

**OCONTO COUNTY, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2010**

**OCONTO COUNTY, WISCONSIN**

December 31, 2010

Table of Contents

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF STATE FINANCIAL ASSISTANCE	1 - 2
MANAGEMENT DISCUSSION & ANALYSIS	3 - 9
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	10
Statement of Activities	11 - 12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13 - 14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15 - 16
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Human Services	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - County Roads and Bridges	19
Statement of Net Assets - Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Statement of Net Assets - Fiduciary Funds	23
Notes to Basic Financial Statements	24 - 42
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Funding Progress - Other Post- Employment Benefit Plan	43
Schedule of Employer Contributions - Other Post-Employment Benefit Plan	44

**OCONTO COUNTY, WISCONSIN**

December 31, 2010

Table of Contents

	<u>Page No.</u>
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual - General Fund	45 - 52
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - County Roads and Bridges	53
Combining Balance Sheet - Nonmajor Governmental Funds	54 - 55
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	56 - 57
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds	58 - 65
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual - Highway Enterprise Fund	66 - 67
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual - Recycling Enterprise Fund	68
Combining Statement of Net Assets - Agency Funds	69
<b>ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS</b>	
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	70 - 71
<b>FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>	
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal and State Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Guidelines	72 - 73
Schedule of Federal Awards	74 - 77
Schedule of State Financial Assistance	78 - 81
Notes to the Schedule of Federal Awards and the Schedule of State Financial Assistance	82 - 84
Schedule of Findings and Questioned Costs	85 - 89
Schedule of Prior Year Audit Findings and Corrective Action Plan	90
<b>STATE FINANCIAL REPORT FORM</b>	
Independent Auditors' Report on State Financial Report Form	91
Schedule of Revisions to 2010 State Financial Report Form	92



**INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS AND SCHEDULE OF STATE FINANCIAL ASSISTANCE**

To the County Board  
Oconto County, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconto County, Wisconsin ("the County") as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oconto County's management. Our responsibility is to express opinions on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the County's 2009 financial statements and, in our report dated June 17, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and human services and county roads and bridges special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2011 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions on pages 3 through 9 and 43 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconto County, Wisconsin's financial statements as a whole. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the financial statements. The combining and individual fund financial statements and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants  
Green Bay, Wisconsin  
June 14, 2011

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

**Oconto County, Wisconsin**  
**Management's Discussion and Analysis**  
**December 31, 2010**

As management of Oconto County, we offer the 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, 2010.

**Financial Highlights**

- The assets of the County exceeded its liabilities as of December 31, 2010 by \$122,743,714 (*net assets*). Of this amount, \$21,234,594 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors. The remainder of \$101,509,120 is invested in capital assets, net of depreciation and related debt.
- The County's total net assets decreased by \$20,302 from 2009, a minimal decrease. The decrease consisted of a gain in governmental activities of \$32,956 and a decrease in business-type activities of \$53,258.
- As of December 31, 2010, the County's governmental funds reported combined ending fund balances of \$16,314,749, an increase of \$175,128 from the prior year. Approximately 15% of the combined fund balances, or \$2,443,786, is available to meet the County's current and future needs.
- As of December 31, 2010, the County's general fund unreserved fund balance (designated and undesignated) was \$9,026,966, or approximately 58% of the total 2010 general fund expenditures of \$15,681,103.
- The County's total outstanding general obligation debt decreased by \$1,725,000, and no new debt was issued. As such, there is no outstanding debt of the county at the end of 2010. There is no anticipated new debt borrowing for 2011.
- Delinquent property taxes (tax certificates & tax deeds) increased by \$137,756, or 5%, to \$2,811,894.
- The county's equalized value decreased again from the previous year, but only by less than one percent. This is the second consecutive decrease, albeit it slight, in the county's equalized value.
- The property tax mill rate increased 14 cents per \$1,000 of equalized value for the year 2010 to \$4.84, compared to \$4.70 in 2009. The property tax levy increased to \$17,491,115 in 2010 from \$17,172,457, an increase of \$318,658, or 1.9%. The increase was within the state imposed tax levy and tax rate limits.

**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. The 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 and consist of the two following statements:

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating in conjunction with other indicators such as infrastructure systems, changes in property tax base and general economic conditions of the County.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets 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., uncollected taxes and earned but unused vacation and sick 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, health and human services, culture and recreation, and conservation and development. The business-type activities of the County include the highway, recycling, and landfill operations.

The government-wide financial statements include not only Oconto County itself (known as the *primary government*), but also a legally separate Commission on Aging for which the County is financially accountable. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

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

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

**Governmental funds:** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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*.

Oconto County maintains thirteen 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 fund, human services fund and county roads and bridges fund, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary section of 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 fund and for each individual, major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13-19 of this report.

**Proprietary funds:** Oconto County maintains a single type proprietary fund. *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 recycling, highway and landfill operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the MAR-OCO landfill and highway operations, both of which are considered to be major funds of the County, additionally, the recycling fund (a non-major fund) information is presented.

The basic proprietary fund financial statements can be found on pages 20-22 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 Oconto County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 23 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 beginning on page 24 of this report.

**Other information:** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 43 of this report.

**Government-wide Financial Analysis**

**Net assets:** As noted earlier, net assets may serve over time as a useful indicator of the County’s financial position. In the case of the County, assets exceeded liabilities by \$122,743,714 at the close of the year.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2010	2009	2010	2009	2010	2009
<b>OCONTO COUNTY NET ASSETS:</b>						
Current and other assets .....	\$ 38,887,707	\$ 37,881,389	\$ 6,138,828	\$ 5,778,856	\$ 45,026,535	\$ 43,660,245
Capital assets .....	92,865,110	94,655,998	8,644,010	8,888,371	\$ 101,509,120	\$ 103,544,369
<b>Total assets</b> .....	<b>131,752,817</b>	<b>132,537,387</b>	<b>14,782,838</b>	<b>14,667,227</b>	<b>146,535,655</b>	<b>147,204,614</b>
Long-term liabilities outstanding .....	863,668	2,385,835	1,502,667	1,385,401	\$ 2,366,335	\$ 3,771,236
Other liabilities .....	20,834,447	20,129,806	591,159	539,556	\$ 21,425,606	\$ 20,669,362
<b>Total liabilities</b> .....	<b>21,698,115</b>	<b>22,515,641</b>	<b>2,093,826</b>	<b>1,924,957</b>	<b>23,791,941</b>	<b>24,440,598</b>
Net assets:						
Invested in capital assets, net of debt ...	92,865,110	92,930,998	8,644,010	8,888,371	\$ 101,509,120	\$ 101,819,369
Unrestricted .....	17,189,592	17,090,748	4,045,002	3,853,899	21,234,594	20,944,647
<b>Total net assets</b> .....	<b>\$ 110,054,702</b>	<b>\$ 110,021,746</b>	<b>\$ 12,689,012</b>	<b>\$ 12,742,270</b>	<b>\$ 122,743,714</b>	<b>\$ 122,764,016</b>

By far the largest portion of the County’s total net assets (83 percent) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. 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, if any, must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of *unrestricted net assets* of \$21,234,594 may be used to meet the County’s ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, Oconto County is able to report positive balances in both categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Change in net assets.** Governmental activities increased the County’s net assets by \$32,956 and business-type activities decreased the County’s net assets by \$53,258 during the year, thus resulting in a net decrease of \$20,302 of the total net assets of the County.

<b>PRIMARY GOVERNMENT</b>	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services, fees, fines, costs .....	\$ 4,933,023	\$ 4,806,941	\$ 9,224,791	\$ 8,857,209	\$ 14,157,814	\$ 13,664,150
Operating grants and contributions .....	14,244,593	13,824,648	305,356	293,778	14,549,949	14,118,426
General revenues:						
Property taxes .....	17,491,115	17,172,457	-	-	17,491,115	17,172,457
Other taxes .....	1,877,921	1,894,270	-	-	1,877,921	1,894,270
Grants and contributions not restricted to specific programs .....	760,906	807,222	-	-	760,906	807,222
Interest and investment earnings .....	198,808	300,643	18,218	14,607	217,026	315,250
Other .....	18,141	5,285	10,565	-	28,706	5,285
<b>Total revenues .....</b>	<b>39,524,507</b>	<b>38,811,466</b>	<b>9,558,930</b>	<b>9,165,594</b>	<b>49,083,437</b>	<b>47,977,060</b>
Expenses:						
General government .....	5,496,359	5,019,557	-	-	5,496,359	5,019,557
Public safety .....	7,099,778	6,977,122	-	-	7,099,778	6,977,122
Public works .....	5,796,444	6,028,448	-	-	5,796,444	6,028,448
Health and human services .....	17,735,201	17,395,024	-	-	17,735,201	17,395,024
Culture and recreation .....	1,699,691	1,895,217	-	-	1,699,691	1,895,217
Development .....	1,559,165	1,657,181	-	-	1,559,165	1,657,181
Interest on long-term debt .....	104,913	93,560	-	-	104,913	93,560
Highway .....	-	-	8,380,246	8,437,533	8,380,246	8,437,533
MAR-OCO landfill .....	-	-	541,928	452,973	541,928	452,973
Recycling .....	-	-	690,014	591,512	690,014	591,512
<b>Total expenses .....</b>	<b>39,491,551</b>	<b>39,066,109</b>	<b>9,612,188</b>	<b>9,482,018</b>	<b>49,103,739</b>	<b>48,548,127</b>
Increase in net assets before transfers .....	32,956	(254,643)	(53,258)	(316,424)	(20,302)	(571,067)
Transfers .....	-	-	-	-	-	-
Increase in net assets .....	32,956	(254,643)	(53,258)	(316,424)	(20,302)	(571,067)
Net assets - January 1 .....	110,021,746	110,276,389	12,742,270	13,058,694	122,764,016	123,335,083
Net assets - December 31 .....	\$110,054,702	\$110,021,746	\$12,689,012	\$12,742,270	\$122,743,714	\$122,764,016

**Governmental activities.** Elements contributing to the \$32,956 increase in governmental net assets include:

- Considering governmental activities of \$39,524,507 revenues and \$39,491,551 expenditures, the amount of \$32,959 is not significant, thus basically indicating a “break-even” financial result for 2010. \$17,491,115 of the \$39,524,507 revenues are from levied property taxes.

**Business-type activities.** Elements contributing to the \$53,258 decrease in business-type net assets include:

- Highway business-type operations resulted in a net gain of \$139,086.
- Recycling operations resulted in a net loss of \$100,672.
- MAR-OCO Landfill operations resulted in a net loss of \$91,672.

**Financial Analysis of the Government Funds**

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

**Governmental funds:** The focus of the County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County’s financing requirements. In particular, *unreserved 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, 2010, the County’s governmental funds reported a combined ending fund balance of \$16,314,749, an increase of \$175,128 from the prior year. Of that combined ending fund balance, \$13,763,625 (84%) constitutes *unreserved fund balance* that is available for spending at the County’s discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for the following: non-liquid delinquent taxes, long-term advances, and purchases of inventory and prepayments that benefit periods beyond the current year.

The General fund is the main operating fund of the County. At the end of the year, the unreserved undesignated fund balance of the general fund was \$2,443,786, while the total fund balance was \$11,567,156. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved undesignated fund balance and total fund balance to total fund expenditures. Unreserved undesignated fund balance represents 16% of total general fund expenditures, while the total fund balance represents 74% of general fund expenditures. In relation to general fund revenues, unreserved undesignated fund balance also represents 16% of total general fund revenues.

The fund balance of the County’s general fund decreased \$1,305,463, from \$12,872,619 to \$11,567,156 during the year. Key factors in this decrease include:

- Payment of \$1,384,346 was made from the general fund to defease the balance of the County’s long-term debt.
- The defeasance payment will be paid back from the county sales tax fund during the next three years
- Eliminating the defeasance payment would have resulted in a \$78,883 gain in fund balance.

The Human Services fund had a balance of \$2,185,569 at the end of the year. This fund balance increased by \$268,916 during the year. This increase was due to revenues exceeding expenditures by \$752,916 and transferring \$484,000 to general operations. The tax levy for Human Services decreased \$26,807 in 2010, amounting to \$4,988,184. Of the \$2,185,569 fund balance, \$333,009 will be applied to reduce the fund’s 2011 property tax levy and \$642,763 will be transferred to the general fund to reduce the overall 2011 levy.

The County Roads and Bridges fund had a balance of \$1,244,678 at the end of the year. This fund balance increased \$640,389 during the year. The fund was budgeted to decrease by \$64,990 in 2010 but instead increased by \$640,389. The tax levy for the roads and bridge fund increased in 2010 from \$3,286,473 to \$3,443,894. Of the county road and bridge fund balance, \$191,900 will applied to reduce the fund’s 2011 property tax levy, and \$440,316 will be transferred to the general fund to reduce the overall 2011 levy.

**Proprietary funds:** The County’s proprietary funds provide the same type of information found in the County’s government-wide financial statements. Those funds are the highway operating fund, the Mar-OCO landfill fund and the recycling fund.

The unrestricted net assets of the County’s proprietary funds are listed below:

Highway	\$3,182,019
MAR-OCO Landfill	293,793
Recycling	569,190

The highway fund had a net gain of \$139,086 for the year, while the landfill and recycling funds had losses of \$91,672 and \$100,672 respectively.

**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget amounted to a \$1,315,876 increase in appropriations and can be briefly summarized as follows:

- \$196,000 increase in land records and plat book expenditures,
- \$192,000 additional expenditures for law enforcement projects,
- \$225,000 for national forest federal payments,
- \$270,825 additional expenditures for state aided culture and recreation projects,
- \$317,000 additional expenditures for conservation and development programs
- \$115,051 in various other programs.

Most of the increases were funded with additional state grants and reimbursements and unanticipated increases in program specific revenues.

For the year, actual expenditures exceeded revenues and other financing sources by \$1,305,463, thus reducing the general fund balance at the end of 2010 to \$11,567,156 as previously explained.

**Capital Asset and Debt Administration**

**Capital Assets:** The County’s investment in capital assets for its governmental and business-type activities at the end of the year amounted to \$101,509,120 (net of accumulated depreciation), a decrease of \$2,035,249 from 2009. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress.

<b>OCONTO COUNTY CAPITAL ASSETS (net of depreciation)</b>						
<b>Asset</b>	<b>Government activities</b>		<b>Business-type activities</b>		<b>Totals</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Land	\$ 11,681,968	\$ 11,539,468	\$ 123,716	\$ 123,716	\$ 11,805,684	\$ 11,663,184
Buildings	8,078,865	8,499,089	2,442,552	2,646,662	10,521,417	11,145,751
Improvements other than buildings	808,659	866,161	1,016,857	1,038,631	1,825,516	1,904,792
Machinery and equipment	1,370,005	1,853,900	4,879,492	4,967,492	6,249,497	6,821,392
Infrastructure	70,925,613	71,897,380	-	-	70,925,613	71,897,380
Construction in progress	-	-	160,269	98,574	160,269	98,574
Other	-	-	21,124	13,296	21,124	13,296
<b>Total</b>	<b>\$ 92,865,110</b>	<b>\$ 94,655,998</b>	<b>\$ 8,644,010</b>	<b>\$ 8,888,371</b>	<b>\$ 101,509,120</b>	<b>\$ 103,544,369</b>

Additional information on the County’s capital assets can be found in Note C (5) on pages 34-35 of this report.

**Long-term Debt:** At the end of the year, Oconto County had no outstanding debt.

<b>OCONTO COUNTY Outstanding General Obligation Debt</b>						
<b>Item</b>	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Totals</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
General obligation debt:						
Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	1,725,000	-	-	-	1,725,000
<b>Total general obligation debt</b>	<b>\$ -</b>	<b>\$ 1,725,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,725,000</b>

The County’s total general obligation debt decreased \$1,725,000 during the year.

State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized value. The current debt limitation for the County is calculated at \$182,626,110.

Additional information on Oconto County’s long-term debt can be found in Note C (8) on page 37 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The economic condition and outlook of the County is based on a mix of manufacturing, tourism, service industry, and farming activities which support our tax base.
- The unemployment rate (not seasonally adjusted) for Oconto County as of April 2011 was 9.3%, and compares with the statewide rate of 7.4% and a federal rate of 8.7%. Figures are provided by the Wisconsin Dept of Workforce Development.

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute established specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids.

An additional, and more restrictive, limit was placed on county budgets by the state for budgets beginning in 2007. That is a limit on the tax levy, rather than the mill rate. The limit is the percentage increase of net new construction, or a percentage designated by the state, whichever is greater. For the 2009 levy (collection in 2010), the County's increase in net new construction was 1.203%. The state allowed minimum percentage was 3.0%. The same restrictions are in place for the 2010 levy (collection in 2011).

In 2009, the tax levy limit regulations changed to allow exemption of special purpose levies (local bridge and culvert aids and county library aid) from the calculated levy limit.

**Contacting the County's Financial Management**

This financial report is designed to provide a general overview of Oconto County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Finance Director, Oconto County Finance Dept, 301 Washington St., Oconto, WI 54153 or via the County's website at [www.co.oconto.wi.us](http://www.co.oconto.wi.us).

