

OCONTO COUNTY, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2011

OCONTO COUNTY, WISCONSIN
December 31, 2011

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**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND 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 aggregate 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, 2011, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the Oconto County, Wisconsin's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the County's 2010 financial statements and, in our report dated June 14, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, human services fund and county roads and bridges fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A.4, the County has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the

results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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, the schedule of funding progress and the schedule of employer contributions on pages 3 through 9 and 46 through 47 be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 the County's financial statements as a whole. The financial information listed in the table of contents as supplemental information, and the accompanying schedule of expenditures of federal awards and schedule of 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 presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental information and 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 15, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oconto County, Wisconsin
Management's Discussion and Analysis
December 31, 2011

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, 2011.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2011 by \$123,150,382 (*net assets*). Of this amount, \$22,993,388 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors. The remainder of \$100,156,994 is invested in capital assets, net of depreciation.
- The County's total net assets increased by \$406,668 from 2010. The increase consisted of a gain in governmental activities of \$755,345 and a decrease in business-type activities of \$348,677.
- As of December 31, 2011, the County's governmental funds reported combined ending fund balances of \$18,667,274, an increase of \$2,352,525 from the prior year.
- As of December 31, 2011, the County's general fund unassigned fund balance was \$10,036,852, or approximately 65% of the total 2011 general fund expenditures of \$15,462,132.
- There is no outstanding debt of the county at the end of 2011. There is no anticipated new debt borrowing for 2012.
- Delinquent property taxes (tax certificates & tax deeds) increased by \$225,542, or 8% (compared to 5% last year), to \$3,037,437.
- The county's equalized value decreased again from the previous year by 1.4%. This is the third year of consecutive decreases in the county's equalized value.
- The property tax mill rate increased 4 cents per \$1,000 of equalized value for the year 2011 to \$4.88, compared to \$4.84 in 2010. The property tax levy increased to \$17,633,343 in 2011 from \$17,491,115, an increase of \$142,228, or .8%. 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 fourteen 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 eleven 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 48 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 \$123,150,382 at the close of the year.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2011	2010	2011	2010	2011	2010
OCONTO COUNTY NET ASSETS:						
Current and other assets	\$ 41,493,191	\$ 38,887,707	\$ 5,733,672	\$ 6,138,828	\$ 47,226,863	\$ 45,026,535
Capital assets	91,613,818	92,865,110	8,543,176	8,644,010	\$ 100,156,994	\$ 101,509,120
Total assets	133,107,009	131,752,817	14,276,848	14,782,838	147,383,857	146,535,655
Long-term liabilities outstanding	1,036,530	863,668	1,647,177	1,502,667	\$ 2,683,707	\$ 2,366,335
Other liabilities	21,260,432	20,834,447	289,336	591,159	\$ 21,549,768	\$ 21,425,606
Total liabilities	22,296,962	21,698,115	1,936,513	2,093,826	24,233,475	23,791,941
Net assets:						
Invested in capital assets, net of debt	91,613,818	92,865,110	8,543,176	8,644,010	\$ 100,156,994	\$ 101,509,120
Restricted	-	-	-	-	-	-
Unrestricted	19,196,229	17,189,592	3,797,159	4,045,002	22,993,388	21,234,594
Total net assets	\$ 110,810,047	\$ 110,054,702	\$ 12,340,335	\$ 12,689,012	\$ 123,150,382	\$ 122,743,714

By far the largest portion of the County’s total net assets (81.3%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.). 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 \$22,993,388 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 all 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 \$755,345 and business-type activities decreased the County's net assets by \$348,677 during the year, thus resulting in a net increase of \$406,668 of the total net assets of the County.

OCONTO COUNTY CHANGE IN NET ASSETS PRIMARY GOVERNMENT	Governmental Activities		Business-type Activities		TOTALS	
	2011	2010	2011	2010	2011	2010
	Revenues:					
Program revenues:						
Charges for services, fees, fines, costs ...	\$ 5,252,147	\$ 4,933,023	\$ 10,234,526	\$ 9,224,791	\$ 15,486,673	\$ 14,157,814
Operating grants and contributions	13,669,071	14,244,593	217,047	305,356	13,886,118	14,549,949
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	17,633,343	17,491,115	-	-	17,633,343	17,491,115
Other taxes	2,144,253	1,877,921	-	-	2,144,253	1,877,921
Grants and contributions not restricted to specific programs	761,279	760,906	-	-	761,279	760,906
Interest and investment earnings	137,072	198,808	12,110	18,218	149,182	217,026
Other	22,374	18,141	-	10,565	22,374	28,706
Total revenues	39,619,539	39,524,507	10,463,683	9,558,930	50,083,222	49,083,437
Expenses:						
General government	5,343,601	5,496,359	-	-	5,343,601	5,496,359
Public safety	6,741,189	7,099,778	-	-	6,741,189	7,099,778
Public works	5,774,292	5,796,444	-	-	5,774,292	5,796,444
Health and human services	18,161,591	17,735,201	-	-	18,161,591	17,735,201
Culture and recreation	1,629,902	1,699,691	-	-	1,629,902	1,699,691
Development	1,653,935	1,559,165	-	-	1,653,935	1,559,165
Interest on long-term debt	-	104,913	-	-	-	104,913
Highway	-	-	9,141,258	8,380,246	9,141,258	8,380,246
MAR-OCO landfill	-	-	615,140	541,928	615,140	541,928
Recycling	-	-	615,646	690,014	615,646	690,014
Total expenses	39,304,510	39,491,551	10,372,044	9,612,188	49,676,554	49,103,739
Increase in net assets before transfers	315,029	32,956	91,639	(53,258)	406,668	(20,302)
Transfers	440,316	-	(440,316)	-	-	-
Increase in net assets	755,345	32,956	(348,677)	(53,258)	406,668	(20,302)
Net assets - January 1	110,054,702	110,021,746	12,689,012	12,742,270	122,743,714	122,764,016
Net assets - December 31	\$110,810,047	\$110,054,702	\$12,340,335	\$12,689,012	\$123,150,382	\$122,743,714

Governmental activities. Elements contributing to the \$755,345 increase in governmental net assets include:

- A transfer in from the highway enterprise fund of \$440,316 for offsetting the property tax levy
- The remaining increase of \$315,029 may be attributed to the unexpected decrease in retirement costs for the county due to WI Act 10.

Business-type activities. Elements contributing to the \$348,677 decrease in business-type net assets include:

- Highway business-type fund transferred \$440,316 to the general fund, otherwise had net income of \$235,754 before transfer.
- Recycling operations resulted in a net income of \$36,187.
- MAR-OCO Landfill operations resulted in a net loss of \$180,302.

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, *unassigned fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2011, the County's governmental funds reported a combined ending fund balance of \$18,667,274, an increase of \$2,352,525 from the prior year. Of that combined ending fund balance, \$10,036,852 (54%) constitutes *unassigned fund balance* that is available for spending at the County's discretion. The remainder of fund balance is *assigned, restricted and/or non-spendable* to indicate that it is not available for new spending because it has already been committed for the following, such as, 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 unassigned fund balance of the general fund was \$10,036,852, while the total fund balance was \$13,413,253. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 65% of total general fund expenditures, while the total fund balance represents 87% of general fund expenditures. In relation to general fund revenues, unassigned fund balance also represents 65% of total general fund revenues.

The fund balance of the County's general fund increased \$1,846,097, from \$11,567,156 to \$13,413,253 during the year. Key factors in this increase include:

- Payment of \$469,500 was received from the county sales fund as a reimbursement for the 2011 debt defeasance payment.
- Transfers totaling \$1,083,079 were received from the human services and highway funds.

The Human Services fund had a balance of \$2,023,931 at the end of the year. This fund balance decreased \$161,638 during the year. This decrease was due to a transfer to the general fund of \$642,763, otherwise operating revenues exceeded expenditures by \$481,125. The tax levy for Human Services remained the same as 2010, amounting to \$4,988,184. Of the \$2,023,931 fund balance, \$236,263 has been applied to reduce the human service fund's 2012 property tax levy and \$400,000 will be transferred to the general fund to reduce the overall 2012 levy.

The County Roads and Bridges fund had a balance of \$1,264,100 at the end of the year. This fund balance increased \$19,422 during the year. The tax levy for the roads and bridge stayed the same in 2011 as 2010, that being \$3,221,672, excluding the local bridge aid levies. Of the county road and bridge \$1,264,100 fund balance, \$191,900 has been applied to reduce the fund's 2012 property tax levy and \$313,987 will be transferred to the general fund to reduce the overall 2012 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:

	<u>12/31/2011</u>	<u>12/31/2010</u>
Highway	\$2,958,502	\$3,182,019
MAR-OCO Landfill	196,817	293,793
Recycling	641,840	569,190

The results of operations for the aforementioned funds have been noted in the change in net assets section on page 6.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget amounted to a \$485,126 increase in appropriations and can be briefly summarized as follows:

- \$259,000 increase in general government expenditures,
- \$148,000 additional expenditures for law enforcement projects,
- \$565,400 additional expenditures for state aided culture and recreation projects,
- \$333,000 additional expenditures for conservation and development programs
- \$829,000 decrease in capital outlay

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

For the year, actual revenues and other financing sources exceeded expenditures by \$1,846,097 thus increasing the general fund balance at the end of 2011 to \$13,413,253 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 \$1,352,126 from 2010. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress.

OCONTO COUNTY CAPITAL ASSETS (net of depreciation)						
Asset	Government activities		Business-type activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$ 11,681,968	\$ 11,681,968	\$ 123,716	\$ 123,716	\$ 11,805,684	\$ 11,805,684
Buildings	7,658,641	8,078,865	2,238,911	2,442,552	9,897,552	10,521,417
Improvements other than buildings	751,157	808,659	946,124	1,016,857	1,697,281	1,825,516
Machinery and equipment	1,291,113	1,370,005	5,164,212	4,879,492	6,455,325	6,249,497
Infrastructure	70,230,939	70,925,613	-	-	70,230,939	70,925,613
Construction in progress			52,250	160,269	52,250	160,269
Other	-	-	17,963	21,124	17,963	21,124
Total	\$ 91,613,818	\$ 92,865,110	\$ 8,543,176	\$ 8,644,010	\$ 100,156,994	\$ 101,509,120

Additional information on the County’s capital assets can be found in Note C (5) on pages 36-37 of this report.

