - CLTS	93.778	WI Department of Health Services	Unknown	-	2,783,178	-	2,783,178	-
Medical Assistance Program - WIMCR	93.778	WI Department of Health Services	Unknown	-	1,433,333	-	1,433,333	-
Total Medicaid Cluster				(62,549)	4,735,452	20,829	4,693,732	-
OPIOID STR	93.788	WI Department of Health Services	531287	13,469	252,137	-	265,606	-
Block Grants for Community Mental Health Services	93.958	WI Department of Health Services	515	(1,916)	7,956	1,392	7,432	-
Block Grants for Community Mental Health Services	93.958	WI Department of Health Services	569	-	18,307	-	18,307	-
Total Block Grants for Community Mental Health Services				(1,916)	26,263	1,392	25,739	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	570	(9,087)	9,087	8,964	8,964	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	515	(311)	1,291	226	1,206	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	546	-	195	-	195	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	533288	-	450	-	450	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	533291	-	4,210	-	4,210	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	533292	-	-	3,681	3,681	-
Total Block Grants for Prevention and Treatment of Substance Abuse				(9,398)	15,233	12,871	18,706	-
Preventive Health and Health Services Block Grant	93.991	WI Department of Children and Families	159220	-	6,869	-	6,869	-
Maternal and Child Health Services Block Grant to the States	93.994	WI Department of Children and Families	159320	(13,161)	39,446	415	26,700	-
Total U.S. Department of Health and Human Services				(260,534)	7,016,526	223,230	6,979,222	-
U.S. DEPARTMENT OF HOMELAND SECURITY								
FEMA Grant - Hazard Mitigation Grant	97.039	WI Department of Military Affairs	N/A	-	19,895	-	19,895	-
Emergency Management Performance Grant FFY2023	97.042	WI Department of Military Affairs	2023-EMPG-S/EMPG-02/01-12568	-	64,804	-	64,804	-
Total U.S. Department of Homeland Security				-	84,699	-	84,699	-
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 5,154,882	\$ 8,310,508	\$ (2,115,008)	\$ 11,350,382	\$ -

MONROE COUNTY, WISCONSIN
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2023

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/23	Cash Received (Refunded)	(Accrued) (Deferred) Revenue 12/31/23	Total Expenditures	Subrecipient Payment
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION								
Clean Sweep Program 2023	115.04	Direct Program	Unknown	\$ -	\$ 7,206	\$ -	\$ 7,206	\$ -
County Staff and Support 1/1/22-12/31/22	115.15	Direct Program	Unknown	(161,395)	161,395	-	-	-
County Staff and Support 1/1/23-12/31/23	115.15	Direct Program	Unknown	-	-	156,919	156,919	-
LWRM Plan Implementation Projects	115.40	Direct Program	Unknown	(52,462)	79,826	34,242	61,606	-
Total Department of Agriculture, Trade and Consumer Protection				(213,857)	248,427	191,161	225,731	-
DEPARTMENT OF NATURAL RESOURCES								
Wildlife Damage Abatement and Claims	370.553	Direct Program	Unknown	(27,311)	27,311	129,387	129,387	-
Recreation Aids - Fish	370.564	Direct Program	N/A	-	346	-	346	-
Resource Aids - Forest Croplands and Management Land Aids	370.566	Direct Program	N/A	-	21,611	-	21,611	-
Urban and Community Forestry	370.572	Direct Program	N/A	-	60,871	-	60,871	-
Recreational Aids - Snowmobile Trail and Area Aid 2021-2022	370.574	Direct Program	N/A	(17,025)	227,897	(5,209)	205,663	-
Snowmobile Trail Aids	370.575	Direct Program	N/A	(17,882)	66,407	-	48,525	-
Recycling Grants to Responsible Units	370.670	Direct Program	N/A	-	133,368	-	133,368	-
Recycling Consolidation Grants	370.673	Direct Program	N/A	-	11,167	-	11,167	-
Total Department of Natural Resources				(62,218)	548,978	124,178	610,938	-
DEPARTMENT OF TRANSPORTATION								
Elderly and Handicapped Transportation Aids	395.168	Direct Program	Unknown	-	126,484	-	126,484	-
DEPARTMENT OF HEALTH SERVICES								
IMAA State Share	435.283	La Crosse County	283	-	467,506	-	467,506	-
IMAA Federal Share	435.284	La Crosse County	284	-	1,449	-	1,449	-
Adult Protective Services	435.312	Direct Program	312	(9,432)	33,087	6,288	29,943	-
Children's COP	435.377	Direct Program	377	(55,972)	82,218	45,307	71,553	-
Alzheimer's Family and Caregiver Support	435.381	Direct Program	381	(9,784)	24,055	6,219	20,490	-
Coordinated Services - County	435.515	Direct Program	515	(11,969)	49,690	8,692	46,413	-
Community Mental Health	435.516	Direct Program	516	(42,947)	190,738	31,718	179,509	-
Birth To Three Initiative	435.550	Direct Program	550	-	52,270	-	52,270	-
Basic County Allocation	435.561	Direct Program	561	-	923,996	-	923,996	-
State/County Match	435.681	Direct Program	681	-	128,456	-	128,456	-
CLTS Other - County Administrative Costs, State Share	435.877	Direct Program	877	-	49,218	-	49,218	-
WIC Farmers Market	435.154720	Direct Program	154720	(673)	2,964	-	2,291	-
COMM Disease Ctrl & Prev	435.155800	Direct Program	155800	-	-	4,500	4,500	-
State Funded Lead Poisoning Prevention	435.157720	Direct Program	157720	-	5,617	-	5,617	-
Aging Disability Resource Center	435.560100	Direct Program	560100	(82,024)	374,351	35,961	328,288	-
Elderly Benefit Specialist Program	435.560320	Direct Program	560320	-	29,442	-	29,442	-
ADRC SPAP EBS	435.560328	Direct Program	560328	(1,227)	4,219	-	2,992	-
State Senior Community Services	435.560330	Direct Program	560330	-	7,335	-	7,335	-
Title III-C1 Congregate Meals	435.560350	Direct Program	560350	-	60,122	-	60,122	-
Title III-C2 Home Delivered Meals	435.560360	Direct Program	560360	-	14,337	-	14,337	-
Elder Abuse	435.560490	Direct Program	560490	-	9,557	-	9,557	-
Total Department of Health Services				(214,028)	2,510,627	138,685	2,435,284	-