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## **BASIC FINANCIAL STATEMENTS**

***Government-wide Financial Statements***

**OCONTO COUNTY, WISCONSIN**  
Statement of Net Assets  
December 31, 2010  
(With summarized financial information for December 31, 2009)

	Primary Government				Component Unit
	Governmental Activities	Business-type Activities	Total		Commission on Aging
			2010	2009	
<b>ASSETS</b>					
Cash and investments	\$ 14,357,847	\$ 3,947,106	\$ 18,304,953	\$ 17,871,687	\$ 30,006
Receivables					
Taxes	21,371,590	-	21,371,590	21,007,977	-
Accounts	1,364,612	41,934	1,406,546	1,015,487	30,639
Loans	617,869	-	617,869	674,440	-
Due from other governments	1,161,254	259,472	1,420,726	1,332,402	-
Inventories and prepaid items	14,535	1,062,963	1,077,498	1,000,399	-
Restricted cash and investments	-	700,481	700,481	688,832	-
Deferred charges	-	126,872	126,872	69,021	-
Capital assets					
Land	11,681,968	123,716	11,805,684	11,663,184	-
Improvements other than buildings	1,476,319	2,975,231	4,451,550	4,390,886	-
Buildings	16,107,128	5,035,521	21,142,649	21,142,649	-
Machinery and equipment	5,798,995	14,331,060	20,130,055	19,709,820	-
Other capital assets	-	52,792	52,792	41,801	-
Construction in progress	-	160,269	160,269	98,574	-
Infrastructure	129,748,344	-	129,748,344	127,103,838	-
Less: Accumulated depreciation	(71,947,644)	(14,034,579)	(85,982,223)	(80,606,383)	-
<b>TOTAL ASSETS</b>	<b>131,752,817</b>	<b>14,782,838</b>	<b>146,535,655</b>	<b>147,204,614</b>	<b>60,645</b>
<b>LIABILITIES</b>					
Accounts payable	2,112,442	446,391	2,558,833	2,177,494	31,926
Accrued payroll liabilities	703,165	144,768	847,933	768,655	-
Accrued interest payable	-	-	-	20,333	-
Due to other governments	385,259	-	385,259	211,765	-
Unearned revenues	17,633,581	-	17,633,581	17,491,115	-
Long-term obligations					
Due within one year	-	-	-	400,000	-
Due in more than one year	863,668	165,040	1,028,708	2,116,723	-
Closure and post-closure care costs	-	1,337,627	1,337,627	1,254,513	-
<b>TOTAL LIABILITIES</b>	<b>21,698,115</b>	<b>2,093,826</b>	<b>23,791,941</b>	<b>24,440,598</b>	<b>31,926</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	92,865,110	8,644,010	101,509,120	101,819,369	-
Unrestricted	17,189,592	4,045,002	21,234,594	20,944,647	28,719
<b>TOTAL NET ASSETS</b>	<b>\$ 110,054,702</b>	<b>\$ 12,689,012</b>	<b>\$ 122,743,714</b>	<b>\$ 122,764,016</b>	<b>\$ 28,719</b>

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

**OCONTO COUNTY, WISCONSIN**

Statement of Activities

Year Ended December 31, 2010

(With summarized financial information for the year ended December 31, 2009)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental Activities				
General government	\$ 5,496,359	\$ 914,042	\$ 219,030	\$ -
Public safety	7,099,778	692,524	314,629	-
Public works	5,796,444	5,411	1,825,981	-
Health and human services	17,735,201	2,696,502	10,685,119	-
Culture and recreation	1,699,691	230,345	489,440	-
Development	1,559,165	394,199	710,394	-
Interest on debt	104,913	-	-	-
Total Governmental Activities	<u>39,491,551</u>	<u>4,933,023</u>	<u>14,244,593</u>	<u>-</u>
Business-type Activities				
Highway	8,380,246	8,519,332	-	-
MAR-OCO Landfill	541,928	432,038	-	-
Recycling	690,014	273,421	305,356	-
Total Business-type Activities	<u>9,612,188</u>	<u>9,224,791</u>	<u>305,356</u>	<u>-</u>
Total primary government	<u>\$ 49,103,739</u>	<u>\$ 14,157,814</u>	<u>\$ 14,549,949</u>	<u>\$ -</u>
<b>Component unit</b>				
Commission on aging	<u>\$ 646,980</u>	<u>\$ 122,431</u>	<u>\$ 514,344</u>	<u>\$ -</u>

General revenues

- Property taxes, levied for general purposes
- Other taxes
- State and federal aids not restricted to specific functions
- Interest and investment earnings
- Gain on sale of capital assets
- Miscellaneous
- Total general revenues

Change in net assets

Net assets - January 1

Net assets - December 31

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

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			2009	Component Unit	
Governmental Activities	Business-type Activities	Total		Commission on Aging	
\$ (4,363,287)	\$ -	\$ (4,363,287)	\$ (3,973,745)	\$ -	
(6,092,625)	-	(6,092,625)	(6,053,800)	-	
(3,965,052)	-	(3,965,052)	(4,474,243)	-	
(4,353,580)	-	(4,353,580)	(4,269,075)	-	
(979,906)	-	(979,906)	(1,222,897)	-	
(454,572)	-	(454,572)	(347,200)	-	
(104,913)	-	(104,913)	(93,560)	-	
<u>(20,313,935)</u>	<u>-</u>	<u>(20,313,935)</u>	<u>(20,434,520)</u>	<u>-</u>	
-	139,086	139,086	(128,233)	-	
-	(109,890)	(109,890)	(102,820)	-	
-	(111,237)	(111,237)	(99,978)	-	
<u>-</u>	<u>(82,041)</u>	<u>(82,041)</u>	<u>(331,031)</u>	<u>-</u>	
<u>(20,313,935)</u>	<u>(82,041)</u>	<u>(20,395,976)</u>	<u>(20,765,551)</u>	<u>-</u>	
-	-	-	-	(10,205)	
17,491,115	-	17,491,115	17,172,457	-	
1,877,921	-	1,877,921	1,894,270	-	
760,906	-	760,906	807,222	-	
198,808	18,218	217,026	315,250	1,976	
4,780	-	4,780	-	-	
13,361	10,565	23,926	5,285	1,883	
<u>20,346,891</u>	<u>28,783</u>	<u>20,375,674</u>	<u>20,194,484</u>	<u>3,859</u>	
32,956	(53,258)	(20,302)	(571,067)	(6,346)	
<u>110,021,746</u>	<u>12,742,270</u>	<u>122,764,016</u>	<u>123,335,083</u>	<u>35,065</u>	
<u>\$ 110,054,702</u>	<u>\$ 12,689,012</u>	<u>\$ 122,743,714</u>	<u>\$ 122,764,016</u>	<u>\$ 28,719</u>	

***Fund Financial Statements***

**OCONTO COUNTY, WISCONSIN**

Balance Sheet

Governmental Funds

December 31, 2010

(With summarized financial information for December 31, 2009)

	General	Human Services	County Roads and Bridges	Other Governmental Funds	Total Governmental Funds	
					2010	2009
<b>ASSETS</b>						
Cash and investments	\$ 8,520,979	\$ 2,740,952	\$ 1,244,678	\$ 1,851,238	\$ 14,357,847	\$ 14,419,422
Receivables						
Taxes	12,056,957	4,988,184	3,342,472	170,901	20,558,514	20,271,771
Accounts	1,061,204	227,788	-	-	1,288,992	890,402
Notes	-	-	-	617,869	617,869	674,440
Advance to other funds	10,000	-	-	-	10,000	10,000
Due from other governments	69,389	1,013,947	-	-	1,083,336	760,092
Inventories and prepaid items	3,601	10,934	-	-	14,535	6,551
<b>TOTAL ASSETS</b>	<b>\$ 21,722,130</b>	<b>\$ 8,981,805</b>	<b>\$ 4,587,150</b>	<b>\$ 2,640,008</b>	<b>\$ 37,931,093</b>	<b>\$ 37,032,678</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 288,871	\$ 1,301,683	\$ -	\$ 521,888	\$ 2,112,442	\$ 1,781,529
Accrued payroll liabilities	539,694	162,333	-	1,138	703,165	625,064
Advance from other funds	-	-	-	10,000	10,000	10,000
Due to other governments	144,241	240,152	-	866	385,259	211,765
Deferred revenues	9,182,168	5,092,068	3,342,472	788,770	18,405,478	18,264,699
<b>Total Liabilities</b>	<b>10,154,974</b>	<b>6,796,236</b>	<b>3,342,472</b>	<b>1,322,662</b>	<b>21,616,344</b>	<b>20,893,057</b>
<b>Fund Balances</b>						
<b>Reserved for</b>						
Delinquent property taxes	2,526,589	-	-	-	2,526,589	2,304,259
Long-term advances	10,000	-	-	-	10,000	10,000
Inventories and prepaid items	3,601	10,934	-	-	14,535	6,551
<b>Unreserved</b>						
<b>Designated</b>						
General fund	6,583,180	-	-	-	6,583,180	6,797,068
Special revenue funds	-	2,174,635	1,244,678	1,317,346	4,736,659	3,265,528
<b>Undesignated, reported in</b>						
General fund	2,443,786	-	-	-	2,443,786	3,756,215
<b>Total Fund Balances</b>	<b>11,567,156</b>	<b>2,185,569</b>	<b>1,244,678</b>	<b>1,317,346</b>	<b>16,314,749</b>	<b>16,139,621</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 21,722,130</b>	<b>\$ 8,981,805</b>	<b>\$ 4,587,150</b>	<b>\$ 2,640,008</b>	<b>\$ 37,931,093</b>	<b>\$ 37,032,678</b>

(Continued)

**OCONTO COUNTY, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2010

(With summarized financial information for December 31, 2009)

	2010	2009
<u>Reconciliation to the Statement of Net Assets</u>		
Total Fund Balances from previous page	\$ 16,314,749	\$ 16,139,621
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	92,865,110	94,655,998
Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Other post-employment benefit (OPEB) liability	\$ (264,180)	
Compensated absences	<u>(599,488)</u>	(2,406,168)
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds or recorded only on government-wide financial statements.	<u>1,738,511</u>	<u>1,632,295</u>
Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 10)	<u>\$ 110,054,702</u>	<u>\$ 110,021,746</u>

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

**OCONTO COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2010  
(With summarized financial information for year ended December 31, 2009)

	General	Human Services	County Roads and Bridges	Other Governmental Funds	Total Governmental Funds	
					2010	2009
<b>Revenues</b>						
Taxes	\$ 9,439,171	\$ 4,988,184	\$ 3,443,894	\$ 1,478,948	\$ 19,350,197	\$ 18,975,375
Intergovernmental	3,047,477	10,049,784	1,825,981	6,232	14,929,474	14,759,946
Licenses and permits	200,879	-	-	18,729	219,608	212,623
Fines and forfeits	179,390	-	-	37,757	217,147	252,602
Public charges for services	1,245,659	1,746,665	-	36,338	3,028,662	3,739,417
Intergovernmental charges for services	416,708	-	-	3,938	420,646	377,430
Miscellaneous	366,891	801,206	-	79,680	1,247,777	524,489
<b>Total Revenues</b>	<b>14,896,175</b>	<b>17,585,839</b>	<b>5,269,875</b>	<b>1,661,622</b>	<b>39,413,511</b>	<b>38,841,882</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	4,887,727	-	-	2,375	4,890,102	4,699,086
Public safety	6,427,196	-	-	34,400	6,461,596	6,279,289
Public works	195,191	-	4,629,486	-	4,824,677	4,939,287
Health and human services	774,457	16,832,923	-	49,751	17,657,131	17,364,767
Culture and recreation	1,324,117	-	-	176,931	1,501,048	1,805,009
Development	1,727,680	-	-	13,339	1,741,019	1,934,208
<b>Debt service</b>						
Principal	-	-	-	1,725,000	1,725,000	1,125,000
Interest and fiscal charges	-	-	-	125,246	125,246	101,332
Capital outlay	344,735	-	-	-	344,735	502,019
<b>Total Expenditures</b>	<b>15,681,103</b>	<b>16,832,923</b>	<b>4,629,486</b>	<b>2,127,042</b>	<b>39,270,554</b>	<b>38,749,997</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(784,928)</b>	<b>752,916</b>	<b>640,389</b>	<b>(465,420)</b>	<b>142,957</b>	<b>91,885</b>
<b>Other Financing Sources (Uses)</b>						
Sale of capital assets	32,171	-	-	-	32,171	9,572
Transfers in	831,640	-	-	1,850,246	2,681,886	1,744,742
Transfers out	(1,384,346)	(484,000)	-	(813,540)	(2,681,886)	(1,744,742)
<b>Total Other Financing Sources (Uses)</b>	<b>(520,535)</b>	<b>(484,000)</b>	<b>-</b>	<b>1,036,706</b>	<b>32,171</b>	<b>9,572</b>
<b>Net Change in Fund Balances</b>	<b>(1,305,463)</b>	<b>268,916</b>	<b>640,389</b>	<b>571,286</b>	<b>175,128</b>	<b>101,457</b>
<b>Fund Balances - January 1</b>	<b>12,872,619</b>	<b>1,916,653</b>	<b>604,289</b>	<b>746,060</b>	<b>16,139,621</b>	<b>16,038,164</b>
<b>Fund Balances - December 31</b>	<b>\$ 11,567,156</b>	<b>\$ 2,185,569</b>	<b>\$ 1,244,678</b>	<b>\$ 1,317,346</b>	<b>\$ 16,314,749</b>	<b>\$ 16,139,621</b>

(Continued)

**OCONTO COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
Year Ended December 31, 2010  
(With summarized financial information for year ended December 31, 2009)

	2010	2009
<u>Reconciliation to the Statement of Activities</u>		
Net Change in Fund Balances from previous page	\$ 175,128	\$ 101,457
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets which meet capitalization criteria is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital assets reported as expenditures in governmental fund statements	\$ 3,029,442	
Depreciation expense reported in the statement of activities	<u>(4,792,939)</u>	
Amount by which capital outlays are less than depreciation	(1,763,497)	(1,404,114)
<p>In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.</p>		
Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	\$ (32,171)	
Loss on disposition reported on the statement of activities	<u>4,780</u>	
Cost of assets disposed of	(27,391)	(227,173)
Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. The amount receivable increased by:	106,216	282,622
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. The accrual of these benefits increased by:	(202,833)	(140,207)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities. The amount of long-term debt principal payments is:	1,725,000	1,125,000
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.	<u>20,333</u>	<u>7,772</u>
Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see pages 11 and 12)	<u>\$ 32,956</u>	<u>\$ (254,643)</u>

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

**OCONTO COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 9,352,747	\$ 9,352,747	\$ 9,439,171	\$ 86,424
Intergovernmental	2,334,418	3,118,873	3,047,477	(71,396)
Licenses and permits	179,825	179,825	200,879	21,054
Fines and forfeits	248,000	248,000	179,390	(68,610)
Public charges for services	1,384,490	1,471,320	1,245,659	(225,661)
Intergovernmental charges for services	307,485	316,068	416,708	100,640
Miscellaneous	433,875	472,551	366,891	(105,660)
<b>Total Revenues</b>	<b>14,240,840</b>	<b>15,159,384</b>	<b>14,896,175</b>	<b>(263,209)</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	5,111,352	5,347,342	4,887,727	459,615
Public safety	6,315,668	6,508,034	6,427,196	80,838
Public works	201,267	201,267	195,191	6,076
Health and human services	799,907	805,537	774,457	31,080
Culture and recreation	1,277,822	1,616,931	1,324,117	292,814
Development	1,268,085	1,810,866	1,727,680	83,186
Capital outlay	424,000	424,000	344,735	79,265
<b>Total Expenditures</b>	<b>15,398,101</b>	<b>16,713,977</b>	<b>15,681,103</b>	<b>1,032,874</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,157,261)</b>	<b>(1,554,593)</b>	<b>(784,928)</b>	<b>769,665</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	15,000	15,000	32,171	17,171
Transfers in	824,000	740,000	831,640	91,640
Transfers out	-	(1,384,346)	(1,384,346)	-
<b>Total Other Financing Sources (Uses)</b>	<b>839,000</b>	<b>(629,346)</b>	<b>(520,535)</b>	<b>108,811</b>
<b>Net Change in Fund Balance</b>	<b>(318,261)</b>	<b>(2,183,939)</b>	<b>(1,305,463)</b>	<b>878,476</b>
<b>Fund Balance - January 1</b>	<b>12,872,619</b>	<b>12,872,619</b>	<b>12,872,619</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 12,554,358</b>	<b>\$ 10,688,680</b>	<b>\$ 11,567,156</b>	<b>\$ 878,476</b>

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

**OCONTO COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Human Services  
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,988,184	\$ 4,988,184	\$ 4,988,184	\$ -
Intergovernmental	9,775,830	10,010,228	10,049,784	39,556
Public charges for services	1,403,342	1,566,431	1,746,665	180,234
Miscellaneous	250	801,206	801,206	-
Total Revenues	<u>16,167,606</u>	<u>17,366,049</u>	<u>17,585,839</u>	<u>219,790</u>
Expenditures				
Current				
Health and human services	<u>16,242,606</u>	<u>17,440,379</u>	<u>16,832,923</u>	<u>607,456</u>
Excess of Revenues Over (Under) Expenditures	(75,000)	(74,330)	752,916	827,246
Other Financing Sources (Uses)				
Transfers out	<u>(400,000)</u>	<u>(484,000)</u>	<u>(484,000)</u>	<u>-</u>
Net Change in Fund Balance	(475,000)	(558,330)	268,916	827,246
Fund Balance - January 1	<u>1,916,653</u>	<u>1,916,653</u>	<u>1,916,653</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,441,653</u>	<u>\$ 1,358,323</u>	<u>\$ 2,185,569</u>	<u>\$ 827,246</u>

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

**OCONTO COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
County Roads and Bridges  
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,443,894	\$ 3,443,894	\$ 3,443,894	\$ -
Intergovernmental	3,002,890	3,002,890	1,825,981	(1,176,909)
Total Revenues	<u>6,446,784</u>	<u>6,446,784</u>	<u>5,269,875</u>	<u>(1,176,909)</u>
Expenditures				
Current				
Public works	6,511,774	6,511,774	4,629,486	1,882,288
Net Change in Fund Balance	(64,990)	(64,990)	640,389	705,379
Fund Balance - January 1	<u>604,289</u>	<u>604,289</u>	<u>604,289</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 539,299</u>	<u>\$ 539,299</u>	<u>\$ 1,244,678</u>	<u>\$ 705,379</u>

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

**OCONTO COUNTY, WISCONSIN**

Statement of Net Assets

Proprietary Funds

December 31, 2010

(With summarized financial information for December 31, 2009)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2010	2009
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 2,328,919	\$ 952,013	\$ 666,174	\$ 3,947,106	\$ 3,452,265
Accounts receivable	171	41,763	-	41,934	37,327
Due from other governments	259,472	-	-	259,472	537,563
Inventories and prepaid items	1,062,963	-	-	1,062,963	993,848
Deferred charges	126,872	-	-	126,872	69,021
<b>Total Current Assets</b>	<b>3,778,397</b>	<b>993,776</b>	<b>666,174</b>	<b>5,438,347</b>	<b>5,090,024</b>
Noncurrent Assets					
Restricted cash and investments	-	700,481	-	700,481	688,832
Land	52,202	62,514	9,000	123,716	123,716
Improvements other than buildings	321,531	2,624,268	29,432	2,975,231	2,914,567
Buildings	4,468,281	17,468	549,772	5,035,521	5,035,521
Machinery and equipment	13,205,868	339,121	786,071	14,331,060	13,978,569
Other capital assets	52,792	-	-	52,792	41,801
Construction in progress	108,019	52,250	-	160,269	98,574
Less accumulated depreciation	(11,002,034)	(1,990,587)	(1,041,958)	(14,034,579)	(13,304,377)
<b>Total Noncurrent Assets</b>	<b>7,206,659</b>	<b>1,805,515</b>	<b>332,317</b>	<b>9,344,491</b>	<b>9,577,203</b>
<b>TOTAL ASSETS</b>	<b>10,985,056</b>	<b>2,799,291</b>	<b>998,491</b>	<b>14,782,838</b>	<b>14,667,227</b>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	319,841	36,036	90,514	446,391	395,965
Accrued payroll liabilities	136,976	1,322	6,470	144,768	143,591
<b>Total Current Liabilities</b>	<b>456,817</b>	<b>37,358</b>	<b>96,984</b>	<b>591,159</b>	<b>539,556</b>
Noncurrent Liabilities					
Compensated absences payable	139,561	25,479	-	165,040	130,888
Landfill closure care costs	-	162,728	-	162,728	134,033
Landfill post closure care costs	-	1,174,899	-	1,174,899	1,120,480
<b>Total Noncurrent Liabilities</b>	<b>139,561</b>	<b>1,363,106</b>	<b>-</b>	<b>1,502,667</b>	<b>1,385,401</b>
<b>TOTAL LIABILITIES</b>	<b>596,378</b>	<b>1,400,464</b>	<b>96,984</b>	<b>2,093,826</b>	<b>1,924,957</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	7,206,659	1,105,034	332,317	8,644,010	8,888,371
Unrestricted	3,182,019	293,793	569,190	4,045,002	3,853,899
<b>TOTAL NET ASSETS</b>	<b>\$ 10,388,678</b>	<b>\$ 1,398,827</b>	<b>\$ 901,507</b>	<b>\$ 12,689,012</b>	<b>\$ 12,742,270</b>