Long-term Debt: At the end of 2011, Oconto County had no outstanding general obligation debt.

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 May 2012 was 7.8%, and compares with the statewide rate of 6.8% and a federal rate of 8.2%. 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 limit is the tax levy, rather than the mill rate. The limit is the percentage increase of net new construction (NNC), or a percentage designated by the state, whichever is greater. For the 2010 levy (collection in 2011), the County's increase in NNC was .77%. The state allowed minimum percentage was 3.0%. For the 2011 levy (collect in 2012), the state percentage dropped to 0%, and is based only on NNC. Additionally, the percentage increase allowed is now based on prior year actual levy, rather than the previously allowable levy.

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.

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FINANCIAL STATEMENTS

Government-wide Financial Statements

OCONTO COUNTY, WISCONSIN

Statement of Net Assets

December 31, 2011

(With summarized financial information as of December 31, 2010)

	Primary Government				Component Unit
	Governmental Activities	Business-type Activities	Total		Commission on Aging
			2011	2010	
ASSETS					
Cash and investments	\$ 16,878,428	\$ 3,786,606	\$ 20,665,034	\$ 18,304,953	\$ 29,453
Receivables					
Taxes	21,872,695	-	21,872,695	21,371,590	-
Accounts	1,317,667	21,986	1,339,653	1,406,546	67,200
Loans	442,745	-	442,745	617,869	-
Due from other governments	962,618	82,855	1,045,473	1,420,726	-
Inventories and prepaid items	19,038	975,173	994,211	1,077,498	-
Restricted cash and investments	-	724,353	724,353	700,481	-
Deferred charges	-	142,699	142,699	126,872	-
Capital assets					
Land	11,681,968	123,716	11,805,684	11,805,684	-
Improvements other than buildings	1,476,319	2,975,231	4,451,550	4,451,550	-
Buildings	16,107,128	5,035,521	21,142,649	21,142,649	-
Machinery and equipment	5,788,440	14,932,698	20,721,138	20,130,055	-
Other capital assets	-	52,792	52,792	52,792	-
Construction in progress	-	52,250	52,250	160,269	-
Infrastructure	132,650,691	-	132,650,691	129,748,344	-
Less: Accumulated depreciation	(76,090,728)	(14,629,032)	(90,719,760)	(85,982,223)	-
TOTAL ASSETS	133,107,009	14,276,848	147,383,857	146,535,655	96,653
LIABILITIES					
Accounts payable	1,991,453	130,127	2,121,580	2,558,833	36,729
Accrued payroll liabilities	1,009,650	159,209	1,168,859	847,933	-
Due to other governments	469,204	-	469,204	385,259	-
Unearned revenues	17,790,125	-	17,790,125	17,633,581	-
Long-term obligations					
Due in more than one year	1,036,530	194,814	1,231,344	1,028,708	-
Closure and post-closure care costs	-	1,452,363	1,452,363	1,337,627	-
TOTAL LIABILITIES	22,296,962	1,936,513	24,233,475	23,791,941	36,729
NET ASSETS					
Invested in capital assets	91,613,818	8,543,176	100,156,994	101,509,120	-
Unrestricted	19,196,229	3,797,159	22,993,388	21,234,594	59,924
TOTAL NET ASSETS	\$ 110,810,047	\$ 12,340,335	\$ 123,150,382	\$ 122,743,714	\$ 59,924

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

OCONTO COUNTY, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2011

(With summarized financial information for the year ended December 31, 2010)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	\$ 5,343,601	\$ 985,116	\$ 213,113	\$ -
Public safety	6,741,189	666,430	217,260	-
Public works	5,774,292	5,715	1,559,534	-
Health and human services	18,161,591	2,699,057	10,600,834	-
Culture and recreation	1,629,902	236,619	332,316	-
Development	1,653,935	659,210	746,014	-
Interest on debt	-	-	-	-
Total Governmental Activities	<u>39,304,510</u>	<u>5,252,147</u>	<u>13,669,071</u>	<u>-</u>
Business-type Activities				
Highway	9,141,258	9,377,012	-	-
MAR-OCO Landfill	615,140	402,988	19,740	-
Recycling	615,646	454,526	197,307	-
Total Business-type Activities	<u>10,372,044</u>	<u>10,234,526</u>	<u>217,047</u>	<u>-</u>
Total primary government	<u>\$ 49,676,554</u>	<u>\$ 15,486,673</u>	<u>\$ 13,886,118</u>	<u>\$ -</u>
Component unit				
Commission on aging	<u>\$ 626,314</u>	<u>\$ 124,038</u>	<u>\$ 530,268</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
- Transfers
- Total general revenues and transfers

Change in net assets

Net assets - January 1

Net assets - December 31

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

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			2010	Component Unit	
Governmental Activities	Business-type Activities	Total		Commission on Aging	
\$ (4,145,372)	\$ -	\$ (4,145,372)	\$ (4,363,287)	\$ -	
(5,857,499)	-	(5,857,499)	(6,092,625)	-	
(4,209,043)	-	(4,209,043)	(3,965,052)	-	
(4,861,700)	-	(4,861,700)	(4,353,580)	-	
(1,060,967)	-	(1,060,967)	(979,906)	-	
(248,711)	-	(248,711)	(454,572)	-	
-	-	-	(104,913)	-	
(20,383,292)	-	(20,383,292)	(20,313,935)	-	
-	235,754	235,754	139,086	-	
-	(192,412)	(192,412)	(109,890)	-	
-	36,187	36,187	(111,237)	-	
-	79,529	79,529	(82,041)	-	
(20,383,292)	79,529	(20,303,763)	(20,395,976)	-	
-	-	-	-	27,992	
17,633,343	-	17,633,343	17,491,115	-	
2,144,253	-	2,144,253	1,877,921	-	
761,279	-	761,279	760,906	-	
137,072	12,110	149,182	217,026	1,114	
-	-	-	4,780	-	
22,374	-	22,374	23,926	2,099	
440,316	(440,316)	-	-	-	
21,138,637	(428,206)	20,710,431	20,375,674	3,213	
755,345	(348,677)	406,668	(20,302)	31,205	
110,054,702	12,689,012	122,743,714	122,764,016	28,719	
\$ 110,810,047	\$ 12,340,335	\$ 123,150,382	\$ 122,743,714	\$ 59,924	

Fund Financial Statements

OCONTO COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2011

(With summarized financial information as of December 31, 2010)

	General	Human Services	County Roads and Bridges	Other Governmental Funds	Total Governmental Funds	
					2011	2010
ASSETS						
Cash and investments	\$ 10,642,299	\$ 2,420,657	\$ 1,264,100	\$ 2,551,372	\$ 16,878,428	\$ 14,357,847
Receivables						
Taxes	12,522,120	4,988,184	3,286,246	154,490	20,951,040	20,558,514
Accounts	972,953	271,621	-	3,170	1,247,744	1,288,992
Notes	-	-	-	442,745	442,745	617,869
Advance to other funds	10,000	-	-	-	10,000	10,000
Due from other governments	898	937,724	-	-	938,622	1,083,336
Inventories and prepaid items	10,212	7,165	-	1,661	19,038	14,535
TOTAL ASSETS	\$ 24,158,482	\$ 8,625,351	\$ 4,550,346	\$ 3,153,438	\$ 40,487,617	\$ 37,931,093
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 418,809	\$ 993,311	\$ -	\$ 579,333	\$ 1,991,453	\$ 2,112,442
Accrued payroll liabilities	823,632	185,138	-	880	1,009,650	703,165
Advance from other funds	-	-	-	10,000	10,000	10,000
Due to other governments	141,583	327,621	-	-	469,204	385,259
Deferred revenues	9,361,205	5,095,350	3,286,246	597,235	18,340,036	18,405,478
Total Liabilities	10,745,229	6,601,420	3,286,246	1,187,448	21,820,343	21,616,344
Fund Balances						
Nonspendable for						
Delinquent property taxes	2,698,464	-	-	-	2,698,464	2,526,589
Long-term advances	10,000	-	-	-	10,000	10,000
Inventories and prepaid items	10,212	7,165	-	-	17,377	14,535
Restricted for						
Unspent grant awards and advances	118,660	-	-	-	118,660	155,018
Assigned for						
Continuing appropriations	539,065	-	-	-	539,065	428,162
Special revenue funds	-	2,016,766	1,264,100	1,965,990	5,246,856	4,736,659
Unassigned, reported in						
General fund	10,036,852	-	-	-	10,036,852	8,443,786
Total Fund Balances	13,413,253	2,023,931	1,264,100	1,965,990	18,667,274	16,314,749
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,158,482	\$ 8,625,351	\$ 4,550,346	\$ 3,153,438	\$ 40,487,617	\$ 37,931,093

(Continued)

OCONTO COUNTY, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2011

(With summarized financial information as of December 31, 2010)

	2011	2010
<u>Reconciliation to the Statement of Net Assets</u>		
Total Fund Balances from previous page	\$ 18,667,274	\$ 16,314,749
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.	91,613,818	92,865,110
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Other post-employment benefit (OPEB) liability	\$ (420,169)	
Compensated absences	<u>(616,361)</u>	(863,668)
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>1,565,485</u>	<u>1,738,511</u>
Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 10)	<u><u>\$ 110,810,047</u></u>	<u><u>\$ 110,054,702</u></u>

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

OCONTO COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011
(With summarized financial information for the year ended December 31, 2010)