MONROE COUNTY, WISCONSIN
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2023

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/23	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/23	Total Expenditures	Subrecipient Payment
DEPARTMENT OF CHILDREN AND FAMILIES								
Food Stamp Agency Incentives	437.965	Direct Program	965	(1,029)	13,395	1,167	13,533	-
AFDC Agency Incentives	437.975	Direct Program	975	(2)	22	3	23	-
Medicaid Agency Incentives	437.980	Direct Program	980	(950)	7,284	441	6,775	-
Kinship Care Program - Benefits	437.3377	Direct Program	3377A	-	36,978	-	36,978	-
Kinship Care Program - Benefits	437.3377	Direct Program	3377B	(29,674)	101,964	15,309	87,599	-
Kinship Care Program - Assessment	437.3380	Direct Program	3380A	-	13,140	-	13,140	-
Community Intervention Program	437.3410	Direct Program	3410	-	18,736	-	18,736	-
Youth Aids AODA	437.3411	Direct Program	3411	-	12,554	-	12,554	-
Youth Aids	437.3413	Direct Program	3413	-	633,983	-	633,983	-
DSP Subsidized Guardianship	437.3456	Direct Program	3456	(5,725)	37,946	-	32,221	-
Basic County Allocation	437.3561	Direct Program	3561	-	375,345	-	375,345	-
State County match	437.3681	Direct Program	3681	-	30,072	-	30,072	-
Out-of-Home Care Placements for Sex Trafficked Youth	437.3720	Direct Program	3720	(6,880)	6,880	-	-	-
Child Support Activities	437.7502	Direct Program	7502	-	91,829	-	91,829	-
Child Support Medical Support	437.7606	Direct Program	7606	-	3,651	-	3,651	-
Total Department of Children and Families				<u>(44,260)</u>	<u>1,383,779</u>	<u>16,920</u>	<u>1,356,439</u>	<u>-</u>
DEPARTMENT OF JUSTICE								
Treatment Alternative and Diversion Grant	455.279.271	Direct Program	16198	(29,416)	68,140	22,187	60,911	-
County Tribal Local Assistance	455.263	Direct Program	N/A	-	23,368	-	23,368	-
Victim Witness Cluster	455.532	Direct Program	N/A	-	13,222	21,083	34,305	-
Total Department of Justice				<u>(29,416)</u>	<u>104,730</u>	<u>43,270</u>	<u>118,584</u>	<u>-</u>
DEPARTMENT OF MILITARY AFFAIRS								
Hazard Mitigation Grant	465.308	Direct Program	Unavailable	(7,517)	7,517	5,788	5,788	-
EPCRA Emergency Planning Grant Program	465.337	Direct Program	Unavailable	(17,508)	16,633	18,120	17,245	-
Total Department of Military Affairs				<u>(25,025)</u>	<u>24,150</u>	<u>23,908</u>	<u>23,033</u>	<u>-</u>
DEPARTMENT OF VETERANS AFFAIRS								
County Veterans Service Officers Grant	485.001	Direct Program	N/A	-	12,650	-	12,650	-
DEPARTMENT OF ADMINISTRATION								
Land Information Program 2022 Base Grant	505.173	Direct Program	Unknown	-	101,144	-	101,144	-
TOTAL STATE PROGRAMS				<u>\$ (588,804)</u>	<u>\$ 5,060,969</u>	<u>\$ 538,122</u>	<u>\$ 5,010,287</u>	<u>\$ -</u>

(1) Victim Witness is a cluster program funded by the following State ID Numbers: 455.503, 455.532, 455.536, 455.537 and 455.539

MONROE COUNTY

Notes to the Schedules of Expenditures of Federal and State Awards For the Year Ended December 31, 2023

Note 1 - Basis of Presentation

The accompanying schedules of expenditures of federal and state awards for the County are 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* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The schedules of expenditures of federal and state awards include all federal and state awards of the County. Because the schedules present only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2 - Significant Accounting Policies

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the County's 2023 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the County in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded County expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and State Single Audit guidelines, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has not elected to charge a de minimis rate of 10% of modified total costs.