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

**OCONTO COUNTY, WISCONSIN**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**Year Ended December 31, 2010**  
(With summarized financial information for year ended December 31, 2009)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2010	2009
<b>Operating Revenues</b>					
Intergovernmental charges for services	\$ 8,516,252	\$ 144,350	\$ 25,130	\$ 8,685,732	\$ 8,472,325
Public charges for services	3,080	287,688	14,406	305,174	243,524
Sale of recyclable materials	-	-	233,885	233,885	141,360
<b>Total Operating Revenues</b>	<b>8,519,332</b>	<b>432,038</b>	<b>273,421</b>	<b>9,224,791</b>	<b>8,857,209</b>
<b>Operating Expenses</b>					
Operation and maintenance	7,625,463	433,020	589,090	8,647,573	8,479,274
Depreciation	754,783	108,908	100,924	964,615	1,002,744
<b>Total Operating Expenses</b>	<b>8,380,246</b>	<b>541,928</b>	<b>690,014</b>	<b>9,612,188</b>	<b>9,482,018</b>
<b>Operating Income (Loss)</b>	<b>139,086</b>	<b>(109,890)</b>	<b>(416,593)</b>	<b>(387,397)</b>	<b>(624,809)</b>
<b>Nonoperating Revenues</b>					
State aid	-	-	305,356	305,356	293,778
Insurance recoveries	-	-	10,565	10,565	-
Interest income	-	18,218	-	18,218	14,607
<b>Total Nonoperating Revenues</b>	<b>-</b>	<b>18,218</b>	<b>315,921</b>	<b>334,139</b>	<b>308,385</b>
<b>Change in Net Assets</b>	<b>139,086</b>	<b>(91,672)</b>	<b>(100,672)</b>	<b>(53,258)</b>	<b>(316,424)</b>
<b>Net Assets - January 1</b>	<b>10,249,592</b>	<b>1,490,499</b>	<b>1,002,179</b>	<b>12,742,270</b>	<b>13,058,694</b>
<b>Net Assets - December 31</b>	<b>\$ 10,388,678</b>	<b>\$ 1,398,827</b>	<b>\$ 901,507</b>	<b>\$ 12,689,012</b>	<b>\$ 12,742,270</b>

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

**OCONTO COUNTY, WISCONSIN**

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2010

(With summarized financial information for year ended December 31, 2009)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2010	2009
<b>Cash Flows from Operating Activities</b>					
Cash received from user charges	\$ 3,495	\$ 282,666	\$ 248,291	\$ 534,452	\$ 390,337
Cash received from other government payments	8,736,492	144,350	25,130	8,905,972	8,336,658
Cash payments to employees	(2,647,115)	(102,338)	(203,884)	(2,953,337)	(3,469,553)
Cash payments to suppliers	(4,984,721)	(257,275)	(352,486)	(5,594,482)	(4,917,272)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,108,151</b>	<b>67,403</b>	<b>(282,949)</b>	<b>892,605</b>	<b>340,170</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
State aid	-	-	305,356	305,356	293,778
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of capital assets	(686,686)	(32,068)	(1,500)	(720,254)	(1,242,509)
Insurance recoveries	-	-	10,565	10,565	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(686,686)</b>	<b>(32,068)</b>	<b>9,065</b>	<b>(709,689)</b>	<b>(1,242,509)</b>
<b>Cash Flows from Investing Activities</b>					
Interest income	-	18,218	-	18,218	14,607
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>421,465</b>	<b>53,553</b>	<b>31,472</b>	<b>506,490</b>	<b>(593,954)</b>
<b>Cash and Cash Equivalents - January 1</b>	<b>1,907,454</b>	<b>1,598,941</b>	<b>634,702</b>	<b>4,141,097</b>	<b>4,735,051</b>
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 2,328,919</b>	<b>\$ 1,652,494</b>	<b>\$ 666,174</b>	<b>\$ 4,647,587</b>	<b>\$ 4,141,097</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 139,086	\$ (109,890)	\$ (416,593)	\$ (387,397)	\$ (624,809)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	754,783	108,908	100,924	964,615	1,002,744
Changes in assets and liabilities					
Accounts receivable	415	(5,022)	-	(4,607)	5,453
Due from other governments	278,091	-	-	278,091	(12,837)
Inventories and prepaid items	(69,115)	-	-	(69,115)	5,229
Deferred charges	(57,851)	-	-	(57,851)	(64,170)
Accounts payable	33,612	(14,778)	31,592	50,426	19,500
Accrued payroll liabilities	(698)	747	1,128	1,177	(14,153)
Unearned revenues	-	-	-	-	(58,660)
Landfill closure care	-	83,114	-	83,114	65,157
Compensated absences payable	29,828	4,324	-	34,152	16,716
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,108,151</b>	<b>\$ 67,403</b>	<b>\$ (282,949)</b>	<b>\$ 892,605</b>	<b>\$ 340,170</b>
<b>Noncash Investing, Capital and Financing Activities</b>	<b>\$ -</b>				

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

**OCONTO COUNTY, WISCONSIN**

Statement of Net Assets

Fiduciary Funds

December 31, 2010

(With summarized financial information for December 31, 2009)

	Agency Funds	
	2010	2009
<b>ASSETS</b>		
Cash and cash equivalents	\$ 362,960	\$ 287,053
Receivables and inventory	5,815	2,527
Total Assets	<u>368,775</u>	<u>289,580</u>
<b>LIABILITIES</b>		
Due to county departments	<u>\$ 368,775</u>	<u>\$ 289,580</u>

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

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

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

1. Reporting Entity

Oconto County is a municipal corporation governed by 31 supervisors elected every two years in April from each of the 31 supervisory districts in the County. Included in the County's operations (the primary government) is the MAR-OCO Joint Landfill and discretely presented (not included in primary government) is the Oconto County Commission on Aging, each managed by a separate committee and board, respectively, appointed by the County Board. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The component units discussed below are included in the County's reporting entity because of the significance of its operational and/or financial relationship with the County.

2. Individual Component Unit Disclosures

BLENDING COMPONENT UNIT

The MAR-OCO Joint Landfill is operated in equal ownership shares by Oconto and Marinette counties. MAR-OCO is managed by a separate committee of six members consisting of three members of each County's Board of Supervisors. Accordingly, 50% of MAR-OCO's financial activity is reported by each County to reflect the landfill activities of the primary government.

DISCRETELY PRESENTED COMPONENT UNIT

The Oconto County Commission on Aging is governed by an 11-member board, including one County Board Supervisor. The Board is recommended by the County Board Chairman and approved by the County Board. It is reported in a separate column to emphasize that the entity is legally separate from the County. The Oconto County Commission on Aging is a not-for-profit corporation that provides services primarily in connection with the "Older Americans Program" for the elderly of Oconto County. The County annually provides operating subsidies to the Oconto County Commission on Aging. Audited financial statements for the Oconto County Commission on Aging can be obtained from their administration office in Oconto, Wisconsin.

3. Related Organization

The County's officials are also responsible for appointing the members of the board of the Oconto County Library Services Board, but the County's accountability for this organization does not extend beyond making the appointments. The County provides a nominal annual appropriation to the Library Services Board for operating costs. Therefore, this organization is not included in the County's reporting entity.

4. Government-Wide and Fund Financial Statements

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

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue and debt service funds. Proprietary funds include enterprise funds. The County has no internal service funds. Major individual governmental funds and 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.

**HUMAN SERVICES FUND**

This fund accounts for the County's many comprehensive and integrated programs which deal with the physical, social, mental, emotional, economic, vocational and nutritional needs of individuals and families. Many of the services are funded with state and federal money.

**COUNTY ROADS AND BRIDGES FUND**

This fund accounts for the County's use of tax dollars and state aid to construct, maintain and provide snow and ice removal on the County's highway and bridge system, and provide township bridge aids per state statute.

The County reports the following major enterprise funds:

**HIGHWAY FUND**

This fund accounts for the costs and maintenance of the County's highway facilities including all machinery and the County highway system, as well as state highways, local roads and other County department services. The costs are billed to the state, local governments, and other departments at actual cost plus an administrative overhead factor.

**MAR-OCO LANDFILL FUND**

This fund accounts for the County's share of the financial resources and operations of the landfill located in, and operated by, Marinette County, Wisconsin.

Additionally, the government reports the following fund types:

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

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

5. Measurement Focus and Basis of Accounting

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

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

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

Certain private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following certain subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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

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

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

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

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

6. Assets, Liabilities and Net Assets or Equity

a. Cash and Investments

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

b. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by a reservation of fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

d. Inventories

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

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

e. Prepaid Items

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

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

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

f. Capital Assets

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

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

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

	Governmental Activities	Business-type Activities
	Years	
<u>Assets</u>		
Improvements other than buildings	25 - 40	3 - 25
Buildings	25 - 40	25 - 50
Machinery and equipment	3 - 5	3 - 5
Infrastructure	30 - 50	-

g. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. 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.

h. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet recognizable.

i. Long-term Obligations

In the government-wide financial statements, and enterprise funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

GOVERNMENT-WIDE AND PROPRIETARY STATEMENTS

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

- Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Amount of net assets that are 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 assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

7. Use of Estimates

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

8. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

**NOTE B - STEWARDSHIP AND COMPLIANCE**

Budgets and Budgetary Accounting

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

1. During July and August, departments and agencies develop their budget requests for the next year, have the requests approved by their governing committee or board and submit them to the County Finance Department in early September. The Finance Committee holds hearings to review each request for appropriation and subsequently forwards a Finance Committee recommended budget to the County Board for final approval. The operating budget includes proposed expenditures and the means of financing them. A notice of public hearing is published at least 15 days prior to a scheduled public hearing on the recommended budget. Following the public hearing, which is the last Thursday of October, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget except for an approved transfer of resources from the general fund to the debt service fund for debt retirement. 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.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each functional area of the County. The legal level of budgetary control is the department level. The County's department heads may make transfers of appropriations within a department that do not change the budgeted net cost of that department. Supplemental appropriations to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
5. Encumbrance accounting is not used by the County to record commitments related to unperformed contracts for goods or services.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2010.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

1. Cash and Investments

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

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

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

The carrying amount of the County's cash and investments totaled \$19,398,400 on December 31, 2010 as summarized below:

Petty cash and cash on hand	\$ 1,175
Deposits with financial institutions	15,770,952
Deposit with Marinette County for landfill	1,652,494
Investments	1,973,779
	<u>\$ 19,398,400</u>

Reconciliation to the basic financial statements:

Primary government	
Cash and investments	\$ 18,304,953
Restricted cash and investments	700,481
Component unit	
Cash and investments	30,006
Fiduciary funds	
Agency funds	362,960
	<u>\$ 19,398,400</u>

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

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

Deposits with Financial Institutions

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 County does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 per official custodian per depository institution. In addition, the County's non-interest bearing transaction accounts are fully insured through December 31, 2012. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2010, \$4,163,489 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name).

Investments

The County has investments in the Wisconsin local government investment pool of \$1,973,779 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2010, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County does not have an additional credit risk policy. The County's investment in the Wisconsin local government investment pool is not rated.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held by the Wisconsin local government investment pool mature in 12 months or less.

Discretely Presented Component Unit

On December 31, 2010, all deposits of the Oconto County Commission on Aging were insured.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

2. Property Tax Apportionments

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

Property taxes recorded on December 31, 2010 for collection in 2011 are for the following:

County apportionment	<u>\$ 17,633,343</u>
----------------------	----------------------

The above County apportionment of \$17,633,343 is for financing 2011 operations and will be transferred in 2011 from deferred revenue to current revenues of the County's governmental funds.

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

On December 31, 2010, the County's general fund showed an investment of \$2,811,894 in delinquent taxes as follows:

Tax certificates	\$ 2,783,800
Tax deeds	<u>28,094</u>
Total	<u>\$ 2,811,894</u>

An aging of the total delinquent taxes of \$2,811,894 on December 31, 2010 follows:

Year Acquired	Tax Certificates
Prior to 2006	\$ 4,878
2006	106,715
2007	414,434
2008	786,477
2009	<u>1,471,296</u>
	2,783,800
Tax Deeds	<u>28,094</u>
	<u>\$ 2,811,894</u>

Of the total of \$2,811,894 for delinquent taxes, \$285,305 was collected by the County within 60 days after December 31, 2010. The remaining unpaid balance of \$2,526,589 is recorded as reserved fund balance for the general fund.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

4. Restricted Assets

Restricted assets on December 31, 2010 totaled \$700,481 consisting of cash and investments held for the following purposes:

Enterprise Fund		
MAR-OCO Joint Landfill		
Long-term care deposits		<u>\$ 700,481</u>

5. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,539,468	\$ 142,500	\$ -	\$ 11,681,968
Capital assets, being depreciated:				
Improvements other than buildings	1,476,319	-	-	1,476,319
Buildings	16,107,128	-	-	16,107,128
Machinery and equipment	5,731,251	242,436	174,692	5,798,995
Infrastructure	127,103,838	2,644,506	-	129,748,344
Subtotals	150,418,536	2,886,942	174,692	153,130,786
Less accumulated depreciation for:				
Improvements other than buildings	610,158	57,502	-	667,660
Buildings	7,608,039	420,224	-	8,028,263
Machinery and equipment	3,877,351	698,940	147,301	4,428,990
Infrastructure	55,206,458	3,616,273	-	58,822,731
Subtotals	67,302,006	4,792,939	147,301	71,947,644
Total capital assets, being depreciated, net	83,116,530	(1,905,997)	27,391	81,183,142
Governmental activities capital assets, net	<u>\$ 94,655,998</u>	<u>\$ (1,763,497)</u>	<u>\$ 27,391</u>	92,865,110
Less related long-term debt outstanding				<u>-</u>
Invested in capital assets, net of related debt				<u>\$ 92,865,110</u>

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 123,716	\$ -	\$ -	\$ 123,716
Construction in progress	98,574	108,019	46,324	160,269
Total capital assets, not being depreciated	222,290	108,019	46,324	283,985
Capital assets, being depreciated:				
Improvements other than buildings	2,914,567	60,664	-	2,975,231
Buildings	5,035,521	-	-	5,035,521
Machinery and equipment	13,978,569	614,421	261,930	14,331,060
Other capital assets	41,801	10,991	-	52,792
Subtotals	21,970,458	686,076	261,930	22,394,604
Less accumulated depreciation for:				
Improvements other than buildings	1,875,936	82,438	-	1,958,374
Buildings	2,388,859	204,110	-	2,592,969
Machinery and equipment	9,011,077	674,904	234,413	9,451,568
Other capital assets	28,505	3,163	-	31,668
Subtotals	13,304,377	964,615	234,413	14,034,579
Total capital assets, being depreciated, net	8,666,081	(278,539)	27,517	8,360,025
Business-type activities capital assets, net	<u>\$ 8,888,371</u>	<u>\$ (170,520)</u>	<u>\$ 73,841</u>	8,644,010
Less related long-term debt outstanding				<u>-</u>
Invested in capital assets, net of related debt				<u>\$ 8,644,010</u>
Depreciation expense was charged to functions of the County as follows:				
Governmental activities				
General government				\$ 368,275
Public safety				628,352
Public works				3,616,273
Health and human services				43,010
Culture and recreation				137,029
Total depreciation expense - governmental activities				<u>\$ 4,792,939</u>
Business-type activities				
Highway				\$ 754,783
Mar-Oco landfill				108,908
Recycling				100,924
Total depreciation expense - business-type activities				<u>\$ 964,615</u>

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

6. 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, 2010 are detailed below:

	Interfund Receivables	Interfund Payables
Long-term Advances		
General Fund	\$ 10,000	\$ -
Special Revenue Fund		
Section 125 and HRA Plans	-	10,000
Totals	<u>\$ -</u>	<u>\$ 10,000</u>

Interfund transfers for the year ended December 31, 2010 were as follows:

	Transfer to:		
	2006 Notes	General Fund	Totals
Transfers from:			
General fund	\$ 1,384,346	\$ -	\$ 1,384,346
Human services	-	484,000	484,000
County sales tax	465,900	347,640	813,540
Totals	<u>\$ 1,850,246</u>	<u>\$ 831,640</u>	<u>\$ 2,681,886</u>

Transfers are used to: 1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and 2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

7. Deferred Revenues

Governmental activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for resources that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue were as follows:

	Unavailable	Unearned
Subsequent year tax levy receivable		
General fund	\$ -	\$ 9,131,786
Special revenue funds		
Human services	-	4,988,184
County roads and bridges	-	3,342,472
Tourism	-	154,490
Family mediation	-	16,411
Advance from state		
General fund	50,382	-
Special revenue funds		
Human services	103,646	238
Development loans receivable		
Special revenue funds		
Tri-County loan	50,257	-
County revolving loan	567,612	-
Totals Governmental Funds	<u>\$ 771,897</u>	<u>\$ 17,633,581</u>

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

The sum of the development loans receivable of \$617,869 represents various loans to local industries that were originally financed from the County and economic development grants received by the County from other governmental units. Repayment of principal and interest on the loans is recorded as revenue in the grant loan special revenue funds and is used to finance additional development loans.

The County has also recorded various long-term accounts receivable, the sum of which total \$966,614 to its government-wide statements, only.