	General	Human Services	County Roads and Bridges	Other Governmental Funds	Total Governmental Funds	
					2011	2010
Revenues						
Taxes	\$ 9,774,569	\$ 4,988,184	\$ 3,342,472	\$ 1,616,959	\$ 19,722,184	\$ 19,350,197
Intergovernmental	2,826,128	10,191,475	1,559,534	-	14,577,137	14,929,474
Licenses and permits	201,788	-	-	18,458	220,246	219,608
Fines and forfeits	162,411	-	-	36,201	198,612	217,147
Public charges for services	1,624,936	1,792,324	-	16,202	3,433,462	3,028,662
Intergovernmental charges for services	378,616	-	-	-	378,616	420,646
Miscellaneous	356,942	773,322	-	161,215	1,291,479	1,279,948
Total Revenues	15,325,390	17,745,305	4,902,006	1,849,035	39,821,736	39,445,682
Expenditures						
Current						
General government	4,701,445	-	-	45	4,701,490	4,890,102
Public safety	6,426,162	-	-	82,065	6,508,227	6,461,596
Public works	197,035	-	4,882,584	-	5,079,619	4,824,677
Health and human services	747,873	17,264,180	-	45,976	18,058,029	17,657,131
Culture and recreation	1,338,371	-	-	161,040	1,499,411	1,501,048
Development	1,620,984	-	-	11,505	1,632,489	1,741,019
Debt service						
Principal	-	-	-	-	-	1,725,000
Interest and fiscal charges	-	-	-	-	-	125,246
Capital outlay	430,262	-	-	-	430,262	344,735
Total Expenditures	15,462,132	17,264,180	4,882,584	300,631	37,909,527	39,270,554
Excess of Revenues Over (Under) Expenditures	(136,742)	481,125	19,422	1,548,404	1,912,209	175,128
Other Financing Sources (Uses)						
Transfers in	1,982,839	-	-	-	1,982,839	2,681,886
Transfers out	-	(642,763)	-	(899,760)	(1,542,523)	(2,681,886)
Total Other Financing Sources (Uses)	1,982,839	(642,763)	-	(899,760)	440,316	-
Net Change in Fund Balances	1,846,097	(161,638)	19,422	648,644	2,352,525	175,128
Fund Balances - January 1	11,567,156	2,185,569	1,244,678	1,317,346	16,314,749	16,139,621
Fund Balances - December 31	\$ 13,413,253	\$ 2,023,931	\$ 1,264,100	\$ 1,965,990	\$ 18,667,274	\$ 16,314,749

(Continued)

OCONTO COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2011
(With summarized financial information for the year ended December 31, 2010)

	2011	2010
<u>Reconciliation to the Statement of Activities</u>		
Net Change in Fund Balances from previous page	\$ 2,352,525	\$ 175,128
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	\$ 3,081,407	
Depreciation expense reported in the statement of activities	(4,302,407)	
Amount by which capital outlays are less than depreciation	(1,221,000)	(1,763,497)
<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	\$ (29,171)	
Loss on disposition reported on the statement of activities	(1,121)	
Cost of assets disposed of	(30,292)	(27,391)
<p>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 (decreased) by:</p>		
	(173,026)	106,216
<p>Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. The accrual of these benefits increased by:</p>		
	(172,862)	(202,833)
<p>Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities. The amount of long-term debt principal payments is:</p>		
	-	1,725,000
<p>Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.</p>		
	-	20,333
Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see pages 11 and 12)	\$ 755,345	\$ 32,956

The notes to the 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
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,585,106	\$ 9,585,106	\$ 9,774,569	\$ 189,463
Intergovernmental	1,976,985	2,558,153	2,826,128	267,975
Licenses and permits	200,075	200,075	201,788	1,713
Fines and forfeits	245,000	245,000	162,411	(82,589)
Public charges for services	1,399,825	1,521,961	1,624,936	102,975
Intergovernmental charges for services	280,170	280,170	378,616	98,446
Miscellaneous	312,875	346,512	356,942	10,430
Total Revenues	14,000,036	14,736,977	15,325,390	588,413
Expenditures				
Current				
General government	5,405,747	5,665,030	4,701,445	963,585
Public safety	6,315,651	6,464,316	6,426,162	38,154
Public works	202,102	202,102	197,035	5,067
Health and human services	746,737	754,317	747,873	6,444
Culture and recreation	1,016,230	1,581,638	1,338,371	243,267
Development	1,400,943	1,734,871	1,620,984	113,887
Capital outlay	1,260,000	430,262	430,262	-
Total Expenditures	16,347,410	16,832,536	15,462,132	1,370,404
Excess of Revenues Over (Under) Expenditures	(2,347,374)	(2,095,559)	(136,742)	1,958,817
Other Financing Sources				
Transfers in	2,343,079	1,513,340	1,982,839	469,499
Net Change in Fund Balance	(4,295)	(582,219)	1,846,097	2,428,316
Fund Balance - January 1	11,567,156	11,567,156	11,567,156	-
Fund Balance - December 31	\$ 11,562,861	\$ 10,984,937	\$ 13,413,253	\$ 2,428,316

The notes to the 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 Fund

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,988,184	\$ 4,988,184	\$ 4,988,184	\$ -
Intergovernmental	9,727,349	10,139,081	10,191,475	52,394
Public charges for services	1,498,268	1,571,995	1,792,324	220,329
Miscellaneous	250	773,322	773,322	-
Total Revenues	16,214,051	17,472,582	17,745,305	272,723
Expenditures				
Current				
Health and human services	16,547,060	17,876,505	17,264,180	612,325
Excess of Revenues Over (Under) Expenditures	(333,009)	(403,923)	481,125	885,048
Other Financing Sources (Uses)				
Transfers out	-	-	(642,763)	(642,763)
Net Change in Fund Balance	(333,009)	(403,923)	(161,638)	242,285
Fund Balance - January 1	2,185,569	2,185,569	2,185,569	-
Fund Balance - December 31	\$ 1,852,560	\$ 1,781,646	\$ 2,023,931	\$ 242,285

The notes to the 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 Fund

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,342,472	\$ 3,342,472	\$ 3,342,472	\$ -
Intergovernmental	1,770,424	1,770,424	1,559,534	(210,890)
Total Revenues	<u>5,112,896</u>	<u>5,112,896</u>	<u>4,902,006</u>	<u>(210,890)</u>
Expenditures				
Current				
Public works	5,304,886	5,304,886	4,882,584	422,302
Net Change in Fund Balance	(191,990)	(191,990)	19,422	211,412
Fund Balance - January 1	<u>1,244,678</u>	<u>1,244,678</u>	<u>1,244,678</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,052,688</u>	<u>\$ 1,052,688</u>	<u>\$ 1,264,100</u>	<u>\$ 211,412</u>

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

OCONTO COUNTY, WISCONSIN

Statement of Net Assets

Proprietary Funds

December 31, 2011

(With summarized financial information as of December 31, 2010)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2011	2010
	ASSETS				
Current Assets					
Cash and investments	\$ 2,157,018	\$ 964,566	\$ 665,022	\$ 3,786,606	\$ 3,947,106
Accounts receivable	1,385	20,601	-	21,986	41,934
Due from other governments	82,855	-	-	82,855	259,472
Inventories and prepaid items	975,173	-	-	975,173	1,062,963
Deferred charges	142,699	-	-	142,699	126,872
Total Current Assets	3,359,130	985,167	665,022	5,009,319	5,438,347
Noncurrent Assets					
Restricted cash and investments	-	724,353	-	724,353	700,481
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	2,975,231
Buildings	4,468,281	17,468	549,772	5,035,521	5,035,521
Machinery and equipment	13,746,278	345,083	841,337	14,932,698	14,331,060
Other capital assets	52,792	-	-	52,792	52,792
Construction in progress	-	52,250	-	52,250	160,269
Less accumulated depreciation	(11,415,470)	(2,079,875)	(1,133,687)	(14,629,032)	(14,034,579)
Total Noncurrent Assets	7,225,614	1,746,061	295,854	9,267,529	9,344,491
TOTAL ASSETS	10,584,744	2,731,228	960,876	14,276,848	14,782,838
LIABILITIES					
Current Liabilities					
Accounts payable	90,547	25,144	14,436	130,127	446,391
Accrued payroll liabilities	149,749	714	8,746	159,209	144,768
Total Current Liabilities	240,296	25,858	23,182	289,336	591,159
Noncurrent Liabilities					
Compensated absences payable	160,332	34,482	-	194,814	165,040
Landfill closure care costs	-	232,606	-	232,606	162,728
Landfill post closure care costs	-	1,219,757	-	1,219,757	1,174,899
Total Noncurrent Liabilities	160,332	1,486,845	-	1,647,177	1,502,667
TOTAL LIABILITIES	400,628	1,512,703	23,182	1,936,513	2,093,826
NET ASSETS					
Invested in capital assets, net of related debt	7,225,614	1,021,708	295,854	8,543,176	8,644,010
Unrestricted	2,958,502	196,817	641,840	3,797,159	4,045,002
TOTAL NET ASSETS	\$ 10,184,116	\$ 1,218,525	\$ 937,694	\$ 12,340,335	\$ 12,689,012

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

OCONTO COUNTY, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2011
(With summarized financial information for the year ended December 31, 2010)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2011	2010
Operating Revenues					
Intergovernmental charges for services	\$ 9,371,562	\$ 143,588	\$ 19,657	\$ 9,534,807	\$ 8,685,732
Public charges for services	5,450	259,400	12,701	277,551	305,174
Sale of recyclable materials	-	-	421,528	421,528	233,885
Total Operating Revenues	9,377,012	402,988	453,886	10,233,886	9,224,791
Operating Expenses					
Operation and maintenance	8,424,615	525,376	523,916	9,473,907	8,647,573
Depreciation	716,643	89,764	91,730	898,137	964,615
Total Operating Expenses	9,141,258	615,140	615,646	10,372,044	9,612,188
Operating Income (Loss)	235,754	(212,152)	(161,760)	(138,158)	(387,397)
Nonoperating Revenues					
State aid	-	19,740	197,307	217,047	305,356
Insurance recoveries	-	-	-	-	10,565
Sale of equipment	-	-	640	640	-
Interest income	-	12,110	-	12,110	18,218
Total Nonoperating Revenues	-	31,850	197,947	229,797	334,139
Net Income (Loss) Before Transfers	235,754	(180,302)	36,187	91,639	(53,258)
Transfers out	(440,316)	-	-	(440,316)	-
Change in Net Assets	(204,562)	(180,302)	36,187	(348,677)	(53,258)
Net Assets - January 1	10,388,678	1,398,827	901,507	12,689,012	12,742,270
Net Assets - December 31	\$ 10,184,116	\$ 1,218,525	\$ 937,694	\$ 12,340,335	\$ 12,689,012