Note 3 - Oversight Agencies

The federal and state oversight agencies for the County are as follows:

Federal - U.S. Department of Justice
State - Wisconsin Department of Health Services

Note 4 - Title 19 Medical Assistance Payments

The Schedules of Expenditures of Federal and State Awards do not include repayments received by the County's Human Service Department for Title 19 Medical Assistance programs. The payments are considered a contract for services between the State and the County and therefore are not reported as federal or state awards.

Note 5 - Pass Through Entities

Federal awards have been passed through the following entities:

GWAAR - Greater Wisconsin Agency on Aging Resources
WI DCF - Wisconsin Department of Children and Families
WI DHS - Wisconsin Department of Health Services
WI DMA - Wisconsin Department of Military Affairs
WI DNR - Wisconsin Department of Natural Resources
WI DOA - Wisconsin Department of Administration
WI DOJ - Wisconsin Department of Justice
WI DOT - Wisconsin Department of Transportation

MONROE COUNTY

Notes to the Schedules of Expenditures of Federal and State Awards
For the Year Ended December 31, 2023

Note 6 - State Direct Payments

Payments made directly to recipients and vendors by the State of Wisconsin under the FoodShare Wisconsin program on behalf of the County are not included in the Schedules of Expenditures of Federal and State Awards.

Note 7 - State of Wisconsin Community Aids Reporting System

The Wisconsin Departments of Health Services (DHS) and Children and Families (DCF) utilize the Grant Enrollment, Application and Reporting System (GEARS) and the System for Payments and Reports of Contracts (SPARC) for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedules of Expenditures of Federal and State Awards for various DHS & DCF programs agree with the expenditures reported on the May 2024 GEARS for the Human Services and Public Health Departments, and the December 2023 SPARC for Child Support and Child Care programs.

MONROE COUNTY
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2023

Section I – Summary of Auditor’s Results

Basic Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Noncompliance material to basic financial statements noted? No

Federal and State Awards

Internal control over major program:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *Uniform Guidance*? No

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

Identification of major federal program:

ALN	Name of Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Identification of major state programs:

State ID Number	Name of State Program
435.561	Basic County Allocation
437.3561	Basic County Allocation

MONROE COUNTY
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2023

Section I – Summary of Auditor’s Results (Continued)

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000
Auditee qualified as low-risk auditee	Yes

Section II – Financial Statement Finding

2023-001 Financial Reporting

- Condition:** During our audit, we noted that the internal control system does not include a process for preparing the annual audited financial statements and the related disclosures in accordance with GAAP.
- Criteria:** Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
- Cause:** Management does not have the required experience and expertise to prepare financial statements. Therefore, management requested that KerberRose SC assist in preparing a draft of the audited financial statements, including the related footnote disclosures. The outsourcing is a result of management’s cost/benefit decision to use our accounting expertise rather than incurring this internal resource cost.
- Effect:** Although the auditors are assisting with the preparation of the financial statements and related footnotes, management of the County thoroughly reviews them and accepts responsibility for their completeness and accuracy.
- Recommendation:** We recommend that management continues to make this decision on a cost/benefit basis.
- Management’s Response:** The County will continue to contract with an outside audit firm to complete the statements and related notes to comply with GAAP. Management does review and approve the financial statements and management accepts responsibility for the financial statements.
- Responsible Official:** Diane Erickson – Finance Director
- Anticipated Completion Date:** This finding will not completely resolve itself given the cost/benefit basis the County continues to make.

Section III – Federal and State Findings

There were no federal or state major program findings.

MONROE COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section IV – Other Issues

- | | |
|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee’s ability to continue as a going concern? | No |
| | |
| 2. Does the audit report show audit issues (i.e., material non-compliance, non-material, non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/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 Natural Resources | No |
| Department of Transportation | No |
| Department of Corrections | No |
| Department of Health Services | No |
| Department of Children and Families | No |
| Department of Justice | No |
| Department of Military Affairs | No |
| Department of Administration | No |
| | |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |

MONROE COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings
December 31, 2022

Financial Statement Findings

2022-001 – Financial Accounting and Reporting – This finding was a repeat finding in the current year at 2023-001.



Monroe County Finance Department

124 N Court St, Sparta, WI 54656
Phone – 608.269.8707 Fax – 608.366.1809
Email – diane.erickson@co.monroe.wi.us
www.co.monroe.wi.us

Corrective Action Plan

Financial Statement Findings

2023-001 – Financial Reporting – The County is aware that its staff does not have a process to prepare financial statements and related notes in accordance with GAAP. The County will continue to make this decision on a cost/benefit basis and have auditors assist in preparing the financial statements and related notes. Management does review the financial statements and compares to the County's financial records for completeness and accuracy and accepts responsibility for those financial statements.

Responsible Official – Diane Erickson, Finance Director

Anticipated Completion Date – This finding will not completely resolve itself given the cost/benefit basis the County continues to make.