**8. Long-term Obligations**

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2010:

	Outstanding 1/1/10	Issued	Retired	Outstanding 12/31/10	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt Notes	\$ 1,725,000	\$ -	\$ 1,725,000	\$ -	\$ -
Post-employment health benefits payable	97,697	232,483	66,000	264,180	-
Compensated absences	563,138	36,350	-	599,488	-
<b>Governmental activities Long-term obligations</b>	<b>\$ 2,385,835</b>	<b>\$ 268,833</b>	<b>\$ 1,791,000</b>	<b>\$ 863,668</b>	<b>\$ -</b>
<b>Business-type activities:</b>					
Compensated absences	\$ 130,888	\$ 34,152	\$ -	\$ 165,040	\$ -

Total interest paid during the year on long-term debt totaled \$120,341.

**Advance Repayment**

During 2010, the County advance paid a general obligation note issue from 2006. The County paid \$1,384,346 to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the debt. As a result, the notes are considered to be defeased and the liability has been removed from the statement of net assets.

At December 31, 2010, \$1,325,000 of outstanding general obligation notes are considered defeased.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2010 was \$182,626,110 as follows:

Equalized valuation of the County	\$ 3,652,522,200
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	182,626,110
Total outstanding general obligation debt applicable to debt limitation \$	-
Net outstanding general obligation debt applicable to debt limitation	<u>-</u>
Legal Margin for New Debt	<u><u>\$ 182,626,110</u></u>

9. Closure and Postclosure Care Costs

The Marinette-Oconto (MAR-OCO) Joint Landfill is a solid waste landfill operation owned 50% by Oconto County and 50% by Marinette County. Oconto County records its 50% share of MAR-OCO's financial transactions in an enterprise fund on its financial statements. Federal and state laws and regulations require MAR-OCO to place covers on landfill increments as they are filled (closure costs) and to perform certain maintenance and monitoring functions (postclosure 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 postclosure care costs will normally only be paid after the entire landfill stops accepting waste. In accordance with GASB Statement No. 18, MAR-OCO annually records an estimate of these closure and postclosure care costs as an operating expense during the life of the landfill based on landfill capacity used compared to total estimated capacity available. The resultant liabilities for these estimated operating expenses is reduced each year for actual payments made. An analysis of Oconto County's share of the estimated liabilities for closure and postclosure care costs on December 31, 2010 follows:

	Landfill Closure Care	Landfill Postclosure Care
Total estimated costs	\$ 763,218	\$ 2,451,280
Percentage of storage capacity used as of December 31, 2010	73.7987%	47.93%
Total estimated liability for costs as of December 31, 2010	563,245	1,174,899
Less closure costs paid	400,517	-
Liabilities as of December 31, 2010	<u>\$ 162,728</u>	<u>\$ 1,174,899</u>

The above net liabilities of \$162,728 and \$1,174,899 for closure and postclosure care are estimates and subject to changes resulting from inflation/deflation, technology, or changes in applicable laws or regulations.

A portion of the post-closure care costs of \$1,174,899 are being met through annual deposits into a separate cash and investment account for the enterprise fund. The balance in the account on December 31, 2010 was \$700,481.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

10. Fund Equity

In the fund financial statements, portions of governmental fund balances are reserved and not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2010, fund balance was reserved as follows:

General Fund	
Reserved for inventories and prepaid items	\$ 3,601
Reserved for long-term advances	10,000
Reserved for delinquent property taxes	2,526,589
	\$ 2,540,190
Special Revenue Fund	
Reserved for inventories and prepaid items	\$ 10,934

Also in the fund financial statements, portions of governmental fund balances have been designated to represent tentative management plans that are subject to change. At December 31, 2010, fund balance was designated as follows:

General Fund	
Designated for working capital	\$ 4,000,000
Designated for subsequent year's expenditures	2,583,180
	\$ 6,583,180
Special Revenue Fund	
Designated for subsequent year's expenditures	\$ 4,736,659

**NOTE D - OTHER INFORMATION**

1. Retirement Commitments

All eligible County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work over 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for County employees covered by the WRS for the year ended December 31, 2010 was \$12,375,177; the employer's total payroll was \$12,857,950. The total required contribution for the year ended December 31, 2010 was \$1,416,515, which consisted of \$667,680, or 5.4% of covered payroll from the employer and \$748,835, or 6.1% of covered payroll from employees. The required contribution for employees for the year ended December 31, 2010 was financed by the County. Total contributions for the years ending December 31, 2009 and 2008 were \$1,313,946 and \$1,314,313 respectively, equal to the required contributions for each year.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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 or after April 24, 1998 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. Other Postemployment Benefits

*Plan Description* - The County provides health care insurance coverage for any employee who is eligible for a WRS annuity. The health care insurance coverage continues until the retiree terminates coverage. The retired employee contributes 100% of the premium. There are 212 active and 11 retired employees in the plan.

*Funding Policy* - The County currently does not have a formal funding policy. Payments under the plan are being made on a pay-as-you-go basis. Payments are expended in the general fund and the revenue is recorded in the general fund. Retiree payments are made directly to the insurance company by the retirees.

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

Component	Amount
Annual required contribution	\$ 234,008
Interest on net OPEB	3,908
Adjustment to annual required contribution	<u>(5,433)</u>
Annual OPEB cost (expense)	232,483
Contributions made	<u>66,000</u>
Change in net OPEB obligation	166,483
OPEB obligation - beginning of year	<u>97,697</u>
OPEB obligation - end of year	<u>\$ 264,180</u>

The annual required contribution for the current year was determined as part of the January 1, 2010 actuarial valuation using the unit credit method. The actuarial assumptions included a 4% discount rate.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at December 31, 2010 is 28 years, and the remaining amount is \$2,272,134.

*Trend Information* - The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 222,924	56.17%	\$ 97,697
12/31/2010	\$ 232,483	28.39%	\$ 264,180

*Funded Status and Funding Progress* - The funded status of the plan as of January 1, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 2,272,134
Value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,272,134</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>

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

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

In the January 1, 2010 actuarial valuation, the unit credit method was used. The actuarial assumptions included a rate of 4% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 8.9% for medical and 5.0% for dental, reduced by decrements to an ultimate rate of 4.4% for medical and dental after 5 years. The UAAL is being amortized as a level dollar amount of projected payrolls. The remaining amortization period at December 31, 2010 was 28 years.

**OCONTO COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2010

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

3. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County completes an annual review of its insurance coverage to ensure adequate coverage. Payments of premiums for these policies are recorded as expenditures or expenses in various funds of the County.

4. Property Tax Levy Limit

Wisconsin Act 25 imposed a limit on the property tax levies for all Wisconsin cities, villages, towns and counties for a two-year period effective July 27, 2005. Subsequent legislation extended the levy limit through 2011. The current law limits the increase in the maximum allowable tax levy to the greater of the percentage change in the County's January 1 equalized value as a result of net new construction or 3.0% per year in both the 2010 and 2011 budget years. The actual limit for the County for the 2011 budget was 3.0%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, the Act allows the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

5. Contingencies

- a. The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under OMB Circular A-133 has been conducted but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.
- b. From time to time, the County is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and Corporate Counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

**REQUIRED SUPPLEMENTAL INFORMATION**

**OCONTO COUNTY, WISCONSIN**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST-EMPLOYMENT BENEFIT PLAN**  
 December 31, 2010

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
January 1, 2010	\$ -	\$ 2,272,134	0.00%	\$ 2,272,134	N/A	N/A

The County implemented GASB Statement No. 45 for the fiscal year ended December 31, 2009. Information for prior years is not available.

**OCONTO COUNTY, WISCONSIN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OTHER POST-EMPLOYMENT BENEFIT PLAN**  
 December 31, 2010

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 125,227	\$ 222,924	56.17%
2010	66,000	232,483	28.39%

## **SUPPLEMENTAL INFORMATION**

**OCONTO COUNTY, WISCONSIN**

General Fund

Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual  
Year Ended December 31, 2010

(with comparative actual amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
<b>Revenues</b>					
<b>Taxes</b>					
Property tax	\$ 8,913,577	\$ 8,913,577	\$ 8,913,577	\$ -	\$ 8,722,132
Forest crop tax (county share)	400	400	131	(269)	1,020
Managed forest lands	14,000	14,000	38,200	24,200	20,383
Interest on delinquent taxes	338,650	338,650	401,216	62,566	374,102
Payments in lieu of taxes	25,000	25,000	27,890	2,890	27,491
Real estate transfer fees (county share)	61,000	61,000	58,031	(2,969)	50,068
State sales tax retained	120	120	126	6	126
<b>Total Taxes</b>	<b>9,352,747</b>	<b>9,352,747</b>	<b>9,439,171</b>	<b>86,424</b>	<b>9,195,322</b>
<b>Intergovernmental Grants and Aids</b>					
State shared revenue	742,653	742,653	750,170	7,517	797,848
Exempted business computers	9,000	9,000	10,736	1,736	9,374
Wireless E911	-	-	-	-	8,866
Circuit court support	144,690	144,690	144,626	(64)	145,834
Guardian ad litem support	32,110	32,110	32,865	755	32,110
Victim witness program	32,092	32,092	32,191	99	30,607
Voting equipment-county clerk	-	-	-	-	2,900
Forest crop & MFL	18,000	18,000	22,693	4,693	22,890
IV-D child support program	383,548	383,548	419,324	35,776	382,801
Commission on aging	98,940	99,445	99,445	-	97,002
Veterans service officer grant	10,000	12,280	12,280	-	12,388
Land records	300	12,760	18,846	6,086	2,184
Land conservation	265,621	214,460	178,928	(35,532)	274,816
Targeted runoff management	-	150,000	150,000	-	-
Wildlife damage	16,832	16,832	4,581	(12,251)	12,133
Coastal management project	-	10,000	10,000	-	12,237
Lake protection grant	36,380	36,380	-	(36,380)	-
Private sewage systems-Wisconsin fund	-	35,108	35,108	-	28,492
Comprehensive planning	-	-	-	-	65,750
Snowmobile trails	135,250	213,151	213,151	-	278,267
ATV trails	148,804	227,228	227,228	-	82,575
Recreation trail aids	-	49,059	49,059	-	-
Recreation aids	-	70,650	-	(70,650)	-
Conservation	2,600	2,756	2,756	-	22,482
Wildlife habitat management	2,178	2,178	2,179	1	4,356
Forest roads	12,126	11,624	11,624	-	14,876
Forestry sustainable grant	10,000	-	-	-	-
Forestry administration grant	48,402	48,402	48,402	-	47,727
ED grant	1,614	1,614	1,150	(464)	2,517
Gypsy moth suppression	5,000	26,597	26,597	-	-
National forest Title III	13,472	13,282	13,282	-	14,968
National forest income	-	225,788	225,788	-	254,463
ATV patrol	25,000	25,000	33,581	8,581	26,008
Snowmobile patrol	15,000	15,000	17,266	2,266	14,538
Water patrol	3,000	3,000	2,803	(197)	2,952
Police training	8,320	8,320	9,180	860	10,000
Tribal law enforcement	30,000	32,953	32,953	-	33,558
Cease program	-	6,357	6,357	-	4,923

(Continued)

**OCONTO COUNTY, WISCONSIN**

General Fund

Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual (Continued)

Year Ended December 31, 2010

(with comparative actual amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
Revenues (continued)					
Intergovernmental Grants and Aids (Continued)					
911 communications	-	-	-	-	1,200
Federal asset forfeiture program	-	-	-	-	3,654
Federal park patrol	13,000	23,000	23,000	-	13,000
Highway safety projects	18,000	18,000	11,277	(6,723)	-
Sheriff-DNA sample reimbursement	480	480	980	500	620
DOC sanctions program	2,500	2,500	22,030	19,530	8,902
DOC Tracs grant	-	41,500	41,500	-	-
Emergency government-SARA grant	10,325	10,502	10,502	-	12,413
Emergency government (EMPG)	39,181	39,181	41,265	2,084	39,181
Homeland security	-	51,393	51,774	381	27,442
<b>Total Intergovernmental Grants and Aids</b>	<b>2,334,418</b>	<b>3,118,873</b>	<b>3,047,477</b>	<b>(71,396)</b>	<b>2,858,854</b>
Licenses and Permits					
County clerk-marriage licenses	3,000	3,000	2,470	(530)	2,507
Conservation licenses-County share	150	150	167	17	130
County clerk-domestic partner fees	-	-	89	89	257
LWR-LIS permits and fees	5,000	5,000	5,860	860	5,525
Zoning Fees and Permits					
Land use permits	65,000	65,000	66,831	1,831	70,256
Land divisions-zoning share	7,500	7,500	5,845	(1,655)	5,690
Rezone hearings	18,000	18,000	17,625	(375)	16,200
Board of adjust hearings	20,000	20,000	24,650	4,650	19,600
Private sewage permits	54,000	54,000	73,405	19,405	69,319
Ag waste	1,850	1,850	1,950	100	650
County forest permits	5,325	5,325	1,987	(3,338)	2,783
<b>Total Licenses and Permits</b>	<b>179,825</b>	<b>179,825</b>	<b>200,879</b>	<b>21,054</b>	<b>192,917</b>
Fines and Forfeits					
County ordinance fines and forfeits	120,000	120,000	91,462	(28,538)	103,360
County share-state fines and forfeits	120,000	120,000	84,015	(35,985)	96,121
Ag use value penalties	6,000	6,000	2,868	(3,132)	6,319
County recreation ordinance violation	2,000	2,000	1,045	(955)	1,445
<b>Total Fines and Forfeits</b>	<b>248,000</b>	<b>248,000</b>	<b>179,390</b>	<b>(68,610)</b>	<b>207,245</b>
Public Charges For Services					
Clerk of court fees	206,000	206,000	178,416	(27,584)	176,576
Family court commissioner charges	700	700	733	33	739
Register in probate fees	14,000	14,000	19,739	5,739	13,748
District attorney-copier and service fees	4,510	4,510	5,064	554	4,577
County clerk-copies/directories charges	80	80	45	(35)	132
Treasurer-sales to public	1,000	1,000	525	(475)	869
Child support agency fees	2,200	2,200	4,992	2,792	3,829
Register of deeds fees	200,000	200,000	206,887	6,887	180,355
ROD-redaction project	-	29,860	29,860	-	-
Data processing miscellaneous sales	-	-	-	-	50
UW extension sales	1,100	1,100	762	(338)	1,166

(Continued)

**OCONTO COUNTY, WISCONSIN**

General Fund

Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual (Continued)

Year Ended December 31, 2010

(with comparative actual amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
Revenues (continued)					
Public Charges For Services (continued)					
District resource management	-	384	384	-	8,711
Parenting/toddler newsletter	-	3,970	3,970	-	2,850
Youth futures	-	-	-	-	2,008
Teen court	-	-	-	-	350
4-H youth camp	-	14,881	14,881	-	8,235
Agriculture newsletter	-	3,498	3,498	-	3,265
Family resources center	-	1,344	1,344	-	2,903
WiFund application fees	1,000	1,000	1,100	100	800
Non-metallic mining fees	28,000	28,000	27,170	(830)	26,120
Non-metallic reclaim review fees	1,300	1,300	-	(1,300)	800
LWR-physical address fees	7,200	7,200	6,921	(279)	9,266
Sale of platbooks	-	19,331	19,331	-	9,331
Sale of real estate listings	4,000	4,000	7,033	3,033	8,461
Land records modernization	48,000	48,000	53,952	5,952	42,808
Public access fees (land records)	12,000	12,000	17,315	5,315	11,510
Sale of GIS maps	6,000	6,000	2,430	(3,570)	5,875
SOLO fees	8,000	8,000	13,975	5,975	8,050
County parks-Chute Pond	104,700	104,700	97,172	(7,528)	100,662
County parks-North Shore	63,450	63,450	63,009	(441)	59,281
Boat landing fees	22,500	28,930	28,930	-	33,289
Shooting range fees	7,500	14,632	14,632	-	9,482
County forest (including timber sales)	408,500	408,500	230,969	(177,531)	259,350
Sheriff Fees					
Impound vehicles	1,800	1,800	1,135	(665)	2,297
Paper service	90,000	90,000	81,522	(8,478)	102,235
Restitution	100	100	1,456	1,356	125
SSA incentives	1,600	1,600	2,000	400	1,800
Moving and escort fees	1,000	1,000	443	(557)	-
Sale of accident reports	3,000	3,000	2,417	(583)	2,408
Law enforcement fees-special deputy	4,000	4,000	2,697	(1,303)	3,284
Inmate telephone commission	9,500	9,500	16,208	6,708	13,479
Board of prisoners-Huber	65,750	65,750	38,633	(27,117)	50,739
Board of Prisoners Charges					
Booking fees	7,000	7,000	3,824	(3,176)	5,190
Medical and miscellaneous	1,500	1,500	159	(1,341)	1,503
Prescription medical	1,000	1,000	112	(888)	1,033
Pay to stay	3,000	3,000	6,004	3,004	499
GPS bracelet	36,000	36,000	29,516	(6,484)	36,599
Juvenile housing-charges to parents	7,500	7,500	4,494	(3,006)	7,485
<b>Total Public Charges For Services</b>	<b>1,384,490</b>	<b>1,471,320</b>	<b>1,245,659</b>	<b>(225,661)</b>	<b>1,224,124</b>

(Continued)

**OCONTO COUNTY, WISCONSIN**

General Fund

Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual (Continued)

Year Ended December 31, 2010

(with comparative actual amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
<b>Revenues (continued)</b>					
<b>Intergovernmental Charges For Services</b>					
<b>Charges to Other Local Governments</b>					
Election supplies to local governments	11,700	20,283	20,283	-	13,727
LIS charges to municipalities-postage	16,004	16,004	16,006	2	24,558
Comprehensive plan-charges to municipals	-	-	-	-	44,667
Juvenile detention-other governments	98,800	98,800	153,765	54,965	92,655
Board of prisoners-other governments	40,000	40,000	50,929	10,929	40,267
Board of prisoners-municipal bookings	1,500	1,500	1,441	(59)	1,276
Surveyor charges	6,000	6,000	9,129	3,129	12,014
<b>Charges To County Departments</b>					
Clerk of courts charge-child support	28,298	28,298	28,277	(21)	24,837
Corporation counsel charge-child support	11,683	11,683	13,776	2,093	10,628
Technical service charges to depts	25,400	25,400	25,650	250	25,920
Recreational officer charges to forestry	21,400	21,400	21,400	-	21,400
Sheriff microwave rent to highway	2,400	2,400	2,400	-	2,400
Indirect costs allocations	44,300	44,300	73,652	29,352	62,216
<b>Total Intergovernmental Charges</b>	<b>307,485</b>	<b>316,068</b>	<b>416,708</b>	<b>100,640</b>	<b>376,565</b>
<b>Miscellaneous</b>					
<b>Interest</b>					
General investments	301,000	301,000	196,493	(104,507)	295,772
HRA/S125 interest allocation	2,375	2,375	2,375	-	2,375
<b>Property Sales</b>					
Tax deeded property proceeds	74,500	74,500	66,478	(8,022)	43,749
Insurance premium refunds/dividends	43,000	43,000	39,478	(3,522)	43,341
Insurance recoveries-law enforcement	-	21,572	21,572	-	8,459
<b>Miscellaneous</b>					
Safety/risk management	10,000	10,170	10,170	-	17,505
Other and finance	-	-	13,391	13,391	5,341
<b>Donations</b>					
Veterans service drivers mileage	-	2,846	2,846	-	1,957
K-9	-	14,088	14,088	-	9,038
Recreation enforcement	3,000	3,000	-	(3,000)	250
<b>Total Miscellaneous</b>	<b>433,875</b>	<b>472,551</b>	<b>366,891</b>	<b>(105,660)</b>	<b>427,787</b>
<b>Total Revenues</b>	<b>14,240,840</b>	<b>15,159,384</b>	<b>14,896,175</b>	<b>(263,209)</b>	<b>14,482,814</b>
<b>Other Financing Sources</b>					
<b>Transfers In</b>					
County sales tax	424,000	424,000	347,640	(76,360)	502,018
Human services	400,000	316,000	484,000	168,000	-
Law enforcement sales-squads	15,000	15,000	32,171	17,171	9,572
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 15,079,840</b>	<b>\$ 15,914,384</b>	<b>\$ 15,759,986</b>	<b>\$ (154,398)</b>	<b>\$ 14,994,404</b>