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

OCONTO COUNTY, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2011

(With summarized financial information for the year ended December 31, 2010)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2011	2010
Cash Flows from Operating Activities					
Cash received from user charges	\$ 4,236	\$ 280,562	\$ 434,229	\$ 719,027	\$ 534,452
Cash received from other government payments	9,532,352	143,588	19,657	9,695,597	8,905,972
Cash payments to employees	(2,603,461)	(104,232)	(214,228)	(2,921,921)	(2,953,337)
Cash payments to suppliers	(5,929,114)	(308,905)	(383,490)	(6,621,509)	(5,594,482)
Net Cash Provided (Used) by Operating Activities	1,004,013	11,013	(143,832)	871,194	892,605
Cash Flows from Noncapital Financing Activities					
Transfers	(440,316)	-	-	(440,316)	-
State aid	-	19,740	197,307	217,047	305,356
Net Cash Provided (Used) by Noncapital Financing Activities	(440,316)	19,740	197,307	(223,269)	305,356
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(735,598)	(6,438)	(55,267)	(797,303)	(720,254)
Insurance recoveries	-	-	-	-	10,565
Sale of equipment	-	-	640	640	-
Net Cash Used by Capital and Related Financing Activities	(735,598)	(6,438)	(54,627)	(796,663)	(709,689)
Cash Flows from Investing Activities					
Interest income	-	12,110	-	12,110	18,218
Net Increase (Decrease) in Cash and Cash Equivalents	(171,901)	36,425	(1,152)	(136,628)	506,490
Cash and Cash Equivalents - January 1	2,328,919	1,652,494	666,174	4,647,587	4,141,097
Cash and Cash Equivalents - December 31	\$ 2,157,018	\$ 1,688,919	\$ 665,022	\$ 4,510,959	\$ 4,647,587
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 235,754	\$ (212,152)	\$ (161,760)	\$ (138,158)	\$ (387,397)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	716,643	89,764	91,730	898,137	964,615
Changes in assets and liabilities					
Accounts receivable	(1,214)	21,162	-	19,948	(4,607)
Due from other governments	176,617	-	-	176,617	278,091
Inventories and prepaid items	87,790	-	-	87,790	(69,115)
Deferred charges	(15,827)	-	-	(15,827)	(57,851)
Accounts payable	(229,294)	(10,892)	(76,078)	(316,264)	50,426
Accrued payroll liabilities	12,773	(608)	2,276	14,441	1,177
Landfill closure care	-	114,736	-	114,736	83,114
Compensated absences payable	20,771	9,003	-	29,774	34,152
Net Cash Provided (Used) by Operating Activities	\$ 1,004,013	\$ 11,013	\$ (143,832)	\$ 871,194	\$ 892,605
Noncash Investing, Capital and Financing Activities	\$ -				

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

OCONTO COUNTY, WISCONSIN

Statement of Net Assets

Fiduciary Funds

December 31, 2011

(With summarized financial information as of December 31, 2010)

	Agency Funds	
	2011	2010
ASSETS		
Cash and cash equivalents	\$ 396,211	\$ 362,960
Receivables and inventory	-	5,815
Total Assets	<u>396,211</u>	<u>368,775</u>
LIABILITIES		
Due to county departments	<u>\$ 396,211</u>	<u>\$ 368,775</u>

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

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 Financial Statements

December 31, 2011

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.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the government reports the following fund type:

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

The County implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. The County reports the following special revenue funds, including the purpose and significant revenue source:

Fund	Purpose	Significant Revenues
Human Services	To account for financial resources to be used for human service programs.	Intergovernmental Aids and Property Taxes
County Roads and Bridges	To account for financial resources to be used to maintain the County's roads and bridges.	Property Taxes and Intergovernmental Aids
Jail Assessment	To account for fines and forfeits to be used for jail improvements.	Fines and Forfeits
Family Mediation	To account for financial resources to be used for family mediation.	Property Taxes and Public Charges
County Sales Tax	To account for sales tax funds used to complete capital projects.	Sales Tax
Tourism	To account for financial resources to be used for tourism in the County.	Property Taxes
State Grant Loan Fund	To account for payments on loans given out to County organizations.	Payments on Loans
Tri-County Loan Fund	To account for payments on loans given out to County organizations.	Payments on Loans
County Revolving Loan Fund	To account for payments on loans given out to County organizations.	Payments on Loans
Section 125 & HRA Plans	To account for County's Section 125 and HRA Plans.	Interest Income
Dog Licenses	To account for dog licenses collections to be paid to the districts.	Dog Licenses
Commission on Aging Transportation	To account for funds held for the Transportation Trust Fund.	Interest Income
Jail Canteen	To account for canteen profits used for jail improvements.	Canteen Profits

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

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.

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 Financial Statements

December 31, 2011

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 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 nonspendable 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 nonspendable fund balance to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

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

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

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

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:

<u>Assets</u>	Governmental	Business-type
	Activities	Activities
	Years	
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 and employee benefit policies. 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 Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

For the year ended December 31, 2011, the County implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement provides more clearly defined fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which fund balance amounts can be spent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

GOVERNMENT-WIDE AND PROPRIETARY 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.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2010, from which the summarized information was derived.

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 approved transfers of resources between funds. 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, 2011.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

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 \$21,815,051 on December 31, 2011 as summarized below:

Petty cash and cash on hand	\$	1,175
Deposits with financial institutions		5,825,255
Deposit with Marinette County for landfill		1,688,919
Investments		14,299,702
	\$	<u>21,815,051</u>

Reconciliation to the basic financial statements:

Primary government		
Cash and investments	\$	20,665,034
Restricted cash and investments		724,353
Component unit		
Cash and investments		29,453
Fiduciary funds		
Agency funds		396,211
	\$	<u>21,815,051</u>

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

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts 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, 2011, \$3,816,718 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits of which \$1,850,000 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name and the remainder of \$1,966,718 was uncollateralized.

On December 31, 2011 the County held repurchase agreement investments of \$10,895,901 of which the underlying securities are held by the investment's counterparty, not in the name of the County.

Credit Risk

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

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Wisconsin Local Government Investment Pool	\$ 3,403,801	\$ -	\$ -	\$ -	\$ 3,403,801

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Repurchase Agreements	\$ 10,895,901	\$ 10,895,901	\$ -	\$ -	\$ -
Wisconsin Local Government Investment Pool	3,403,801	3,403,801	-	-	-
Totals	\$ 14,299,702	\$ 14,299,702	\$ -	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$3,403,801 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, 2011, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

Discretely Presented Component Unit

On December 31, 2011, all deposits of the Oconto County Commission on Aging were insured.

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, 2011 for collection in 2011 are for the following:

County apportionment	<u>\$ 17,790,125</u>
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The above County apportionment of \$17,790,125 is for financing 2012 operations and will be transferred in 2012 from deferred revenue to current revenues of the County's governmental funds.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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, 2011, the County's general fund showed an investment of \$3,037,437 in delinquent taxes as follows:

Tax certificates	\$ 2,981,858
Tax deeds	55,579
Total	<u>\$ 3,037,437</u>

An aging of the total delinquent taxes of \$3,037,437 on December 31, 2011 follows:

Year Acquired	Tax Certificates
Prior to 2007	\$ 11,945
2007	184,818
2008	462,676
2009	844,736
2010	1,477,683
	<u>2,981,858</u>
Tax Deeds	55,579
	<u>\$ 3,037,437</u>

Of the total of \$3,037,437 for delinquent taxes, \$338,973 was collected by the County within 60 days after December 31, 2011. The remaining unpaid balance of \$2,698,464 is recorded as nonspendable fund balance for the general fund.

4. Restricted Assets

Restricted assets on December 31, 2011 totaled \$724,353 consisting of cash and investments held for the following purposes:

Enterprise Fund	
MAR-OCO Joint Landfill	
Long-term care deposits	<u>\$ 724,353</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,681,968	\$ -	\$ -	\$ 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	5,798,995	179,060	189,615	5,788,440
Infrastructure	129,748,344	2,902,347	-	132,650,691
Subtotals	153,130,786	3,081,407	189,615	156,022,578
Less accumulated depreciation for:				
Improvements other than buildings	667,660	57,502	-	725,162
Buildings	8,028,263	420,224	-	8,448,487
Machinery and equipment	4,428,990	227,660	159,323	4,497,327
Infrastructure	58,822,731	3,597,021	-	62,419,752
Subtotals	71,947,644	4,302,407	159,323	76,090,728
Total capital assets, being depreciated, net	81,183,142	(1,221,000)	30,292	79,931,850
Governmental activities capital assets, net	<u>\$ 92,865,110</u>	<u>\$ (1,221,000)</u>	<u>\$ 30,292</u>	91,613,818
Less related long-term debt outstanding				<u>-</u>
Invested in capital assets				<u>\$ 91,613,818</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 123,716	\$ -	\$ -	\$ 123,716
Construction in progress	160,269	-	108,019	52,250
Total capital assets, not being depreciated	<u>283,985</u>	-	108,019	<u>175,966</u>
Capital assets, being depreciated:				
Improvements other than buildings	2,975,231	-	-	2,975,231
Buildings	5,035,521	-	-	5,035,521
Machinery and equipment	14,331,060	1,008,728	407,090	14,932,698
Other capital assets	52,792	-	-	52,792
Subtotals	<u>22,394,604</u>	<u>1,008,728</u>	<u>407,090</u>	<u>22,996,242</u>
Less accumulated depreciation for:				
Improvements other than buildings	1,958,374	70,733	-	2,029,107
Buildings	2,592,969	203,641	-	2,796,610
Machinery and equipment	9,451,568	620,602	303,684	9,768,486
Other capital assets	31,668	3,161	-	34,829
Subtotals	<u>14,034,579</u>	<u>898,137</u>	<u>303,684</u>	<u>14,629,032</u>
Total capital assets, being depreciated, net	<u>8,360,025</u>	<u>110,591</u>	<u>103,406</u>	<u>8,367,210</u>
Business-type activities capital assets, net	<u>\$ 8,644,010</u>	<u>\$ 110,591</u>	<u>\$ 211,425</u>	8,543,176
Less related long-term debt outstanding				<u>-</u>
Invested in capital assets				<u>\$ 8,543,176</u>
Depreciation expense was charged to functions of the County as follows:				
Governmental activities				
General government				\$ 368,959
Public safety				163,230
Public works				3,597,020
Health and human services				45,815
Culture and recreation				127,383
Total depreciation expense - governmental activities				<u>\$ 4,302,407</u>
Business-type activities				
Highway				\$ 716,643
Mar-Oco landfill				89,764
Recycling				91,730
Total depreciation expense - business-type activities				<u>\$ 898,137</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements
December 31, 2011