**OCONTO COUNTY, WISCONSIN**

General Fund

Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual (Continued)

Year Ended December 31, 2010

(with comparative actual amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
<b>Expenditures</b>					
<b>General Government</b>					
<b>Legislative</b>					
County board & committees	\$ 216,799	\$ 211,299	\$ 183,200	\$ 28,099	\$ 193,521
<b>Judicial</b>					
Clerk of courts	517,807	517,807	595,887	(78,080)	562,440
Circuit court branch I & II	165,063	165,063	169,065	(4,002)	155,223
Register In probate	158,284	158,284	152,441	5,843	141,372
Family court commissioner	144,107	144,467	141,196	3,271	135,749
Law library	4,500	4,500	4,014	486	5,179
Medical examiner	91,663	91,663	86,790	4,873	93,923
<b>Legal</b>					
District attorney	202,076	202,076	196,181	5,895	203,129
Victim witness program	61,127	61,127	58,158	2,969	55,999
Corporation counsel	94,293	94,293	89,648	4,645	91,131
<b>General Administration</b>					
Administrative-coordinator	151,240	151,240	150,059	1,181	153,493
County clerk	183,928	183,928	179,939	3,989	187,019
Elections	38,848	77,595	79,054	(1,459)	30,565
Labor negotiations	23,850	23,850	21,724	2,126	17,975
Employee assistance program	7,600	7,600	7,320	280	7,860
HRA administration	12,600	12,600	12,590	10	12,635
S125 administration	1,200	1,200	684	516	791
Technology information services	682,204	707,204	702,973	4,231	674,450
T/S-county van	-	6,907	(1,106)	8,013	(6,907)
T/S VOIP	-	7,269	(2,971)	10,240	(13,331)
Platbooks	-	66,016	22,514	43,502	2,178
<b>Financial Administration</b>					
<b>Accounting</b>					
Finance department	181,394	181,394	178,847	2,547	183,441
Independent auditing	46,756	46,756	46,756	-	45,835
Special accounting & reporting	6,410	15,410	15,410	-	6,410
Charges to depts for audit	(16,142)	(16,142)	(16,767)	625	(16,452)
<b>Treasury</b>					
County treasurer	189,163	189,163	174,354	14,809	174,501
<b>Assessment of Property</b>					
Property tax listing	198,174	196,434	188,593	7,841	184,263
Assessor of incomes	480	480	197	283	498
Tax deeds	12,200	13,940	14,127	(187)	11,187
<b>Risk and Property Management</b>					
Safety/risk manager	56,467	57,745	37,064	20,681	56,610
<b>General Buildings and Plant</b>					
Courthouse property & maintenance	727,452	707,452	630,372	77,080	710,469
<b>Property Records and Control</b>					
Register of deeds	243,355	243,355	240,851	2,504	232,558
Register of deeds-redaction project	-	29,860	11,469	18,391	-
County surveyor	225,458	244,553	228,286	16,267	188,611
Physical address program	36,397	36,781	37,955	(1,174)	31,362
Land records modernization	67,561	197,167	86,429	110,738	54,564

(Continued)

**OCONTO COUNTY, WISCONSIN**

General Fund

Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual (Continued)

Year Ended December 31, 2010

(with comparative actual amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
Expenditures (continued)					
Uncollectable Taxes and Assessments					
Uncollectable personal property taxes	10,000	10,000	273	9,727	3,244
Non-Departmental Insurance					
Property and liability insurance	365,180	365,180	344,356	20,824	292,521
Workers compensation insurance	300,000	300,000	285,770	14,230	284,923
Charges to departments-P&L insurance	(245,000)	(245,000)	(226,670)	(18,330)	(241,549)
Charges to departments-workers compensation	(300,000)	(300,000)	(249,897)	(50,103)	(259,015)
Unemployment compensation	-	25,000	10,216	14,784	-
Other General Government					
Contingent fund	247,500	150,468	-	150,468	-
WRS	-	-	-	-	8,133
Other general	1,358	1,358	376	982	42,578
<b>Total General Government</b>	<b>5,111,352</b>	<b>5,347,342</b>	<b>4,887,727</b>	<b>459,615</b>	<b>4,699,086</b>
Public Safety					
Law Enforcement					
Sheriff	2,859,193	2,868,765	2,982,076	(113,311)	2,864,800
K-9 program	-	31,929	5,383	26,546	11,782
Cease program	-	10,901	3,500	7,401	379
Federal asset forfeiture program	-	1,258	-	1,258	2,396
Tribal enforcement	30,000	32,953	29,079	3,874	34,241
Watercraft patrol enforcement	1,000	1,000	749	251	2,150
ATV patrol enforcement	2,500	2,500	2,273	227	1,949
Snowmobile patrol enforcement	2,000	2,000	3,392	(1,392)	2,304
Highway safety project grants	18,000	18,000	-	18,000	-
Nicolet forest patrol	-	23,000	23,000	-	-
Recreation enforcement	118,670	146,920	159,992	(13,072)	121,581
Telecommunications/911 dispatch	851,507	850,507	832,998	17,509	811,766
Highway safety commission	900	900	465	435	596
DOT TRACS project	-	41,500	41,918	(418)	-
Correction and Detentions					
County jail	1,921,864	1,921,864	1,847,184	74,680	1,864,060
Juvenile detention	421,797	421,797	360,568	61,229	410,033
Other Public Safety					
EMS council	1,000	1,000	1,000	-	1,000
Emergency government	67,105	67,105	62,545	4,560	76,918
Emergency government-SARA	20,132	20,308	19,681	627	18,857
Emergency government-Homeland Security	-	43,827	51,393	(7,566)	20,833
<b>Total Public Safety</b>	<b>6,315,668</b>	<b>6,508,034</b>	<b>6,427,196</b>	<b>80,838</b>	<b>6,245,645</b>
Public Works					
Transportation					
Airport	17,621	17,621	17,621	-	17,621
Sanitation					
Private sewage system regulation	183,646	183,646	177,570	6,076	170,396
<b>Total Public Works</b>	<b>201,267</b>	<b>201,267</b>	<b>195,191</b>	<b>6,076</b>	<b>188,017</b>

(Continued)

**OCONTO COUNTY, WISCONSIN**

General Fund

Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual (Continued)

Year Ended December 31, 2010

(with comparative actual amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
Expenditures (continued)					
Health and Human Services					
Aging					
Commission on aging	131,818	132,323	132,424	(101)	129,492
Senior citizens center	3,275	3,275	3,275	-	3,275
Veterans					
Veterans service officer	122,120	128,445	126,920	1,525	118,581
Veterans relief	3,000	1,800	1,073	727	2,255
Care of veterans graves	1,560	1,560	1,560	-	2,160
Other					
Child support agency	538,134	487,624	482,734	4,890	443,758
Child support ARRA	-	50,510	26,471	24,039	17,956
Total Health and Human Services	799,907	805,537	774,457	31,080	717,477
Culture and Recreation					
Culture					
Libraries	369,422	369,422	364,516	4,906	272,251
Historical society	9,991	9,991	9,991	-	9,991
Recreation					
County parks	282,019	282,019	274,589	7,430	260,803
Local park aid-state	-	1,023	1,023	-	-
Machickanee shooting range	7,500	31,091	4,980	26,111	8,475
County boat landings	22,500	154,863	49,618	105,245	16,053
County snowmobile trails	135,250	273,109	207,562	65,547	232,137
County ATV trails	148,804	138,149	92,508	45,641	465,637
Recreational trails RTA352	-	-	-	-	49,059
County fair	9,400	9,400	9,400	-	9,500
Education					
UW-extension program	292,336	292,336	280,415	11,921	278,525
Extension homemakers	600	600	-	600	800
Oconto county partnership	-	-	-	-	600
UW-X nutrition program	-	1,282	798	484	903
Parenting newsletter	-	5,166	1,347	3,819	1,994
UW-X youth futures	-	-	-	-	1,547
UW-X family resource center	-	10,868	4,248	6,620	2,254
UW-X teen court	-	-	-	-	121
UW-X district resource management	-	10,868	4,943	5,925	5,857
4-H youth camp	-	20,922	14,724	6,198	7,886
UW-X AG newsletter	-	5,822	3,455	2,367	2,934
Total Culture and Recreation	1,277,822	1,616,931	1,324,117	292,814	1,627,327
Development					
Resource Conservation					
County forestry	303,730	303,730	308,355	(4,625)	276,944
Forest roads	12,126	25,287	5,099	20,188	11,530
National forest pass-through payments	-	225,788	225,788	-	254,462
Conservation projects	2,600	-	9,222	(9,222)	5,927

(Continued)

**OCONTO COUNTY, WISCONSIN**

General Fund

Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual (Continued)

Year Ended December 31, 2010

(with comparative actual amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
Expenditures (continued)					
Development (continued)					
Resource Conservation (continued)					
Wildlife habitat management	2,178	17,506	6,400	11,106	1,661
County forest land acquisition	2,500	19,792	11,684	8,108	500
County dams	1,620	1,620	257	1,363	11,690
Title III	13,472	51,707	51,707	-	-
S/A county forestry	10,000	-	24	(24)	-
Gypsy moth suppression program	5,000	26,597	26,169	428	-
State recreational aid projects	-	70,650	70,650	-	4,750
Land conservation	384,399	485,260	478,271	6,989	447,103
Wildlife damage program	16,832	16,832	5,283	11,549	10,587
LWR coastal management	-	10,000	10,000	-	12,236
LWR administration	24,407	31,768	25,044	6,724	20,554
Planning and Zoning					
Bay Lake Regional Planning Commission	16,975	16,975	16,973	2	17,163
Zoning	262,455	262,455	237,375	25,080	280,400
Board of adjustments	18,008	18,008	14,227	3,781	14,270
Land use planning	68,701	68,701	67,537	1,164	65,178
Private sewage systems-Wisconsin fund	-	35,108	35,108	-	28,492
Salvage yard cleanup	550	550	(25)	575	(150)
Comprehensive planning project	-	-	-	-	12,552
Economic Development					
Oconto County Economic Development Corporation	122,532	122,532	122,532	-	122,532
Total Development	<u>1,268,085</u>	<u>1,810,866</u>	<u>1,727,680</u>	<u>83,186</u>	<u>1,598,381</u>
Capital Outlay					
General Public Buildings and Other					
General Government					
Courthouse	30,000	30,000	29,922	78	33,542
Courtroom video conference	-	-	-	-	31,000
Computer hardware, software and maintenance	160,000	160,000	108,642	51,358	109,850
Law Enforcement					
Law enforcement software	-	-	-	-	50,000
Radio & radio system upgrades	-	-	-	-	72,925
Vehicles and squads	140,000	140,000	133,552	6,448	138,188
Other					
Forestry equipment	20,000	20,000	12,495	7,505	36,514
LWR-LIS orthophotography	74,000	74,000	60,124	13,876	-
Oconto county youth fair building	-	-	-	-	30,000
Total Capital Outlay	<u>424,000</u>	<u>424,000</u>	<u>344,735</u>	<u>79,265</u>	<u>502,019</u>
Other Financing Uses					
Transfers out					
Debt service	-	1,384,346	1,384,346	-	32,019
Total Expenditures and Other Financing Uses	<u>\$ 15,398,101</u>	<u>\$ 18,098,323</u>	<u>\$ 17,065,449</u>	<u>\$ 1,032,874</u>	<u>\$ 15,609,971</u>

**OCONTO COUNTY, WISCONSIN**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

County Roads and Bridges

Year Ended December 31, 2010

(With comparative amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2009 Actual
	Original	Final			
<b>Revenues</b>					
Taxes-property tax levy	\$ 3,221,672	\$ 3,221,672	\$ 3,221,672	\$ -	\$ 3,221,673
Special purpose levy-local bridge	222,222	222,222	222,222	-	64,800
	<u>3,443,894</u>	<u>3,443,894</u>	<u>3,443,894</u>	<u>-</u>	<u>3,286,473</u>
<b>Intergovernmental</b>					
State transportation aids	1,068,699	1,068,699	1,072,420	3,721	1,049,558
State STP projects	788,000	788,000	675,714	(112,286)	422,488
State LRIP	12,898	12,898	6,180	(6,718)	6,180
State local bridge	1,063,293	1,063,293	847	(1,062,446)	3,028
State CHIP	70,000	70,000	70,820	820	67,500
Total Intergovernmental	<u>3,002,890</u>	<u>3,002,890</u>	<u>1,825,981</u>	<u>(1,176,909)</u>	<u>1,548,754</u>
<b>Total Revenues</b>	<u><b>6,446,784</b></u>	<u><b>6,446,784</b></u>	<u><b>5,269,875</b></u>	<u><b>(1,176,909)</b></u>	<u><b>4,835,227</b></u>
<b>Expenditures</b>					
<b>Public Works</b>					
CTHS admin	363,627	363,627	372,790	(9,163)	328,944
Maintenance	1,106,385	1,106,385	1,086,964	19,421	1,046,851
Snow removal	783,717	783,717	525,464	258,253	653,108
Hot mix maintenance	1,191,864	1,191,864	1,150,069	41,795	1,198,562
Gravel maintenance	148,720	148,720	22,199	126,521	145,731
STP road improvement	980,105	980,105	804,726	175,379	525,896
STP before/after (county)	380,991	380,991	258,313	122,678	361,054
CHIP program	170,000	170,000	159,808	10,192	176,980
Safer bridge program	1,164,143	1,164,143	29,396	1,134,747	252,338
Co aid bridges	222,222	222,222	219,757	2,465	61,806
Total Expenditures	<u>6,511,774</u>	<u>6,511,774</u>	<u>4,629,486</u>	<u>1,882,288</u>	<u>4,751,270</u>
<b>Net Change in Fund Balance</b>	<u><b>(64,990)</b></u>	<u><b>(64,990)</b></u>	<u><b>640,389</b></u>	<u><b>705,379</b></u>	<u><b>83,957</b></u>
Fund Balance - January 1	<u>604,289</u>	<u>604,289</u>	<u>604,289</u>	<u>-</u>	<u>520,332</u>
Fund Balance - December 31	<u><b>\$ 539,299</b></u>	<u><b>\$ 539,299</b></u>	<u><b>\$ 1,244,678</b></u>	<u><b>\$ 705,379</b></u>	<u><b>\$ 604,289</b></u>

**OCONTO COUNTY, WISCONSIN**

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2010

(With summarized financial information for December 31, 2009)

	Jail Assessment	Family Mediation	County Sales Tax	Tourism	State Grant Loan Fund
<b>ASSETS</b>					
Cash and investments	\$ 146,153	\$ 1,477	\$ 600,918	\$ 13,834	\$ 350,841
Receivables					
Taxes	-	16,411	-	154,490	-
Notes	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 146,153</b>	<b>\$ 17,888</b>	<b>\$ 600,918</b>	<b>\$ 168,324</b>	<b>\$ 350,841</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 12,390	\$ -
Accrued payroll liabilities	-	1,138	-	-	-
Advance from other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenues	-	16,411	-	154,490	-
<b>Total Liabilities</b>	<b>-</b>	<b>17,549</b>	<b>-</b>	<b>166,880</b>	<b>-</b>
<b>Fund Balances</b>					
<b>Unreserved</b>					
<b>    Designated</b>					
Special revenue funds	146,153	339	600,918	1,444	350,841
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 146,153</b>	<b>\$ 17,888</b>	<b>\$ 600,918</b>	<b>\$ 168,324</b>	<b>\$ 350,841</b>

Tri-County Loan Fund	County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Total Nonmajor Governmental Funds	
					2010	2009
\$ 19,232	\$ 152,612	\$ 535,609	\$ 19,440	\$ 11,122	\$ 1,851,238	\$ 1,196,346
-	-	-	-	-	170,901	145,460
50,257	567,612	-	-	-	617,869	674,440
<u>\$ 69,489</u>	<u>\$ 720,224</u>	<u>\$ 535,609</u>	<u>\$ 19,440</u>	<u>\$ 11,122</u>	<u>\$ 2,640,008</u>	<u>\$ 2,016,246</u>
\$ 50	\$ 142	\$ 509,306	\$ -	\$ -	\$ 521,888	\$ 438,401
-	-	-	-	-	1,138	972
-	-	10,000	-	-	10,000	10,000
-	-	-	866	-	866	913
50,257	567,612	-	-	-	788,770	819,900
50,307	567,754	519,306	866	-	1,322,662	1,270,186
19,182	152,470	16,303	18,574	11,122	1,317,346	746,060
<u>\$ 69,489</u>	<u>\$ 720,224</u>	<u>\$ 535,609</u>	<u>\$ 19,440</u>	<u>\$ 11,122</u>	<u>\$ 2,640,008</u>	<u>\$ 2,016,246</u>

**OCONTO COUNTY, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2010

(With summarized financial information for year ended December 31, 2009)

	Jail Assessment	Family Mediation	County Sales Tax	Tourism	State Grant Loan Fund	Tri-County Loan Fund
<b>Revenues</b>						
Taxes	\$ -	\$ 16,200	\$ 1,333,488	\$ 129,260	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Licenses and permits	-	3,200	-	-	-	-
Fines and forfeits	37,757	-	-	-	-	-
Public charges for services	-	14,821	-	21,517	-	-
Intergovernmental charges for services	-	-	-	3,938	-	-
Miscellaneous	-	-	-	-	14,158	5,863
<b>Total Revenues</b>	<b>37,757</b>	<b>34,221</b>	<b>1,333,488</b>	<b>154,715</b>	<b>14,158</b>	<b>5,863</b>
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	-
Public safety	34,400	-	-	-	-	-
Health and human services	-	34,950	-	-	-	-
Culture and recreation	-	-	-	176,931	-	-
Development	-	-	-	-	3,616	3,316
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>34,400</b>	<b>34,950</b>	<b>-</b>	<b>176,931</b>	<b>3,616</b>	<b>3,316</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,357</b>	<b>(729)</b>	<b>1,333,488</b>	<b>(22,216)</b>	<b>10,542</b>	<b>2,547</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(813,540)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(813,540)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>3,357</b>	<b>(729)</b>	<b>519,948</b>	<b>(22,216)</b>	<b>10,542</b>	<b>2,547</b>
<b>Fund Balances - January 1</b>	<b>142,796</b>	<b>1,068</b>	<b>80,970</b>	<b>23,660</b>	<b>340,299</b>	<b>16,635</b>
<b>Fund Balances - December 31</b>	<b>\$ 146,153</b>	<b>\$ 339</b>	<b>\$ 600,918</b>	<b>\$ 1,444</b>	<b>\$ 350,841</b>	<b>\$ 19,182</b>

County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	2006 Notes	Total Nonmajor Governmental Funds	
					2010	2009
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,478,948	\$ 1,478,589
-	-	-	6,232	-	6,232	152,000
-	-	15,529	-	-	18,729	19,706
-	-	-	-	-	37,757	45,357
-	-	-	-	-	36,338	69,450
-	-	-	-	-	3,938	865
58,386	1,260	-	13	-	79,680	95,964
58,386	1,260	15,529	6,245	-	1,661,622	1,861,931
-	2,375	-	-	-	2,375	-
-	-	-	-	-	34,400	33,644
-	-	14,801	-	-	49,751	55,852
-	-	-	-	-	176,931	177,682
6,407	-	-	-	-	13,339	335,827
-	-	-	-	1,725,000	1,725,000	1,125,000
-	-	-	-	125,246	125,246	101,332
6,407	2,375	14,801	-	1,850,246	2,127,042	1,829,337
51,979	(1,115)	728	6,245	(1,850,246)	(465,420)	32,594
-	-	-	-	1,850,246	1,850,246	1,210,705
-	-	-	-	-	(813,540)	(1,712,723)
-	-	-	-	1,850,246	1,036,706	(502,018)
51,979	(1,115)	728	6,245	-	571,286	(469,424)
100,491	17,418	17,846	4,877	-	746,060	1,215,484
\$ 152,470	\$ 16,303	\$ 18,574	\$ 11,122	\$ -	\$ 1,317,346	\$ 746,060

**OCONTO COUNTY, WISCONSIN**

Jail Assessment Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeits				
Jail assessment surcharge	\$ -	\$ -	\$ 37,757	\$ 37,757
Total Revenues	-	-	37,757	37,757
Expenditures				
Public safety				
Jail maintenance and improvements	-	-	11,180	(11,180)
Software support	-	-	23,220	(23,220)
Total Expenditures	-	-	34,400	(34,400)
Net Change in Fund Balance	\$ -	\$ -	3,357	\$ 3,357
Fund Balance - January 1			142,796	
Fund Balance - December 31			\$ 146,153	

**OCONTO COUNTY, WISCONSIN**

Family Mediation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes				
Property tax levy	\$ 16,200	\$ 16,200	\$ 16,200	\$ -
Licenses and permits				
Marriage license fees	4,500	4,500	3,200	(1,300)
Public charges for services				
Mediation fees	15,500	15,500	11,375	(4,125)
Mediation court surcharge	-	-	3,446	3,446
Total Public charges for services	15,500	15,500	14,821	(679)
Total Revenues	36,200	36,200	34,221	(1,979)
<b>Expenditures</b>				
Health and human services				
Family mediation	36,200	36,200	34,950	1,250
Net Change in Fund Balance	\$ -	\$ -	(729)	\$ (729)
Fund Balance - January 1			1,068	
Fund Balance - December 31			\$ 339	

**OCONTO COUNTY, WISCONSIN**

County Sales Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
County sales tax collections	\$ 1,338,899	\$ 1,338,899	\$ 1,333,488	\$ (5,411)
Total Revenues	<u>1,338,899</u>	<u>1,338,899</u>	<u>1,333,488</u>	<u>(5,411)</u>
Other Financing Sources (Uses)				
Transfers to debt service fund	(461,000)	(461,000)	(465,900)	(4,900)
Transfers to general fund	<u>(424,000)</u>	<u>(424,000)</u>	<u>(347,640)</u>	<u>76,360</u>
Total Other Financing Sources (Uses)	<u>(885,000)</u>	<u>(885,000)</u>	<u>(813,540)</u>	<u>71,460</u>
Net Change in Fund Balance	<u>\$ 453,899</u>	<u>\$ 453,899</u>	519,948	<u>\$ 66,049</u>
Fund Balance - January 1			<u>80,970</u>	
Fund Balance - December 31			<u>\$ 600,918</u>	

**OCONTO COUNTY, WISCONSIN**

Tourism Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
<b>Taxes</b>				
County tax levy	\$ 129,260	\$ 129,260	\$ 129,260	\$ -
<b>Public Charges for Services</b>				
Sales of county recreation maps	-	-	43	43
Sales of Discovery Guide ads	-	-	21,379	21,379
Sales of Loggin history books	-	-	95	95
<b>Miscellaneous</b>				
Promotion charges	-	-	3,938	3,938
<b>Total Revenues</b>	<u>129,260</u>	<u>129,260</u>	<u>154,715</u>	<u>25,455</u>
<b>Expenditures</b>				
<b>Culture and recreation</b>				
Discovery guide	-	-	28,193	(28,193)
Administrative services	129,260	129,260	148,738	(19,478)
<b>Total Expenditures</b>	<u>129,260</u>	<u>129,260</u>	<u>176,931</u>	<u>(47,671)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(22,216)</u>	<u>\$ (22,216)</u>
<b>Fund Balance - January 1</b>			<u>23,660</u>	
<b>Fund Balance - December 31</b>			<u>\$ 1,444</u>	

**OCONTO COUNTY, WISCONSIN**

Revolving Loan Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010

	Budgeted Amounts		Actual				Variance with Final Budget Positive (Negative)
			State Grant Loan Fund	Tri-County Loan Fund	County Revolving Loan Fund	Total 2010	
	Original	Final					
Revenues							
Miscellaneous							
Loan repayments							
Principal	\$ -	\$ -	\$ 10,539	\$ 2,746	\$ 43,821	\$ 57,106	\$ 57,106
Interest	-	-	1,148	3,080	15,993	20,221	20,221
Service fees and interest	-	-	2,471	37	(1,428)	1,080	1,080
Total Revenues	-	-	14,158	5,863	58,386	78,407	78,407
Expenditures							
Development							
Administration	-	-	3,616	3,316	6,407	13,339	(13,339)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>10,542</u>	<u>2,547</u>	<u>51,979</u>	<u>65,068</u>	<u>\$ 65,068</u>
Fund Balances - January 1			<u>340,299</u>	<u>16,635</u>	<u>100,491</u>	<u>457,425</u>	
Fund Balances - December 31			<u>\$ 350,841</u>	<u>\$ 19,182</u>	<u>\$ 152,470</u>	<u>\$ 522,493</u>	

**OCONTO COUNTY, WISCONSIN**

Dog License Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits				
Dog licenses	\$ -	\$ -	\$ 15,529	\$ 15,529
Total Revenues	-	-	15,529	15,529
Expenditures				
Health and human services				
Dog license	-	-	14,801	(14,801)
Net Change in Fund Balance	\$ -	\$ -	728	\$ 728
Fund Balance - January 1			17,846	
Fund Balance - December 31			\$ 18,574	

**OCONTO COUNTY, WISCONSIN**

Commission on Aging Transportation 85.21 Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental				
State aid	\$ -	\$ -	\$ 6,232	\$ 6,232
Miscellaneous				
Interest	-	-	13	13
Total Revenues	-	-	6,245	6,245
Expenditures				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	6,245	\$ 6,245
Fund Balance - January 1			4,877	
Fund Balance - December 31			\$ 11,122	

**OCONTO COUNTY, WISCONSIN**

2006 Notes - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Debt Service				
Principal				
2006 Notes	\$ 400,000	\$ 1,725,000	\$ 1,725,000	\$ -
Interest				
2006 Notes	61,000	120,341	120,341	-
Other fiscal charges	-	4,905	4,905	-
Total Interest	61,000	125,246	125,246	-
Total Expenditures	461,000	1,850,246	1,850,246	-
Other Funding Sources				
Transfers in from general fund	-	1,384,346	1,384,346	-
Transfers in from county sales tax fund	461,000	465,900	465,900	-
Total Other Funding Sources	461,000	1,850,246	1,850,246	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - January 1			-	
Fund Balance - December 31			\$ -	

**OCONTO COUNTY, WISCONSIN**

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual

Highway Enterprise Fund

Year Ended December 31, 2010

(With comparative amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2009 Actual
	Original	Final			
<b>Revenues</b>					
<b>Intergovernmental Charges for Services</b>					
<b>State</b>					
Administration	\$ 110,400	\$ 110,400	\$ 189,546	\$ 79,146	\$ 182,661
Maintenance	732,000	732,000	775,653	43,653	721,469
Snow/ice control	483,900	483,900	427,084	(56,816)	477,462
State unclassified maintenance	4,800	4,800	90,197	85,397	48,204
State roadside special maintenance	73,500	73,500	150,132	76,632	161,660
State other	26,200	26,200	79,261	53,061	77,693
State insurance claims	-	-	37,317	37,317	30,055
State records and reports	-	-	98,206	98,206	83,588
State 1% small tools	-	-	12,362	12,362	6,853
<b>Total State</b>	<b>1,430,800</b>	<b>1,430,800</b>	<b>1,859,758</b>	<b>428,958</b>	<b>1,789,645</b>
Other local governments	1,856,835	1,856,835	2,202,310	345,475	1,803,967
Local (county) departments	167,037	167,037	44,454	(122,583)	22,883
Local CTHS transportation payments	6,406,352	6,406,352	4,409,730	(1,996,622)	4,689,463
<b>Total Other Local Governments</b>	<b>8,430,224</b>	<b>8,430,224</b>	<b>6,656,494</b>	<b>(1,773,730)</b>	<b>6,516,313</b>
<b>Total Intergovernmental Charges for Services</b>	<b>9,861,024</b>	<b>9,861,024</b>	<b>8,516,252</b>	<b>(1,344,772)</b>	<b>8,305,958</b>
<b>Miscellaneous Revenues</b>					
Licenses and permits	-	-	3,080	3,080	3,255
Administration fees	-	-	-	-	87
<b>Total Miscellaneous Revenues</b>	<b>-</b>	<b>-</b>	<b>3,080</b>	<b>3,080</b>	<b>3,342</b>
<b>Total Operating Revenues</b>	<b>9,861,024</b>	<b>9,861,024</b>	<b>8,519,332</b>	<b>(1,341,692)</b>	<b>8,309,300</b>

(Continued)

**OCONTO COUNTY, WISCONSIN**

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual

Highway Enterprise Fund (Continued)

Year Ended December 31, 2010

(With comparative amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2009 Actual
	Original	Final			
<b>Expenses</b>					
<b>Highway Administration</b>					
Highway administration	363,627	363,627	384,628	(21,001)	334,242
Supervision	136,284	136,284	153,649	(17,365)	124,859
Radio expense	8,700	8,700	7,136	1,564	9,829
General public liability	25,000	25,000	23,899	1,101	21,807
Alcohol and drug testing	2,216	2,216	1,121	1,095	1,210
Safety meeting	40,000	40,000	22,960	17,040	29,870
State administration	15,000	15,000	13,607	1,393	8,080
<b>Total Highway Administration</b>	<b>590,827</b>	<b>590,827</b>	<b>607,000</b>	<b>(16,173)</b>	<b>529,897</b>
<b>Highway Maintenance and Construction</b>					
<b>County Trunk Highway System</b>					
Transportation cost pool	-	-	93,262	(93,262)	108,895
Routine maintenance	1,106,385	1,106,385	1,287,702	(181,317)	1,256,824
Snow/ice control	783,717	783,717	517,818	265,899	651,638
Hot mix and seal coating	1,191,864	1,191,864	1,150,069	41,795	1,198,562
Gravel maintenance	148,720	148,720	22,199	126,521	111,862
STP road construction	980,105	980,105	804,726	175,379	525,896
STP other	380,991	380,991	258,313	122,678	361,054
CHIP	170,000	170,000	159,808	10,192	176,980
Safer bridge program	1,164,143	1,164,143	29,396	1,134,747	252,338
<b>Total Highway Maintenance and Construction</b>	<b>5,925,925</b>	<b>5,925,925</b>	<b>4,323,293</b>	<b>1,602,632</b>	<b>4,644,049</b>
<b>State Trunk Highway System</b>					
Maintenance	732,000	732,000	743,857	(11,857)	656,808
Snow and ice control	483,900	483,900	403,613	80,287	479,927
State miscellaneous charges	-	-	98,563	(98,563)	52,546
State bridge maintenance	4,800	4,800	3,923	877	21,565
STHS roadside maintenance	73,500	73,500	152,537	(79,037)	162,654
State signage and traffic control	26,200	26,200	23,914	2,286	39,887
State insurance accident reports	-	-	37,558	(37,558)	30,063
<b>Total State Trunk Highway System</b>	<b>1,320,400</b>	<b>1,320,400</b>	<b>1,463,965</b>	<b>(143,565)</b>	<b>1,443,450</b>
Local government-road maintenance	1,556,193	1,556,193	1,435,333	120,860	1,207,585
Local government-snow and ice control	300,642	300,642	306,048	(5,406)	410,306
Local government-bridge maintenance	-	-	114,745	(114,745)	139,267
<b>Total Local Governments</b>	<b>1,856,835</b>	<b>1,856,835</b>	<b>1,856,126</b>	<b>709</b>	<b>1,757,158</b>
Local Departments	167,037	167,037	129,862	37,175	62,979
<b>Total Local Governments and Departments</b>	<b>2,023,872</b>	<b>2,023,872</b>	<b>1,985,988</b>	<b>37,884</b>	<b>1,820,137</b>
<b>Total Operating Expenses</b>	<b>9,861,024</b>	<b>9,861,024</b>	<b>8,380,246</b>	<b>1,480,778</b>	<b>8,437,533</b>
<b>Change in Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139,086</b>	<b>\$ 139,086</b>	<b>\$ (128,233)</b>

**OCONTO COUNTY, WISCONSIN**

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual

Recycling Enterprise Fund

Year Ended December 31, 2010

(With comparative amounts for year ended December 31, 2009)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2009 Actual
	Original	Final			
<b>Operating Revenues</b>					
Intergovernmental Charges for Services					
Waste tires disposal	\$ 20,000	\$ 20,000	\$ 15,148	\$ (4,852)	\$ 26,875
Freon disposal	15,000	15,000	8,829	(6,171)	15,860
Materials buy-back	1,800	1,800	1,153	(647)	1,206
Total Intergovernmental Charges	<u>36,800</u>	<u>36,800</u>	<u>25,130</u>	<u>(11,670)</u>	<u>43,941</u>
Public Charges for Services					
Tipping fees	500	500	195	(305)	235
Electronics disposal	8,000	8,000	14,211	6,211	15,820
Total Public Charges for Services	<u>8,500</u>	<u>8,500</u>	<u>14,406</u>	<u>5,906</u>	<u>16,055</u>
Miscellaneous					
Sales of recyclable materials	227,157	227,157	233,885	6,728	139,498
Total Revenues	<u>272,457</u>	<u>272,457</u>	<u>273,421</u>	<u>964</u>	<u>199,494</u>
<b>Operating Expenses</b>					
Public Works					
Personnel	222,086	222,086	205,013	17,073	196,796
Consulting and professional svcs	73,100	73,100	59,426	13,674	59,765
Utility services	26,100	26,100	13,212	12,888	14,482
Purchased repairs and maintenance	22,500	22,500	22,923	(423)	15,906
Purchased services-other	178,000	178,000	147,416	30,584	154,408
Office supplies	3,500	3,500	4,366	(866)	5,235
Subscriptions and dues	2,700	2,700	2,311	389	2,687
Employee travel and training	7,700	7,700	5,218	2,482	5,040
Operating supplies and expenses	18,300	18,300	14,132	4,168	11,559
Repair and maintenance supplies	7,360	7,360	19,280	(11,920)	4,360
Insurance	6,200	6,200	5,953	247	5,418
Depreciation	97,000	97,000	100,924	(3,924)	91,599
Cost allocations	8,000	8,000	1,780	6,220	7,140
Other	121,000	121,000	88,060	32,940	17,117
Total Operating Expenses	<u>793,546</u>	<u>793,546</u>	<u>690,014</u>	<u>103,532</u>	<u>591,512</u>
Operating Income (Loss)	<u>(521,089)</u>	<u>(521,089)</u>	<u>(416,593)</u>	<u>104,496</u>	<u>(392,018)</u>
<b>Nonoperating Revenues (Expenses)</b>					
State aid recycling program	290,000	290,000	305,356	15,356	290,178
Sale of equipment	-	-	10,565	10,565	1,862
Capital	(20,000)	(20,000)	-	20,000	-
Total Nonoperating Revenues (Expenses)	<u>270,000</u>	<u>270,000</u>	<u>315,921</u>	<u>45,921</u>	<u>292,040</u>
Change in Net Assets	<u>\$ (251,089)</u>	<u>\$ (251,089)</u>	<u>\$ (100,672)</u>	<u>\$ 150,417</u>	<u>\$ (99,978)</u>

**OCONTO COUNTY, WISCONSIN**  
 Agency Funds  
 Combining Statement of Net Assets  
 December 31, 2010

	Clerk of Courts	Canteen & Jail Inmate	Total 2010
<b>Assets</b>			
Cash	\$ 342,902	\$ 20,058	\$ 362,960
Receivables and inventory	-	5,815	5,815
<b>Total Assets</b>	<b>\$ 342,902</b>	<b>\$ 25,873</b>	<b>\$ 368,775</b>
<b>Liabilities</b>			
Due to others			
Deposits	\$ 342,902	\$ 3,482	\$ 346,384
Other liabilities	-	22,391	22,391
<b>Total Liabilities</b>	<b>\$ 342,902</b>	<b>\$ 25,873</b>	<b>\$ 368,775</b>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**

**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  
Oconto County, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconto County, Wisconsin, as of and for the year ended December 31, 2010, which collectively comprise Oconto County, Wisconsin's basic financial statements and have issued our report thereon dated June 14, 2011. 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.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oconto County, Wisconsin's financial statements are free of 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 determination of basic financial statement amounts. 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*.

We noted certain matters that we reported to management of Oconto County, Wisconsin in a separate letter dated June 14, 2011.