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, 2011 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>\$ 10,000</u>	<u>\$ 10,000</u>

Interfund transfers for the year ended December 31, 2011 were as follows:

	Transfer to:	
	General Fund	Totals
Transfers from:		
Human services	\$ 642,763	\$ 642,763
County sales tax	899,760	899,760
Highway	440,316	440,316
Totals	<u>\$ 1,982,839</u>	<u>\$ 1,982,839</u>

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

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	\$ -	\$ 9,361,205
Special revenue funds		
Human services	-	4,988,184
County roads and bridges	-	3,286,246
Tourism	-	154,490
Advance from state		
Special revenue funds		
Human services	107,166	-
Development loans receivable		
Special revenue funds		
Tri-County loan	47,109	-
County revolving loan	395,636	-
Totals Governmental Funds	<u>\$ 549,911</u>	<u>\$ 17,790,125</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

The sum of the development loans receivable of \$442,745 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 \$1,015,574 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, 2011:

	Outstanding 1/1/11	Issued	Retired	Outstanding 12/31/11	Due Within One Year
Governmental activities:					
Post-employment health benefits payable	\$ 264,180	\$ 233,989	\$ 78,000	\$ 420,169	\$ -
Compensated absences	599,488	16,873	-	616,361	-
Governmental activities Long-term obligations	\$ 863,668	\$ 250,862	\$ 78,000	\$ 1,036,530	\$ -
Business-type activities:					
Compensated absences	\$ 165,040	\$ 29,774	\$ -	\$ 194,814	\$ -

Advance Repayment

In prior years, the County advance paid a general obligation note issue from 2006. 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, 2011, \$900,000 of outstanding general obligation notes are considered defeased.

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2011 was \$179,959,115 as follows:

Equalized valuation of the County	\$ 3,599,182,300
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	179,959,115
Net outstanding general obligation debt applicable to debt limitation	-
Legal Margin for New Debt	<u>\$ 179,959,115</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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, 2011 follows:

	Landfill Closure Care	Landfill Postclosure Care
Total estimated costs	\$ 919,402	\$ 2,451,280
Percentage of storage capacity used as of December 31, 2011	69.6259%	49.76%
Total estimated liability for costs as of December 31, 2011	640,142	1,219,757
Less closure costs paid	407,536	-
Liabilities as of December 31, 2011	<u>\$ 232,606</u>	<u>\$ 1,219,757</u>

The above net liabilities of \$232,606 and \$1,219,757 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 \$1,219,757 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, 2011 was \$724,353.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

10. Fund Equity

In the fund financial statements, portions of governmental fund balances are nonspendable and not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2011, fund balance was nonspendable as follows:

General Fund	
Nonspendable for delinquent property taxes	\$ 2,698,464
Nonspendable for long-term advances	10,000
Nonspendable for inventories and prepaid items	10,212
	<u>\$ 2,718,676</u>
Special Revenue Fund	
Nonspendable for inventories and prepaid items	\$ 7,165
	<u>7,165</u>

Also in the fund financial statements, portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2011, fund balance assigned was as follows:

General Fund	
Assigned for:	
Land conservation	\$ 7,893
Forestry/parks	134,811
LWR/LIS	218,159
UW-Extension	26,955
Law enforcement	31,894
Safety/risk management	2,872
Register of deeds ssn redaction project	64,066
Information services	48,415
Property maintenance	4,000
	<u>\$ 539,065</u>
Special Revenue Funds	
Assigned for subsequent year's expenditures	\$ 5,246,856
	<u>5,246,856</u>

Minimum General Fund Balance Policy

The County Board has adopted a policy that general fund balance be maintained for cash flow, working capital and contingency purposes. The minimum fund balance amount is as follows:

Working capital	\$ 4,000,000
Contingencies	2,000,000
Minimum Fund Balance Amount	<u>\$ 6,000,000</u>

The County's unassigned general fund balance of \$10,036,852 is in compliance with the above minimum fund balance amount.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2011

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 hired before July 1, 2011 and expected to work over 600 hours a year or hired on or after July 1, 2011 and expected to work over 1,200 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% 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, 2011 was \$12,418,504; the employer's total payroll was \$12,678,393. The total required contribution for the year ended December 31, 2011 was \$1,530,569, which consisted of \$1,315,957, or 10.6% of covered payroll from the employer and \$214,612, or 1.7% of covered payroll from employees. Total contributions for the years ending December 31, 2010 and 2009 were \$1,416,515 and \$1,313,946 respectively, equal to the required contributions for each year.

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.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2011

NOTE D - OTHER INFORMATION (Continued)

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. 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 County's net OPEB obligation.

Component	Amount
Annual required contribution	\$ 238,112
Interest on net OPEB	10,567
Adjustment to annual required contribution	<u>(14,690)</u>
Annual OPEB cost (expense)	233,989
Contributions made	<u>78,000</u>
Change in net OPEB obligation	155,989
OPEB obligation - beginning of year	<u>264,180</u>
OPEB obligation - end of year	<u>\$ 420,169</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 Financial Statements
December 31, 2011

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, 2011 is 30 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 2011 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
12/31/2011	\$ 233,989	33.33%	\$ 420,169

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 on an open basis. The remaining amortization period at December 31, 2011 was 30 years.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2011

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 state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2011 budget year, the increase in the maximum allowable tax levy is limited 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. The actual limit for the County for the 2011 budget was 3.0%. For the 2012 budget year, Wisconsin statutes limit the increase in the maximum allowable tax levy to the change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2012 budget was .75%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

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 Corporation 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, 2011

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, 2011

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%
2011	78,000	233,989	33.33%

SUPPLEMENTAL INFORMATION

OCONTO COUNTY, WISCONSIN

General Fund

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

For the Year Ended December 31, 2011

(with comparative actual amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Revenues					
Taxes					
Property tax	\$ 9,131,786	\$ 9,131,786	\$ 9,131,786	\$ -	\$ 8,913,577
Forest crop tax (county share)	200	200	108	(92)	131
Managed forest lands	18,000	18,000	19,215	1,215	38,200
Interest on delinquent taxes	350,000	350,000	542,253	192,253	401,216
Payments in lieu of taxes	25,000	25,000	27,913	2,913	27,890
Real estate transfer fees (county share)	60,000	60,000	53,167	(6,833)	58,031
State sales tax retained	120	120	127	7	126
Total Taxes	9,585,106	9,585,106	9,774,569	189,463	9,439,171
Intergovernmental Grants and Aids					
Federal park patrol	13,000	13,000	4,338	(8,662)	23,000
Federal EPA conservation project	-	43,687	43,687	-	-
State shared revenue	745,953	745,953	749,010	3,057	750,170
Exempted business computers	9,500	9,500	12,269	2,769	10,736
Circuit court support	144,561	144,561	137,382	(7,179)	144,626
Guardian ad litem support	32,865	32,865	29,094	(3,771)	32,865
Interpreter fees	-	-	4,129	4,129	-
Victim witness program	32,646	32,646	35,822	3,176	32,191
Forest crop & MFL	18,000	18,000	23,029	5,029	22,693
IV-D child support program	222,203	222,203	393,218	171,015	419,324
Commission on aging	102,628	102,963	102,963	-	99,445
Veterans service officer grant	10,000	13,751	13,751	-	12,280
UW extension family nutrition	-	211	211	-	-
Land records	6,386	6,386	5,019	(1,367)	18,846
Land conservation	333,150	370,054	370,054	-	328,928
Wildlife damage	9,416	15,255	9,635	(5,620)	4,581
Coastal management project	-	-	-	-	10,000
Lake protection grant	13,620	13,620	12,458	(1,162)	-
Private sewage systems-Wisconsin fund	-	26,758	26,758	-	35,108
Snowmobile trails	-	201,265	201,265	-	213,151
ATV trails	-	58,794	58,794	-	227,228
Recreation trail aids	-	2,629	72,257	69,628	49,059
Conservation	2,600	9,356	9,356	-	2,756
Wildlife habitat management	2,179	2,179	2,179	-	2,179
Forest roads	11,623	11,580	11,580	-	11,624
Forestry sustainable grant	10,000	9,500	9,500	-	-
Forestry administration grant	50,248	50,248	50,248	-	48,402
ED grant	1,150	1,150	1,150	-	1,150
Gypsy moth suppression	35,000	-	-	-	26,597
National forest Title III	11,070	11,078	11,078	-	13,282
National forest income	-	188,331	188,331	-	225,788
ATV patrol	30,000	30,000	28,548	(1,452)	33,581
Snowmobile patrol	18,000	18,000	12,672	(5,328)	17,266
Water patrol	3,000	3,000	3,112	112	2,803
Police training	9,180	9,180	8,100	(1,080)	9,180
Tribal law enforcement	30,000	34,004	34,004	-	32,953
Cease program	-	-	-	-	6,357

(Continued)

OCONTO COUNTY, WISCONSIN

General Fund

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

For the Year Ended December 31, 2011

(with comparative actual amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Revenues (continued)					
Intergovernmental Grants and Aids (Continued)					
Highway safety projects	-	14,189	14,189	-	11,277
Sheriff-DNA sample reimbursement	780	780	440	(340)	980
DOC sanctions program	12,500	12,500	46,003	33,503	22,030
DOC Tracs grant	-	-	-	-	41,500
Emergency government-SARA grant	10,713	10,713	10,713	-	10,502
Emergency government (EMPG)	41,264	41,264	41,322	58	41,265
Homeland security	3,750	27,000	24,000	(3,000)	51,774
Land records-local grant	-	-	14,460	14,460	-
Total Intergovernmental Grants and Aids	1,976,985	2,558,153	2,826,128	267,975	3,047,477
Licenses and Permits					
County clerk-marriage licenses	2,000	2,000	2,498	498	2,470
Conservation licenses-County share	150	150	276	126	167
County clerk-domestic partner fees	-	-	45	45	89
LWR-LIS permits and fees	5,000	5,000	5,565	565	5,860
Zoning Fees and Permits					
Land use permits	68,500	68,500	71,024	2,524	66,831
Land divisions-zoning share	6,500	6,500	5,595	(905)	5,845
Rezone hearings	20,000	20,000	15,350	(4,650)	17,625
Board of adjust hearings	23,250	23,250	17,975	(5,275)	24,650
Private sewage permits	67,500	67,500	78,213	10,713	73,405
Ag waste	1,850	1,850	1,400	(450)	1,950
County forest permits	5,325	5,325	3,847	(1,478)	1,987
Total Licenses and Permits	200,075	200,075	201,788	1,713	200,879
Fines and Forfeits					
County ordinance fines and forfeits	120,000	120,000	83,094	(36,906)	91,462
County share-state fines and forfeits	120,000	120,000	75,468	(44,532)	84,015
Ag use value penalties	4,000	4,000	3,271	(729)	2,868
County recreation ordinance violation	1,000	1,000	578	(422)	1,045
Total Fines and Forfeits	245,000	245,000	162,411	(82,589)	179,390
Public Charges For Services					
Clerk of court fees	206,000	206,000	189,350	(16,650)	178,416
Family court commissioner charges	700	700	727	27	733
Register in probate fees	14,000	14,000	16,920	2,920	19,739
District attorney-copier and service fees	5,250	5,250	5,423	173	5,064
County clerk-copies/directories charges	50	50	54	4	45
Treasurer-sales to public	500	500	205	(295)	525
Child support agency fees	2,200	2,200	2,814	614	4,992
Register of deeds fees	206,000	206,000	214,055	8,055	206,887
ROD-redaction project	-	49,465	49,465	-	29,860
Data processing miscellaneous sales	1,000	1,000	3,000	2,000	-
UW extension sales	1,100	1,100	324	(776)	762

(Continued)

OCONTO COUNTY, WISCONSIN

General Fund

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

For the Year Ended December 31, 2011

(with comparative actual amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Revenues (continued)					
Public Charges For Services (continued)					
District resource management	-	7,708	7,708	-	384
Parenting newsletter	-	530	530	-	3,970
4-H youth camp	-	9,744	9,744	-	14,881
Agriculture program	-	9,063	9,063	-	3,498
Family resources center	-	9,281	9,281	-	1,344
WiFund application fees	1,000	1,000	600	(400)	1,100
Non-metallic mining fees	26,500	26,500	26,820	320	27,170
Non-metallic reclaim review fees	1,000	1,000	-	(1,000)	-
LWR-physical address fees	7,200	7,200	5,399	(1,801)	6,921
Sale of platbooks	-	12,359	12,359	-	19,331
Sale of real estate listings	4,000	4,000	4,967	967	7,033
Land records modernization	60,000	60,000	58,146	(1,854)	53,952
Public access fees (land records)	20,000	20,000	21,081	1,081	17,315
Sale of GIS maps	4,000	4,000	3,865	(135)	2,430
SOLO fees	8,000	8,000	8,575	575	13,975
County parks-Chute Pond	104,700	104,700	97,913	(6,787)	97,172
County parks-North Shore	65,625	65,625	62,195	(3,430)	63,009
Boat landing fees	27,500	41,890	41,890	-	28,930
Shooting range fees	10,000	19,596	19,596	-	14,632
County forest (including timber sales)	408,000	408,000	571,612	163,612	230,969
Sheriff Fees					
Impound vehicles	1,000	1,000	1,835	835	1,135
Paper service	90,000	90,000	70,597	(19,403)	81,522
Restitution	500	500	410	(90)	1,456
SSA incentives	1,000	1,000	600	(400)	2,000
Moving and escort fees	500	500	-	(500)	443
Sale of accident reports	3,000	3,000	1,569	(1,431)	2,417
Law enforcement fees-special deputy	4,000	4,000	1,741	(2,259)	2,697
Inmate telephone commission	13,500	13,500	10,709	(2,791)	16,208
Board of prisoners-Huber	49,750	49,750	40,851	(8,899)	38,633
Board of Prisoners Charges					
Booking fees	4,500	4,500	2,949	(1,551)	3,824
Medical and miscellaneous	500	500	255	(245)	159
Prescription medical	250	250	322	72	112
Pay to stay	6,000	6,000	8,511	2,511	6,004
GPS bracelet	36,000	36,000	25,266	(10,734)	29,516
Juvenile housing-charges to parents	5,000	5,000	5,640	640	4,494
Total Public Charges For Services	1,399,825	1,521,961	1,624,936	102,975	1,245,659

(Continued)

OCONTO COUNTY, WISCONSIN

General Fund

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

For the Year Ended December 31, 2011

(with comparative actual amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Revenues (continued)					
Intergovernmental Charges For Services					
Charges to Other Local Governments					
Election supplies to local governments	19,700	19,700	25,400	5,700	20,283
Technology svcs charges to local gov't's	-	-	3,410	3,410	-
LIS charges to municipalities-postage	16,004	16,004	16,195	191	16,006
Juvenile detention-other governments	98,800	98,800	129,175	30,375	153,765
Board of prisoners-other governments	40,000	40,000	44,207	4,207	50,929
Board of prisoners-municipal bookings	750	750	1,859	1,109	1,441
Surveyor charges	6,000	6,000	7,597	1,597	9,129
Charges To County Departments					
Clerk of courts charge-child support	28,579	28,579	28,557	(22)	28,277
Corporation counsel charge-child support	13,137	13,137	12,790	(347)	13,776
Technical service charges to depts	25,400	25,400	26,520	1,120	25,650
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	8,000	8,000	59,106	51,106	73,652
Total Intergovernmental Charges	280,170	280,170	378,616	98,446	416,708
Miscellaneous					
Interest					
General investments	170,000	170,000	135,284	(34,716)	196,493
HRA/S125 interest allocation	2,375	2,375	-	(2,375)	2,375
Property Sales					
Sale of law enforcement squads	25,000	25,000	25,321	321	32,171
Sale of law enforcement items	-	-	3,850	3,850	-
Tax dedeed property proceeds	64,500	64,500	44,354	(20,146)	66,478
Insurance premium refunds/dividends	39,000	39,000	102,996	63,996	39,478
Insurance recoveries-law enforcement	-	30,312	30,312	-	21,572
Miscellaneous					
Safety/risk management	10,000	-	-	-	10,170
Other	-	-	-	-	13,391
Donations					
Veterans service drivers mileage	-	3,494	3,494	-	2,846
K-9	-	9,831	9,831	-	14,088
Recreation enforcement	2,000	2,000	1,500	(500)	-
Total Miscellaneous	312,875	346,512	356,942	10,430	399,062
Total Revenues	14,000,036	14,736,977	15,325,390	588,413	14,928,346
Other Financing Sources					
Transfers In					
County sales tax	1,260,000	430,261	899,760	469,499	347,640
Highway	440,316	440,316	440,316	-	-
Human services	642,763	642,763	642,763	-	484,000
Total Financing Services	2,343,079	1,513,340	1,982,839	469,499	831,640
Total Revenues and Other Financing Sources					
	\$ 16,343,115	\$ 16,250,317	\$ 17,308,229	\$ 1,057,912	\$ 15,759,986

OCONTO COUNTY, WISCONSIN

General Fund

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

For the Year Ended December 31, 2011

(with comparative actual amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Expenditures					
General Government					
Legislative					
County board & committees	\$ 209,399	\$ 209,399	\$ 171,508	\$ 37,891	\$ 183,200
Judicial					
Clerk of courts	552,469	587,469	565,540	21,929	595,887
Circuit court branch I & II	166,529	166,529	161,439	5,090	169,065
Register In probate	159,163	159,163	157,738	1,425	152,441
Family court commissioner	146,157	146,157	143,754	2,403	141,196
Law library	3,800	3,800	3,650	150	4,014
Medical examiner	95,161	95,161	93,448	1,713	86,790
Legal					
District attorney	204,624	204,624	196,902	7,722	196,181
Victim witness program	59,356	59,356	59,937	(581)	58,158
Corporation counsel	98,022	98,022	90,634	7,388	89,648
General Administration					
Administrative-coordinator	153,865	158,865	154,422	4,443	150,059
County clerk	186,518	186,518	180,493	6,025	179,939
Elections	37,814	62,814	55,442	7,372	79,054
Labor negotiations	52,300	47,300	9,803	37,497	21,724
Employee assistance program	8,000	8,000	7,523	477	7,320
HRA administration	13,000	13,000	12,655	345	12,590
S125 administration	1,200	1,200	852	348	684
County wellness program	-	5,609	2,737	2,872	-
Technology information services	692,454	700,954	676,307	24,647	702,973
T/S-county van	-	8,013	(47)	8,060	(1,106)
T/S VOIP	-	10,240	(6,037)	16,277	(2,971)
Platbooks	-	55,862	5,030	50,832	22,514
Financial Administration					
Accounting					
Finance department	197,232	197,232	194,291	2,941	178,847
Independent auditing	48,160	48,160	48,110	50	46,756
Special accounting & reporting	6,410	6,410	6,410	-	15,410
Charges to depts for audit	(16,767)	(16,767)	(17,221)	454	(16,767)
Treasury					
County treasurer	210,527	210,527	194,673	15,854	174,354
Assessment of Property					
Property tax listing	198,996	198,422	193,327	5,095	188,593
Assessor of incomes	480	480	234	246	197
Tax deeds	13,300	13,874	13,455	419	14,127
Risk and Property Management					
Safety/risk manager	51,807	41,808	30,393	11,415	37,064
General Buildings and Plant					
Courthouse property & maintenance	727,193	728,656	634,601	94,055	630,372
Property Records and Control					
Register of deeds	248,327	248,327	243,816	4,511	240,851
Register of deeds-redaction project	-	67,856	3,790	64,066	11,469
County surveyor	216,731	231,760	209,742	22,018	228,286
Physical address program	40,052	40,052	32,875	7,177	37,955
Land records modernization	102,681	235,891	86,177	149,714	86,429