Oconto County, Wisconsin's response to the finding identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. We did not audit Oconto County, Wisconsin's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Board, management, and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants  
Green Bay, Wisconsin  
June 14, 2011

**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR FEDERAL AND STATE PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES**

To the County Board  
Oconto County, Wisconsin

Compliance

We have audited Oconto County, Wisconsin's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2010. Oconto County, Wisconsin's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Oconto County, Wisconsin's management. Our responsibility is to express an opinion on Oconto County, Wisconsin's compliance based on our audit.

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; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Oconto County, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Oconto County, Wisconsin's compliance with those requirements.

In our opinion, Oconto County, Wisconsin, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, required to be reported in accordance with OMB Circular A-133 and the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2010-03.

Internal Control Over Compliance

Management of Oconto County, Wisconsin, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Oconto County, Wisconsin's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Oconto County, Wisconsin's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-02. 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 or state 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.

Oconto County, Wisconsin's responses to the findings identified in our audit are described in the accompanying schedule of prior year findings and corrective action plan. We did not audit Oconto County, Wisconsin's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of, management, the County Board, others within the County, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants  
Green Bay, Wisconsin  
June 14, 2011

**OCONTO COUNTY, WISCONSIN**

Schedule of Federal Awards  
Year Ended December 31, 2010

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/10	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/10	Total Revenues	
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>							
Special Supplement Food Program for Women, Infants and Children	WI Department of Health Services	10.557	\$ (6,146)	\$ 141,437	\$ 17,844	\$ 153,135	\$ 153,135
State Administrative Matching Grants for Food Stamp Program	WI Department of Health Services	10.561	(85,739)	204,261	19,568	138,090	138,090
WIC Farmers' Market Nutrition Program (FMNP)	WI Department of Health Services	10.572	(91)	223	-	132	132
Schools & Road Grants to States - National Forest Income	WI Department of Natural Resources	10.665	-	239,069	-	239,069	239,069
Environmental Quality Incentives Program	Direct Program	10.912	(825)	825	-	-	-
<b>Total U.S. Department of Agriculture</b>			<b>(92,801)</b>	<b>585,815</b>	<b>37,412</b>	<b>530,426</b>	<b>530,426</b>
<b><u>U.S. DEPARTMENT OF COMMERCE</u></b>							
Economic Adjustment Assistance	Direct Program	11.307	-	72,805	-	72,805	72,805
Coastal Zone Management Program	WI Department of Administration	11.419	(5,000)	15,000	-	10,000	10,000
<b>Total U.S. Department of Commerce</b>			<b>(5,000)</b>	<b>87,805</b>	<b>-</b>	<b>82,805</b>	<b>82,805</b>
<b><u>U.S. DEPARTMENT OF INTERIOR</u></b>							
ARRA - National Map	Brown County, Wisconsin	15.817	-	12,460	-	12,460	12,460
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>							
Juvenile Justice and Delinquency Prevention CEASE	WI Department of Administration	16.540	-	515	-	515	515
	WI Department of Justice	N/A	-	5,766	591	6,357	6,357
<b>Total U.S. Department of Justice</b>			<b>-</b>	<b>6,281</b>	<b>591</b>	<b>6,872</b>	<b>6,872</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>							
National Recreation Trails	WI Department of Natural Resources						
RTA - 352		20.219	-	49,059	-	49,059	49,059
TraCS Implementation/Expanded Use Grant	WI Department of Transportation	20.232	-	-	41,500	41,500	41,500
State and Community Highway Safety							
Highway Safety Aid	WI Department of Transportation	20.600	-	11,277	-	11,277	11,277
Child Passenger Safety Car Seat Grant	WI Department of Transportation	20.600	-	4,000	-	4,000	4,000
<b>Total U.S. Department of Transportation</b>			<b>-</b>	<b>64,336</b>	<b>41,500</b>	<b>105,836</b>	<b>105,836</b>

(Continued)

**OCONTO COUNTY, WISCONSIN**  
Schedule of Federal Awards (Continued)  
Year Ended December 31, 2010

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/10	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/10	Total Revenues	
<b>ENVIRONMENTAL PROTECTION AGENCY</b>							
State Indoor Radon Grants	WI Department of Health Services	66.032	-	2,497	3	2,500	2,500
<b>U.S. DEPARTMENT OF EDUCATION</b>							
Early Intervention Services (IDEA) Cluster							
Grants for Infants and Toddlers with Disabilities	WI Department of Health Services	84.181	-	18,205	-	18,205	18,205
ARRA - Grants for Infants and Toddlers with Disabilities	WI Department of Health Services	84.393	-	7,187	2,873	10,060	10,060
Total U.S. Department of Education			-	25,392	2,873	28,265	28,265
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Preventive Health (Title III-D)	GWAAR*	93.043	-	3,403	33	3,436	3,436
Aging Cluster							
Grants for Supportive Services and Senior Centers (Title III-B)	GWAAR*	93.044	(5,841)	49,683	1,224	45,066	45,066
Nutrition Services (Title III-C)							
Congregate Meal Program (Title III-C-1)	GWAAR*	93.045	-	41,628	384	42,012	42,012
Home Delivered Meals (Title III-C-2)	GWAAR*		(1,585)	28,101	220	26,736	26,736
Subtotal - Nutrition Services (Title III-C)			(1,585)	69,729	604	68,748	68,748
Nutrition Services Incentive Program (NSIP)							
Congregate Meal Program (Title III-C-1)	GWAAR*	93.053	(11,262)	22,702	-	11,440	11,440
Home Delivered Meals (Title III-C-2)	GWAAR*		-	15,991	-	15,991	15,991
Subtotal - Nutrition Services Incentive Program (NSIP)			(11,262)	38,693	-	27,431	27,431
Total Aging Cluster			(18,688)	158,105	1,828	141,245	141,245

\* Greater Wisconsin Agency on Aging Resources

(Continued)

**OCONTO COUNTY, WISCONSIN**  
Schedule of Federal Awards (Continued)  
Year Ended December 31, 2010

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/10	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/10	Total Revenues	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>							
National Family Caregiver Support (Title III-E)	GWAAR*	93.052	(6,428)	21,795	3,578	18,945	18,945
Public Health Emergency Preparedness	WI Department of Health Services	93.069	(56,827)	110,405	2,519	56,097	56,097
Medicare Enrollment Assistance Program	GWAAR*	93.071	-	-	1,248	1,248	1,248
Immunization Cluster							
Immunization Grants	WI Department of Health Services	93.268	-	9,758	7	9,765	9,765
ARRA - Immunization	WI Department of Health Services	93.712	-	875	6,414	7,289	7,289
			-	10,633	6,421	17,054	17,054
CDC Investigations and Technical Assistance	WI Department of Health Services	93.283	(386)	386	-	-	-
Family Preservation and Support Services	WI Department of Children and Families	93.556	-	46,350	-	46,350	46,350
Temporary Assistance for Needy Families (TANF)	WI Department of Health Services	93.558	-	81,245	-	81,245	81,245
Temporary Assistance for Needy Families (TANF)	WI Department of Children and Families	93.558	(12,599)	194,268	15,687	197,356	197,356
Total Temporary Assistance for Needy Families (TANF)			(12,599)	275,513	15,687	278,601	278,601
Child Support Enforcement (Title IV-D) ARRA - Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(31,492)	220,384	28,844	217,736	217,736
Total Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(17,596)	214,549	574	197,527	197,527
			(49,088)	434,933	29,418	415,263	415,263
Low Income Home Energy Assistance	WI Department of Administration	93.568	(23,306)	66,237	21,514	64,445	64,445
Child Care Development Fund	WI Department of Children and Families	93.596	(1,672)	57,814	10,784	66,926	66,926
Chafee Education and Training Vouchers	WI Department of Children and Families	93.599	73	(73)	-	-	-
Child Welfare Services	WI Department of Children and Families	93.645	-	12,741	-	12,741	12,741
Child Welfare Services	WI Department of Corrections	93.645	(873)	4,458	21	3,606	3,606
Total Child Welfare Services			(873)	17,199	21	16,347	16,347
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(152)	174,232	90	174,170	174,170
Foster Care (Title IV-E)	WI Department of Corrections	93.658	(1,309)	6,487	30	5,208	5,208
Total Foster Care (Title IV-E)			(1,461)	180,719	120	179,378	179,378

\* Greater Wisconsin Agency on Aging Resources

(Continued)

**OCONTO COUNTY, WISCONSIN**  
Schedule of Federal Awards (Continued)  
Year Ended December 31, 2010

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/10	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/10	Total Revenues	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>							
Social Services Block Grant	WI Department of Health Services	93.667	-	159,251	-	159,251	159,251
Social Services Block Grant	WI Department of Children and Families	93.667	-	19,421	-	19,421	19,421
<b>Total Social Services Block Grant</b>			<b>-</b>	<b>178,672</b>	<b>-</b>	<b>178,672</b>	<b>178,672</b>
Youth Independent Living	WI Department of Children and Families	93.674	1,052	11,709	1,917	14,678	14,678
ARRA - Prevention and Wellness	WI Department of Health Services	93.723	-	-	1,635	1,635	1,635
State Children's Insurance Program	WI Department of Health Services	93.767	(2,550)	16,118	2,800	16,368	16,368
Medical Assistance Program	WI Department of Health Services	93.778	(267,368)	4,791,858	424,446	4,948,936	4,948,936
Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations	WI Department of Health Services	93.779	(8,348)	45,454	44,628	81,734	81,734
Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations	GWAAR*	93.779	-	-	1,152	1,152	1,152
<b>Total Centers for Medicare and Medicaid Services Research, Demonstrations &amp; Evaluations</b>			<b>(8,348)</b>	<b>45,454</b>	<b>45,780</b>	<b>82,886</b>	<b>82,886</b>
Block Grants for Community Mental Health Services	WI Department of Health Services	93.958	(3,425)	13,353	3,425	13,353	13,353
Block Grants for Prevention and Treatment of Substance Abuse	WI Department of Health Services	93.959	-	70,290	-	70,290	70,290
Preventive Health and Social Services Block Grant	WI Department of Health Services	93.991	-	6,613	1	6,614	6,614
Maternal and Child Health Services Block Grant	WI Department of Health Services	93.994	(14,140)	27,018	3	12,881	12,881
<b>Total U.S. Department of Health and Human Services</b>			<b>(466,034)</b>	<b>6,544,504</b>	<b>573,178</b>	<b>6,651,648</b>	<b>6,651,648</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>							
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	-	41,264	-	41,264	41,264
Pre-Disaster Mitigation Planning Grant	WI Department of Military Affairs	97.047	-	381	-	381	381
Homeland Security Grant Program	WI Department of Administration	97.067	(910)	52,303	-	51,393	51,393
<b>Total U.S. Department of Homeland Security</b>			<b>(910)</b>	<b>93,948</b>	<b>-</b>	<b>93,038</b>	<b>93,038</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ (564,745)</b>	<b>\$ 7,423,038</b>	<b>\$ 655,557</b>	<b>\$ 7,513,850</b>	<b>\$ 7,513,850</b>

\* Greater Wisconsin Agency on Aging Resources

The notes to the schedule of federal awards are an integral part of this schedule.

**OCONTO COUNTY, WISCONSIN**  
Schedule of State Financial Assistance  
Year Ended December 31, 2010

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/10	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/10	Total Revenues	
<b>DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION</b>							
Wisconsin Clean Sweep	Direct Program	115.04	\$ (6,375)	\$ 6,375	\$ -	\$ -	\$ -
Soil and Water Resource Management Program							
Basic Annual Staffing Grants	Direct Program	115.15	(50,898)	160,796	39,238	149,136	149,136
LWRM Plan Implementation	Direct Program	115.40	-	29,792	-	29,792	29,792
Total Department of Agriculture, Trade and Consumer Protection			<u>(57,273)</u>	<u>196,963</u>	<u>39,238</u>	<u>178,928</u>	<u>178,928</u>
<b>DEPARTMENT OF COMMERCE</b>							
Private Sewage System Replacement and Rehabilitation Program	Direct Program	143.110	-	35,108	-	35,108	35,108
<b>DEPARTMENT OF NATURAL RESOURCES</b>							
Aids in Lieu of Taxes	Direct Program	370.503	-	38	-	38	38
Boating Enforcement Aids	Direct Program	370.55	-	2,803	-	2,803	2,803
All-Terrain Vehicle Enforcement Aids	Direct Program	370.551	-	33,581	-	33,581	33,581
Snowmobile Enforcement Aids	Direct Program	370.552	-	17,266	-	17,266	17,266
Wildlife Damage Abatement and Claims	Direct Program	370.553	(2,546)	7,127	-	4,581	4,581
Resource Aids - County Conservation Aids	Direct Program	370.563	-	2,756	-	2,756	2,756
Recreation Aids - Fish, Wildlife & Forestry	Direct Program	370.564	-	2,179	-	2,179	2,179
Forest Croplands & Managed Forest Land Aids	Direct Program	370.566	-	22,693	-	22,693	22,693
Urban & Community Forestry	Direct Program	370.572	-	49,552	-	49,552	49,552
Recreational Aids - Snowmobile Trail and Area Aid		370.574 &					
S - 3307	Direct Program	370.575	-	965	-	965	965
S - 3593	Direct Program		-	54,565	-	54,565	54,565
S - 3735	Direct Program		-	104,996	-	104,996	104,996
S - 3862	Direct Program		-	52,625	-	52,625	52,625
All-Terrain Vehicle (ATV) Program		370.576 &					
ATV 1490	Direct Program	370.577	-	324	-	324	324
ATV 1720	Direct Program		-	102,144	-	102,144	102,144
ATV 1915	Direct Program		-	21,969	-	21,969	21,969
ATV 1957	Direct Program		-	22,125	-	22,125	22,125
ATV 1979	Direct Program		-	61,695	-	61,695	61,695
ATV 2025	Direct Program		-	18,972	-	18,972	18,972
Non-Point Source Pollution	Direct Program	370.662	-	150,000	-	150,000	150,000
Environmental Aids - Municipal & County Recycling	Direct Program	370.665	-	305,356	-	305,356	305,356
Total Department of Natural Resources			<u>(2,546)</u>	<u>1,033,731</u>	<u>-</u>	<u>1,031,185</u>	<u>1,031,185</u>

(Continued)

**OCONTO COUNTY, WISCONSIN**  
Schedule of State Financial Assistance (Continued)  
Year Ended December 31, 2010

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/10	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/10	Total Revenues	
<u>DEPARTMENT OF TRANSPORTATION</u>							
Elderly and Handicapped Transportation Aids	Direct Program	395.101	-	99,445	-	99,445	99,445
<u>DEPARTMENT OF CORRECTIONS</u>							
Community Intervention Program	Direct Program	410.302	(1,537)	1,537	7,340	7,340	7,340
Community Youth and Family Aids	Direct Program	410.313	(85,115)	474,679	2,256	391,820	391,820
Total Department of Corrections			(86,652)	476,216	9,596	399,160	399,160
<u>DEPARTMENT OF HEALTH SERVICES</u>							
Funeral/Cemetery W-2 and Non W-2	Direct Program	435.105	(6,298)	32,470	8,053	34,225	34,225
Medicaid Transportation	Direct Program	435.131	(6,207)	31,878	8,277	33,948	33,948
Medicaid Transportation Administration	Direct Program	435.132	(1,156)	3,146	1,635	3,625	3,625
FSET Admin GPR/Fed Base	Direct Program	435.231	-	22,396	-	22,396	22,396
FSET Retent GPR/Fed Base	Direct Program	435.235	386	(386)	-	-	-
IM Available Allocation-State	Direct Program	435.283	-	152,280	-	152,280	152,280
IM Available Allocation-Federal	Direct Program	435.284	(1,227)	16,516	3,156	18,445	18,445
Medicaid Subrogation Collections	Direct Program	435.291	5,886	(6,527)	(157)	(798)	(798)
Community Options Program	Direct Program	435.367	(3,875)	275,559	120,751	392,435	392,435
Medical Assistance Program Benefits							
COP W Program	Direct Program	435.338	(25,625)	125,660	78,190	178,225	178,225
CIP II Program	Direct Program	435.348	(17,173)	292,182	(6,047)	268,962	268,962
CIP II Community Relocation	Direct Program	435.369	(2,309)	22,788	841	21,320	21,320
CIP II Diversions	Direct Program	435.375	3,605	68,239	(34,690)	37,154	37,154
ICFMR	Direct Program	435.407	(6,219)	46,515	(533)	39,763	39,763
FC Transition CIP 1B	Direct Program	435.410	(23,218)	23,394	23,480	23,656	23,656
CLTS	Direct Program	435.450	19,234	102,813	20,433	142,480	142,480
CLTS MH	Direct Program	435.451	1,128	52,199	2,767	56,094	56,094
CLTS DD	Direct Program	435.460	(2,521)	11,416	-	8,895	8,895
CLTS MH Other	Direct Program	435.461	(7,600)	10,562	979	3,941	3,941
CLTS PD Other	Direct Program	435.462	(4,497)	7,266	1,288	4,057	4,057
CIP II MFP	Direct Program	435.478	(1,436)	7,825	4,557	10,946	10,946
Brain Injury Waiver Program	Direct Program	435.506	-	104,305	-	104,305	104,305
CIP 1B Program	Direct Program	435.564	-	151,251	12,616	163,867	163,867
CIP 1A Program	Direct Program	435.580	-	260,618	-	260,618	260,618

(Continued)