(Continued)

OCONTO COUNTY, WISCONSIN

General Fund

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

For the Year Ended December 31, 2011

(with comparative actual amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Expenditures (continued)					
Uncollectable Taxes and Assessments					
Uncollectable personal property taxes	10,000	10,000	2,103	7,897	273
Non-Departmental Insurance					
Property and liability insurance	374,680	374,680	285,378	89,302	344,356
Workers compensation insurance	300,000	300,000	265,280	34,720	285,770
Charges to departments-P&L insurance	(225,770)	(225,770)	(242,220)	16,450	(226,670)
Charges to departments-workers comp	(300,000)	(300,000)	(237,480)	(62,520)	(249,897)
Unemployment compensation	25,000	25,000	8,090	16,910	10,216
Other General Government					
Contingent fund	336,760	240,260	-	240,260	-
State special charges	117	117	-	117	-
Other general	-	-	1,891	(1,891)	376
Total General Government	5,405,747	5,665,030	4,701,445	963,585	4,887,727
Public Safety					
Law Enforcement					
Sheriff	2,883,883	2,943,695	3,082,743	(139,048)	2,982,076
K-9 program	-	34,877	4,484	30,393	5,383
Cease program	-	7,401	4,702	2,699	3,500
Federal asset forfeiture program	-	1,258	-	1,258	-
Tribal enforcement	30,000	37,878	37,772	106	29,079
Watercraft patrol enforcement	1,000	1,000	2,582	(1,582)	749
ATV patrol enforcement	2,500	2,500	2,213	287	2,273
Snowmobile patrol enforcement	2,000	2,000	3,445	(1,445)	3,392
Highway safety project grants	-	14,189	14,189	-	-
Nicolet forest patrol	-	-	-	-	23,000
Recreation enforcement	121,637	121,637	127,578	(5,941)	159,992
Telecommunications/911 dispatch	839,759	839,759	837,674	2,085	832,998
Highway safety commission	900	900	-	900	465
DOT TRACS project	-	-	-	-	41,918
Correction and Detentions					
County jail	1,913,050	1,913,050	1,799,972	113,078	1,847,184
Juvenile detention	423,448	423,448	392,769	30,679	360,568
Other Public Safety					
EMS council	1,000	1,000	224	776	1,000
Emergency government	70,936	68,231	64,515	3,716	62,545
Emergency government-SARA	20,538	20,538	20,345	193	19,681
Emergency government-Homeland Security	5,000	30,955	30,955	-	51,393
Total Public Safety	6,315,651	6,464,316	6,426,162	38,154	6,427,196
Public Works					
Transportation					
Airport	17,622	17,622	17,622	-	17,621
Sanitation					
Private sewage system regulation	184,480	184,480	179,413	5,067	177,570
Total Public Works	202,102	202,102	197,035	5,067	195,191

(Continued)

OCONTO COUNTY, WISCONSIN

General Fund

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

For the Year Ended December 31, 2011

(with comparative actual amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Expenditures (continued)					
Health and Human Services					
Aging					
Commission on aging	136,244	136,579	136,646	(67)	132,424
Senior citizens center	3,275	3,275	3,275	-	3,275
Veterans					
Veterans service officer	124,611	131,856	132,255	(399)	126,920
Veterans relief	3,000	3,000	1,392	1,608	1,073
Care of veterans graves	1,560	1,560	1,560	-	1,560
Other					
Child support agency	478,047	478,047	472,745	5,302	482,734
Child support ARRA	-	-	-	-	26,471
Total Health and Human Services	<u>746,737</u>	<u>754,317</u>	<u>747,873</u>	<u>6,444</u>	<u>774,457</u>
Culture and Recreation					
Culture					
Libraries	375,313	375,313	372,002	3,311	364,516
Historical society	9,991	9,991	9,991	-	9,991
Recreation					
County parks	287,724	287,724	279,623	8,101	274,589
Local park aid-state	-	-	-	-	1,023
Machickanee shooting range	10,000	45,708	5,210	40,498	4,980
County boat landings	27,500	147,136	61,218	85,918	49,618
County snowmobile trails	-	266,812	215,878	50,934	207,562
County ATV trails	-	81,299	66,013	15,286	92,508
County fair	9,400	9,400	9,400	-	9,400
Education					
UW-extension program	295,702	295,702	283,439	12,263	280,415
Extension homemakers	600	600	600	-	-
UW-X nutrition program	-	695	846	(151)	798
Parenting newsletter	-	7,349	2,967	4,382	1,347
UW-X family resource center	-	15,902	10,298	5,604	4,248
UW-X district resource management	-	10,634	4,937	5,697	4,943
4-H outreach	-	15,943	11,331	4,612	14,724
UW-X AG newsletter	-	11,430	4,618	6,812	3,455
Total Culture and Recreation	<u>1,016,230</u>	<u>1,581,638</u>	<u>1,338,371</u>	<u>243,267</u>	<u>1,324,117</u>
Development					
Resource Conservation					
County forestry	303,582	324,088	301,275	22,813	308,355
Forest roads	11,623	31,768	4,388	27,380	5,099
National forest pass-through payments	-	188,331	188,331	-	225,788
Conservation projects	2,600	290	-	290	9,222

(Continued)

OCONTO COUNTY, WISCONSIN

General Fund

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

For the Year Ended December 31, 2011

(with comparative actual amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Expenditures (continued)					
Development (continued)					
Resource Conservation (continued)					
Wildlife habitat management	2,179	13,286	3,263	10,023	6,400
County forest land acquisition	-	8,108	-	8,108	11,684
County dams	1,620	1,620	1,688	(68)	257
Title III	11,070	11,078	-	11,078	51,707
S/A county forestry	10,000	9,500	9,476	24	24
Gypsy moth suppression program	35,000	-	-	-	26,169
State recreational aid projects	-	-	-	-	70,650
Land conservation	504,665	548,594	545,891	2,703	478,271
Wildlife damage program	9,416	15,255	16,617	(1,362)	5,283
LWR coastal management	-	43,687	43,687	-	10,000
LWR AIS project	-	-	138	(138)	-
LWR administration	24,470	27,790	19,848	7,942	25,044
Planning and Zoning					
Bay Lake Regional Planning Commission	16,616	16,616	16,616	-	16,973
Zoning	257,746	257,746	241,128	16,618	237,375
Board of adjustments	18,133	18,133	11,932	6,201	14,227
Land use planning	69,141	69,141	67,497	1,644	67,537
Private sewage systems-Wisconsin fund	-	26,758	26,758	-	35,108
Salvage yard cleanup	550	550	(81)	631	(25)
Economic Development					
Oconto County EDC	122,532	122,532	122,532	-	122,532
Total Development	<u>1,400,943</u>	<u>1,734,871</u>	<u>1,620,984</u>	<u>113,887</u>	<u>1,727,680</u>
Capital Outlay					
General Public Buildings and Other					
General Government					
Courthouse	710,000	85,156	85,156	-	29,922
Computer hardware and software	160,000	169,267	169,267	-	108,642
Law Enforcement					
Radio & communication system	250,000	37,320	37,320	-	-
Vehicles and squads	140,000	133,524	133,524	-	133,552
Other					
Forestry dam project	-	4,995	4,995	-	12,495
LWR-LIS orthophotography	-	-	-	-	60,124
Total Capital Outlay	<u>1,260,000</u>	<u>430,262</u>	<u>430,262</u>	<u>-</u>	<u>344,735</u>
Other Financing Uses					
Transfers out					
Debt service	-	-	-	-	1,384,346
Total Expenditures and Other Financing Uses	<u>\$ 16,347,410</u>	<u>\$ 16,832,536</u>	<u>\$ 15,462,132</u>	<u>\$ 1,370,404</u>	<u>\$ 17,065,449</u>

OCONTO COUNTY, WISCONSIN

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

County Roads and Bridges

For the Year Ended December 31, 2011

(With comparative amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2010 Actual
	Original	Final			
Revenues					
Taxes-property tax levy	\$ 3,221,672	\$ 3,221,672	\$ 3,221,672	\$ -	\$ 3,221,672
Special purpose levy-local bridge	120,800	120,800	120,800	-	222,222
	<u>3,342,472</u>	<u>3,342,472</u>	<u>3,342,472</u>	<u>-</u>	<u>3,443,894</u>
Intergovernmental					
State transportation aids	1,131,371	1,131,371	1,131,567	196	1,072,420
State STP projects	12,000	12,000	59,653	47,653	675,714
State LRIP	6,180	6,180	6,149	(31)	6,180
State local bridge	270,000	270,000	1,436	(268,564)	847
State CHIP	350,873	350,873	360,729	9,856	70,820
Total Intergovernmental	<u>1,770,424</u>	<u>1,770,424</u>	<u>1,559,534</u>	<u>(210,890)</u>	<u>1,825,981</u>
Total Revenues	<u>5,112,896</u>	<u>5,112,896</u>	<u>4,902,006</u>	<u>(210,890)</u>	<u>5,269,875</u>
Expenditures					
Public Works					
CTHS admin	438,498	438,498	417,019	21,479	372,790
Maintenance	1,320,987	1,320,987	1,132,745	188,242	1,086,964
Snow removal	700,000	700,000	616,558	83,442	525,464
Hot mix maintenance	1,192,176	1,192,176	1,448,727	(256,551)	1,150,069
Gravel maintenance	150,425	150,425	92,188	58,237	22,199
STP road improvement	60,000	60,000	55,939	4,061	804,726
STP before/after (county)	120,000	120,000	127,858	(7,858)	258,313
CHIP program	855,000	855,000	877,635	(22,635)	159,808
Safer bridge program	347,000	347,000	8,126	338,874	29,396
Co aid bridges	120,800	120,800	105,789	15,011	219,757
Total Expenditures	<u>5,304,886</u>	<u>5,304,886</u>	<u>4,882,584</u>	<u>422,302</u>	<u>4,629,486</u>
Net Change in Fund Balance	(191,990)	(191,990)	19,422	211,412	640,389
Fund Balance - January 1	<u>1,244,678</u>	<u>1,244,678</u>	<u>1,244,678</u>	<u>-</u>	<u>604,289</u>
Fund Balance - December 31	<u>\$ 1,052,688</u>	<u>\$ 1,052,688</u>	<u>\$ 1,264,100</u>	<u>\$ 211,412</u>	<u>\$ 1,244,678</u>