**OCONTO COUNTY, WISCONSIN**  
Schedule of State Financial Assistance (Continued)  
Year Ended December 31, 2010

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/10	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/10	Total Revenues	
<u>DEPARTMENT OF HEALTH SERVICES (Continued)</u>							
Certified Mental Health Program	Direct Program	435.517	-	17,028	-	17,028	17,028
Non-Resident - 997	Direct Program	435.531	-	-	2,595	2,595	2,595
Grants for Infants and Toddlers with Disabilities	Direct Program	435.550	-	34,107	-	34,107	34,107
State Funded-Basic County Allocation	Direct Program	435.561	-	590,234	-	590,234	590,234
Family Support Program	Direct Program	435.577	(8,906)	37,225	13,407	41,726	41,726
State Funded-State/County Match	Direct Program	435.681	-	91,177	-	91,177	182,354
CST Counties 2012	Direct Program	435.81085	(20,410)	60,282	17,357	57,229	57,229
WIC Farmers' Market Nutrition Program	Direct Program	435.154720	(970)	1,899	-	929	929
WWWP - GPR	Direct Program	435.157000	(13,420)	31,312	1	17,893	17,893
Lead Poisoning	Direct Program	435.157720	-	3,769	3	3,772	3,772
Maternal & Child Health Svc. Block Grant	Direct Program	435.159320	(1,031)	1,997	-	966	966
Elderly Benefit Specialist Program	GWAAR*	435.560320	(7,055)	32,916	2,354	28,215	28,215
State Pharmaceutical Assistance Program	GWAAR*	435.560327	(5,707)	8,578	2,500	5,371	5,371
State Senior Community Services	GWAAR*	435.560330	(2,023)	9,517	2	7,496	7,496
Home Delivered Meals (Title III-C-1)	GWAAR*	435.560350	-	70,485	651	71,136	71,136
Home Delivered Meals (Title III-C-2)	GWAAR*	435.560360	(207)	3,602	28	3,423	3,423
Alzheimer's'	GWAAR*	435.560381	(6,856)	16,942	2,991	13,077	13,077
Elder Abuse	GWAAR*	435.560490	(13,956)	32,366	1,084	19,494	19,494
<b>Total Department of Health Services</b>			<b>(159,663)</b>	<b>2,857,801</b>	<b>288,569</b>	<b>2,986,707</b>	<b>3,077,884</b>
<u>DEPARTMENT OF CHILDREN AND FAMILIES</u>							
Wisconsin Works (W-2) Agencies	Direct Program	437.215	(2,594)	87,227	4,523	89,156	89,156
Child Support Activities	Direct Program	437.334	11	(11)	-	-	-
AW DOJ Fingerprint Background	Direct Program	437.3324	-	191	245	436	436
CQI Review Expenses	Direct Program	437.3346	(540)	540	-	-	-
State Funded-Basic County Allocation	Direct Program	437.3561	-	141,251	-	141,251	141,251
State Funded-State/County Match	Direct Program	437.3681	-	39,672	-	39,672	79,344
Child Support Medical Support	Direct Program	437.7603	-	2,105	-	2,105	2,105
<b>Total Department of Children and Families</b>			<b>(3,123)</b>	<b>270,975</b>	<b>4,768</b>	<b>272,620</b>	<b>312,292</b>

\* Greater Wisconsin Agency on Aging Resources

(Continued)

**OCONTO COUNTY, WISCONSIN**  
 Schedule of State Financial Assistance (Continued)  
 Year Ended December 31, 2010

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/10	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/10	Total Revenues	
<b>DEPARTMENT OF JUSTICE</b>							
County Law Enforcement Services	Direct Program	455.226	32,953	34,004	(34,004)	32,953	32,953
Victim and Witness Assistance Program		455.503, 455.532					
Program Cluster	Direct Program	& 455.539	-	32,191	-	32,191	32,191
<b>Total Department of Justice</b>			<b>32,953</b>	<b>66,195</b>	<b>(34,004)</b>	<b>65,144</b>	<b>65,144</b>
<b>DEPARTMENT OF MILITARY AFFAIRS</b>							
Emergency Planning Grant Program		465.337					
FFY10	Direct Program		(5,306)	15,631	-	10,325	10,325
EPCRA Computer & Hazmat Equipment Grant	Direct Program	465.367	-	176	-	176	176
<b>Total Department of Military Affairs</b>			<b>(5,306)</b>	<b>15,807</b>	<b>-</b>	<b>10,501</b>	<b>10,501</b>
<b>DEPARTMENT OF ADMINISTRATION</b>							
Land Information Grants							
2010	Direct Program	505.118	-	6,386	-	6,386	6,386
Public Benefits							
2009-10	Direct Program	505.371	(6,516)	41,282	-	34,766	34,766
2010-11	Direct Program		-	1,874	9,701	11,575	11,575
<b>Total Department of Administration</b>			<b>(6,516)</b>	<b>49,542</b>	<b>9,701</b>	<b>52,727</b>	<b>52,727</b>
<b>TOTAL STATE PROGRAMS</b>			<b>\$ (288,126)</b>	<b>\$ 5,101,783</b>	<b>\$ 317,868</b>	<b>\$ 5,131,525</b>	<b>\$ 5,262,374</b>

The notes to the schedule of state financial assistance are an integral part of this schedule.

## OCONTO COUNTY, WISCONSIN

Notes to the Schedule of Federal Awards and the Schedule of State Financial Assistance  
December 31, 2010

### NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards and Schedule of State Financial Assistance for Oconto County, Wisconsin are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

### NOTE B - 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 2010 basic financial statements. Accrued revenue at year-end consists of program expenditures scheduled for reimbursement to the County in the succeeding year while deferred revenue represents advances for federal and state programs that exceed recorded County expenditures.

Major federal and state financial assistance programs are identified in the Schedule of Findings and Questioned Costs are determined as follows:

Federal Programs: Oconto County qualifies as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore major programs represent those with combined expenditures exceeding 25% of total federal awards that also were deemed major programs based on the auditors' risk assessment. All other federal programs are considered non-major programs.

State Programs: Oconto County, Wisconsin, qualified as a low risk auditee in accordance with the *State Single Audit Guidelines*. Therefore major programs represent those with combined expenditures exceeding 25% of total state financial assistance that also were deemed major programs based on the auditors' risk assessment. In addition, certain state financial assistance programs were designated state major by the state granting agency and therefore considered state major. All other state financial assistance programs are considered non-major programs.

Certain programs administered by the Wisconsin Department of Natural Resources may have been included in the Schedule of State Financial Assistance for presentation purposes only and are not subject to audit as major programs by the *State Single Audit Guidelines*.

### NOTE C - OVERSIGHT AGENCIES

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

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

**OCONTO COUNTY, WISCONSIN**

Notes to the Schedule of Federal Awards and the Schedule of State Financial Assistance (Continued)  
December 31, 2010

**NOTE D - U.S. DEPARTMENT OF COMMERCE**

The County reports the Tri-County loan fund lending activity related to E.D.A. Project No. 06-19-02137, which was originally received in 1985. The amount shown in the schedule of federal awards is calculated as follows:

Balance of loans outstanding at December 31, 2010	\$	50,257
Cash balance at December 31, 2010		19,232
Administrative expenditures for year ended December 31, 2010		3,316
Total Expenditures for CFDA #11.307	\$	<u>72,805</u>

**NOTE E - TITLE 19 MEDICAL ASSISTANCE PAYMENTS**

The Schedule of Federal Awards and Schedule of State Financial Assistance does not include payments received by the County's Human Service Department for various 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 awards or state financial assistance. Payments received under the Wisconsin Medicaid Cost Reporting (WIMCR) and Case Management Agency Providers are included in the amount received from the Title 19 Medical Assistance program.

**NOTE F - STATE DIRECT PAYMENTS**

Payments made directly to recipients and vendors by the State of Wisconsin under the food stamp program on behalf of the County are not included in the Schedule of Federal Awards and Schedule of State Financial Assistance.

**NOTE G - STATE OF WISCONSIN REPORTING SYSTEM**

The Wisconsin Department of Children and Families (DCF), Health Services (DHS) and Workforce Development (DWD) utilize the Community Aids Reporting System (CARS) and the Central Office Reporting System (CORS) for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedule of Federal Awards and the Schedule of State Financial Assistance for various DHS, DCF and DWD programs agree with the expenditures reported on the April 18, 2011 CARS for the Human Services Department and the December 2010 CORS for Child Support and Human Service departments, with adjustments for accrued revenue at year-end.

**OCONTO COUNTY, WISCONSIN**

Notes to the Schedule of Federal Awards and the Schedule of State Financial Assistance (Continued)  
December 31, 2010

**NOTE H - AMERICAN RECOVERY AND REINVESTMENT ACT**

The *Wisconsin Department of Health Services* requires the following additional information be presented for each Recovery Act program with funding passed through that department:

Federal Grantor: U.S. Department of Education  
 Program or Cluster Title: Early Intervention Services (IDEA) Cluster  
 Federal CFDA Number: 84.393  
 CARS profile name or purchase order description: ARRA BIRTH-3 NON CALENDAR  
 CARS profile number or purchase order number: 81065  
 CARS or invoice expenses and payments by contract year:

	CARS 603 Column H Actual CTD Expenses	CARS 603 Column K CTD pmts (Advances)
1/1/10 - 12/31/10	\$ 10,060	\$ 7,187

1. Was the funding part of a Type A program or cluster? No

Federal Grantor: U.S. Department of Health and Human Services  
 Program or Cluster Title: Immunization Cluster  
 Federal CFDA Number: 93.712  
 CARS profile name or purchase order description: ARRA IMM FOR CHILD & ADULT  
 CARS profile number or purchase order number: 71004  
 CARS or invoice expenses and payments by contract year:

	CARS 603 Column H Actual CTD Expenses	CARS 603 Column K CTD pmts (Advances)
1/1/10 - 12/31/10	\$ 7,289	\$ 875

1. Was the funding part of a Type A program or cluster? No

Federal Grantor: U.S. Department of Health and Human Services  
 Program or Cluster Title: ARRA - Prevention and Wellness  
 Federal CFDA Number: 93.723  
 CARS profile name or purchase order description: ARRA PREV WELN COMPONT-2  
 CARS profile number or purchase order number: 71007  
 CARS or invoice expenses and payments by contract year:

	CARS 603 Column H Actual CTD Expenses	CARS 603 Column K CTD pmts (Advances)
1/1/10 - 12/31/10	\$ 1,635	\$ -

1. Was the funding part of a Type A program or cluster? No

**OCONTO COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2010

**Section I - Summary of Auditors' Results**

Basic Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? No

Federal Awards and State Financial Assistance

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? Yes

Identification of major federal and state programs:

CFDA Number	Name of Federal Program
93.563	ARRA - Child Support Enforcement (Title IV-D)
93.563	Child Support Enforcement (Title IV-D)
93.778	Medical Assistance Program

State ID Number	Name of State Program
370.662	Non-Point Source Pollution
435.283	IM Available Allocation-State
435.367	Community Options Program
	<i>Medical Assistance Programs</i>
435.338	COP W Program
435.348	CIP II Program
435.369	CIP II Community Relocation
435.375	CIP II Diversions
435.407	ICFMR
435.410	FC Transition CIP 1B
435.450	CLTS
435.451	CLTS MH
435.460	CLTS DD
435.461	CLTS MH Other
435.462	CLTS PD Other
435.478	CIP II MFP
435.506	Brain Injury Waiver Program
435.564	CIP 1B Program
435.580	CIP 1A Program
N/A	Wisconsin Medicaid Cost Reporting
435.561	State Funded-Basic County Allocation
435.681	State Funded-State/County Match
437.3561	State Funded-Basic County Allocation
437.3681	State Funded-State/County Match
437.7603	Child Support Medical Support

Audit threshold used to determine between Type A and Type B programs: \$300,000  
 Auditee qualified as low-risk auditee Yes

**OCONTO COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs (Continued)  
 Year Ended December 31, 2010

**Section II - Basic Financial Statement Findings**

Finding No.	Control Deficiencies
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**2010-01      Year End Closing and Financial Reporting**

**Condition:** While the current staff of the County maintain financial records which accurately report revenues and expenditures throughout the year, preparing year end GASB 34 conversion entries necessary to prepare financial statements, including related notes require additional expertise that would entail additional training and staff time to develop. The County contracts with Schenck and their knowledge of current accounting principles to prepare required journal entries and financial reports for the County in an efficient manner.

**Criteria:** The review of financial statements by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential misstatement in the financial statements or notes.

**Cause:** The additional costs associated with hiring staff experienced in preparing year end GASB 34 conversion entries and financial reports, including additional training time outweigh the derived benefits.

**Effect:** The financial statements of the County could be misstated and not detected and corrected in a timely manner without our review and posting of GASB 34 conversion entries.

**Recommendation:** We recommend the County continue reviewing GASB 34 conversion entries along with the financial reports prepared by Schenck. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the County is necessary to obtain an adequate understanding of the County's financial report.

**OCONTO COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs (Continued)  
 Year Ended December 31, 2010

**Section III - Federal Award Findings and Questioned Costs**

Finding No.	Internal Control Deficiency
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**2010-02                      Financial Reporting for Federal and State Financial Assistance**

CFDA #: All federal programs

Condition: OMB Circular A-133 and the *State Single Audit Guidelines* requires the County to prepare appropriate financial statements, including the schedules of expenditures of federal awards and state financial assistance. While the current staff of the County maintains financial records supporting amounts reported in the schedules of expenditures of federal awards and state financial assistance, the County contracts with Schenck to compile the data from these records and prepare the single audit report for the County.

Criteria: Having staff with expertise in federal and state financial reporting prepare the County's single audit report is an internal control intended to prevent, detect and correct a potential misstatement in the schedules of expenditures of federal awards and state financial assistance, or accompanying notes to the schedule.

Cause: The additional costs associated with hiring staff sufficiently experienced to prepare the County's single audit report, including the additional training time, outweigh the derived benefits.

Effect: The County could receive federal or state grant awards which are not included in the accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance.

Recommendation: We recommend County personnel continue reviewing the County's single audit report prepared by Schenck. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the County is necessary to ensure all federal and state financial assistance programs are properly reported in the County's single audit report.

**OCONTO COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs (Continued)  
 Year Ended December 31, 2010

**Section III - Federal Award Findings and Questioned Costs (Continued)**

Finding No.	State Single Audit Guidelines Findings	Questioned Costs
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**2010-03                    General Requirements - Purchase of Service Contracts**

CFDA #    Federal portion of applicable CARS lines

Condition:    The County is responsible for monitoring the receipt of the audit and subsequent review of the provider audit reports to ensure they contain all applicable report elements required by the contract. Any audit findings should be resolved within six months after receipt of the provider's audit reports.

Criteria:      Providers receiving more than \$25,000 in funds from the County must have an audit that meets department standards, unless alternative monitoring is performed and the audit requirement waived by the County. Providers generally need to submit audit reports to the County six months after the end of their fiscal period.

Effect:        The County could pass-through federal and state grant awards to provider agencies and be unable to determine if the sub recipient properly administered the awards.

Questioned Costs:    At the end of the audit fieldwork, the County had not received a 2009 audit from one provider as detailed below. Total payments of \$162,030, as summarized below by CARS line, are reported as questioned costs.                    \$    162,030

Recommendation:    Our review of the County's procedures indicated that adequate monitoring procedures existed and that appropriate follow-up procedures were performed. We recommend the County continue its current efforts to obtain audits from all providers required by contract to provide audits to the County.

Vendor	CARS Line	Amount
<i>Bayshore Pines</i>		
COP waiver	337	\$    23,741
CIP II	347	28,890
CIP II - Community Relocation	368	94,462
CIP II - NH Diversion	374	14,716
Basic County Allocation	561	221
		<u>\$    162,030</u>

**OCONTO COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs (Continued)  
 Year Ended December 31, 2010

**Section IV - Other Issues**

Does the auditor's report of the notes to the financial statement include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? \_\_\_\_\_ Yes        X   No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade and Consumer Protection	<u>  X  </u>	Yes	_____	No
Department of Commerce	<u>  X  </u>	Yes	_____	No
Department of Natural Resources	<u>  X  </u>	Yes	_____	No
Department of Transportation	<u>  X  </u>	Yes	_____	No
Department of Corrections	<u>  X  </u>	Yes	_____	No
Department of Health Services	<u>  X  </u>	Yes	_____	No
Department of Children and Families	<u>  X  </u>	Yes	_____	No
Department of Justice	<u>  X  </u>	Yes	_____	No
Department of Military Affairs	<u>  X  </u>	Yes	_____	No
Department of Administration	<u>  X  </u>	Yes	_____	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? \_\_\_\_\_   X   Yes      \_\_\_\_\_ No

Name and signature of shareholder

  
 \_\_\_\_\_  
 Paul G. Denis, CPA

Date of report

June 14, 2011

**OCONTO COUNTY, WISCONSIN**  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
Year Ended December 31, 2010

Prior Year Audit Findings

The findings noted in the 2009 Schedule of Findings and Questioned Costs have been reported to the proper federal and state agencies. Management continues to believe the cost to hire additional staff to eliminate the control deficiencies identified as 2009-01 and 2009-02 outweigh the benefits to be received. Management reviews the financial report and the single audit report prepared by Schenck.

Corrective Action Plan

- |         |   |
|---------|---|
| 2010-01 | Year End Closing and Financial Reporting  |
|         | The County will continue to review the entire annual financial report for accuracy prior to issuance.                                   |
| 2010-02 | Financial Reporting for Federal and State Financial Assistance  |
|         | The County will have the finance department staff continue to perform a thorough review of the single audit report prepared by Schenck. |
| 2010-03 | General Requirements - Purchase of Service Contracts  |
|         | The County will continue its current efforts to obtain audits from all providers required by contract to provide audits to the County.  |

**STATE FINANCIAL REPORT FORM**



**INDEPENDENT AUDITORS' REPORT ON STATE FINANCIAL REPORT FORM**

To the County Board  
Oconto County, Wisconsin

State of Wisconsin - Department of Revenue  
Division of State and Local Finance  
Bureau of Local Financial Assistance  
2135 Rimrock Road #6-97  
P.O. Box 8971  
Madison, Wisconsin 53708-8933

In connection with our audit of the basic financial statements of Oconto County, Wisconsin for the year ended December 31, 2010, we have also examined the 2010 Financial Report Form A required to be submitted to the Wisconsin Department of Revenue (WDR) by Wisconsin Administration Rule, Tax 16. The 2010 Financial Report Form A has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion the 2010 Financial Report Form A, with the attached revisions, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Since the 2010 Financial Report Form A has already been filed with the WDR, the County anticipates the WDR will adjust the filed copy to agree with the attached account revisions.

Certified Public Accountants  
Green Bay, Wisconsin  
June 14, 2011



**OCONTO COUNTY, WISCONSIN**  
 Schedule of Revisions to 2010 State Financial Report Form  
 Submitted to Wisconsin Department of Revenue

Seq./Acct. Number	Per State Financial Report	Increase (Decrease)	Per Audit
<b>Governmental Funds:</b>			
Revenues			
100-41800	\$ 445,818	\$ (49,033)	\$ 396,785
Total Revenues	<u>\$ 445,818</u>	<u>\$ (49,033)</u>	<u>\$ 396,785</u>
<b>Governmental Fund Balance</b>			
Per Filed Report		\$ (49,033)	
151-34000		<u>16,363,782</u>	
Per Audit Report - Page 15		<u>\$ 16,314,749</u>	
<b>Proprietary Funds:</b>			
Expenditures			
209-53635	\$ 690,723	\$ (709)	\$ 690,014
210-53311	3,071,050	(246,998)	2,824,052
Total Expenditures	<u>\$ 3,761,773</u>	<u>\$ (247,707)</u>	<u>\$ 3,514,066</u>
<b>Net Proprietary Fund Change</b>			
Per Filed Report		\$ 247,707	
230-62000		<u>(300,965)</u>	
Per Audit Report - Page 21		<u>\$ (53,258)</u>	