OCONTO COUNTY, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2011

(With summarized financial information as of December 31, 2010)

	Jail Assessment	Family Mediation	County Sales Tax	Tourism	State Grant Loan Fund
ASSETS					
Cash and investments	\$ 117,468	\$ 1,014	\$ 1,147,216	\$ 1,884	\$ 348,103
Receivables					
Taxes	-	-	-	154,490	-
Accounts	-	-	-	-	-
Notes	-	-	-	-	-
Inventories and prepaid items	-	-	-	-	-
TOTAL ASSETS	\$ 117,468	\$ 1,014	\$ 1,147,216	\$ 156,374	\$ 348,103
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ 100	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	880	-	-	-
Advance from other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenues	-	-	-	154,490	-
Total Liabilities	-	980	-	154,490	-
Fund Balances					
Assigned for					
Special revenue funds	117,468	34	1,147,216	1,884	348,103
TOTAL LIABILITIES AND FUND BALANCES	\$ 117,468	\$ 1,014	\$ 1,147,216	\$ 156,374	\$ 348,103

Tri-County Loan Fund	County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	Total Nonmajor Governmental Funds	
						2011	2010
\$ 22,207	\$ 261,760	\$ 605,612	\$ 19,789	\$ 11,138	\$ 15,181	\$ 2,551,372	\$ 1,851,238
-	-	-	-	-	-	154,490	170,901
-	1,670	-	-	-	1,500	3,170	-
47,109	395,636	-	-	-	-	442,745	617,869
-	-	-	-	-	1,661	1,661	-
<u>\$ 69,316</u>	<u>\$ 659,066</u>	<u>\$ 605,612</u>	<u>\$ 19,789</u>	<u>\$ 11,138</u>	<u>\$ 18,342</u>	<u>\$ 3,153,438</u>	<u>\$ 2,640,008</u>
\$ -	\$ -	\$ 578,387	\$ 846	\$ -	\$ -	\$ 579,333	\$ 521,888
-	-	-	-	-	-	880	1,138
-	-	10,000	-	-	-	10,000	10,000
-	-	-	-	-	-	-	866
47,109	395,636	-	-	-	-	597,235	788,770
<u>47,109</u>	<u>395,636</u>	<u>588,387</u>	<u>846</u>	<u>-</u>	<u>-</u>	<u>1,187,448</u>	<u>1,322,662</u>
22,207	263,430	17,225	18,943	11,138	18,342	1,965,990	1,317,346
<u>\$ 69,316</u>	<u>\$ 659,066</u>	<u>\$ 605,612</u>	<u>\$ 19,789</u>	<u>\$ 11,138</u>	<u>\$ 18,342</u>	<u>\$ 3,153,438</u>	<u>\$ 2,640,008</u>

OCONTO COUNTY, WISCONSIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2011

(With summarized financial information for the year ended December 31, 2010)

	Jail Assessment	Family Mediation	County Sales Tax	Tourism	State Grant Loan Fund	Tri-County Loan Fund
Revenues						
Taxes	\$ -	\$ 16,411	\$ 1,446,058	\$ 154,490	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Licenses and permits	-	3,280	-	-	-	-
Fines and forfeits	36,201	-	-	-	-	-
Public charges for services	-	11,171	-	5,031	-	-
Intergovernmental charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	1,959	912	6,385
Total Revenues	36,201	30,862	1,446,058	161,480	912	6,385
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	64,886	-	-	-	-	-
Health and human services	-	31,167	-	-	-	-
Culture and recreation	-	-	-	161,040	-	-
Development	-	-	-	-	3,650	3,360
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	64,886	31,167	-	161,040	3,650	3,360
Excess of Revenues Over (Under) Expenditures	(28,685)	(305)	1,446,058	440	(2,738)	3,025
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(899,760)	-	-	-
Total Other Financing Sources (Uses)	-	-	(899,760)	-	-	-
Net Change in Fund Balances	(28,685)	(305)	546,298	440	(2,738)	3,025
Fund Balances - January 1	146,153	339	600,918	1,444	350,841	19,182
Fund Balances - December 31	\$ 117,468	\$ 34	\$ 1,147,216	\$ 1,884	\$ 348,103	\$ 22,207

County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	Total Nonmajor Governmental Funds	
					2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,616,959	\$ 1,478,948
-	-	-	-	-	-	6,232
-	-	15,178	-	-	18,458	18,729
-	-	-	-	-	36,201	37,757
-	-	-	-	-	16,202	36,338
-	-	-	-	-	-	3,938
115,455	967	-	16	35,521	161,215	79,680
115,455	967	15,178	16	35,521	1,849,035	1,661,622
-	45	-	-	-	45	2,375
-	-	-	-	17,179	82,065	34,400
-	-	14,809	-	-	45,976	49,751
-	-	-	-	-	161,040	176,931
4,495	-	-	-	-	11,505	13,339
-	-	-	-	-	-	1,725,000
-	-	-	-	-	-	125,246
4,495	45	14,809	-	17,179	300,631	2,127,042
110,960	922	369	16	18,342	1,548,404	(465,420)
-	-	-	-	-	-	1,850,246
-	-	-	-	-	(899,760)	(813,540)
-	-	-	-	-	(899,760)	1,036,706
110,960	922	369	16	18,342	648,644	571,286
152,470	16,303	18,574	11,122	-	1,317,346	746,060
\$ 263,430	\$ 17,225	\$ 18,943	\$ 11,138	\$ 18,342	\$ 1,965,990	\$ 1,317,346

OCONTO COUNTY, WISCONSIN

Jail Assessment Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeits				
Jail assessment surcharge	\$ -	\$ -	\$ 36,201	\$ 36,201
Expenditures				
Public safety				
Jail maintenance and improvements	-	-	64,886	(64,886)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(28,685)	<u>\$ (28,685)</u>
Fund Balance - January 1			<u>146,153</u>	
Fund Balance - December 31			<u>\$ 117,468</u>	

OCONTO COUNTY, WISCONSIN

Family Mediation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property tax levy	\$ 16,411	\$ 16,411	\$ 16,411	\$ -
Licenses and permits				
Marriage license fees	4,500	4,500	3,280	(1,220)
Public charges for services				
Mediation fees	12,500	12,500	7,545	(4,955)
Mediation court surcharge	3,200	3,200	3,626	426
Total Public charges for services	15,700	15,700	11,171	(4,529)
Total Revenues	36,611	36,611	30,862	(5,749)
Expenditures				
Health and human services				
Family mediation	36,611	36,611	31,167	5,444
Net Change in Fund Balance	\$ -	\$ -	(305)	\$ (305)
Fund Balance - January 1			339	
Fund Balance - December 31			\$ 34	

OCONTO COUNTY, WISCONSIN

County Sales Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
County sales tax collections	\$ -	\$ -	\$ 1,446,058	\$ 1,446,058
Total Revenues	-	-	1,446,058	1,446,058
Other Financing Sources (Uses)				
Transfers to general fund	-	-	(899,760)	(899,760)
Net Change in Fund Balance	\$ -	\$ -	546,298	\$ 546,298
Fund Balance - January 1			600,918	
Fund Balance - December 31			\$ 1,147,216	

OCONTO COUNTY, WISCONSIN

Tourism Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
County tax levy	\$ 154,490	\$ 154,490	\$ 154,490	\$ -
Public Charges for Services				
Sales of county recreation maps	-	-	172	172
Sales of Discovery Guide ads	-	-	4,327	4,327
Sales of Loggin history books	-	-	532	532
Miscellaneous				
Promotion charges	-	-	1,959	1,959
Total Revenues	<u>154,490</u>	<u>154,490</u>	<u>161,480</u>	<u>6,990</u>
Expenditures				
Culture and recreation				
Administrative services	<u>154,490</u>	<u>154,490</u>	<u>161,040</u>	<u>(6,550)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>440</u>	<u>\$ 440</u>
Fund Balance - January 1			<u>1,444</u>	
Fund Balance - December 31			<u>\$ 1,884</u>	

OCONTO COUNTY, WISCONSIN

Revolving Loan Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual				Variance with Final Budget Positive (Negative)
			State Grant Loan Fund	Tri-County Loan Fund	County Revolving Loan Fund	Total 2011	
	Original	Final					
Revenues							
Miscellaneous							
Loan repayments							
Principal	\$ -	\$ -	\$ -	\$ 3,148	\$ 96,914	\$ 100,062	\$ 100,062
Interest	-	-	486	3,209	13,250	16,945	16,945
Service fees and interest	-	-	426	28	5,291	5,745	5,745
Total Revenues	-	-	912	6,385	115,455	122,752	122,752
Expenditures							
Development							
Administration	-	-	3,650	3,360	4,495	11,505	(11,505)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(2,738)	3,025	110,960	111,247	<u>\$ 111,247</u>
Fund Balances - January 1			350,841	19,182	152,470	522,493	
Fund Balances - December 31			<u>\$ 348,103</u>	<u>\$ 22,207</u>	<u>\$ 263,430</u>	<u>\$ 633,740</u>	

OCONTO COUNTY, WISCONSIN

Dog License Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits				
Dog licenses	\$ -	\$ -	\$ 15,178	\$ 15,178
Total Revenues	<u>-</u>	<u>-</u>	<u>15,178</u>	<u>15,178</u>
Expenditures				
Health and human services				
Dog licensing costs	-	-	1,232	(1,232)
Payments to districts	-	-	13,577	(13,577)
Total Expenditures	<u>-</u>	<u>-</u>	<u>14,809</u>	<u>(14,809)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	369	<u>\$ 369</u>
Fund Balance - January 1			<u>18,574</u>	
Fund Balance - December 31			<u>\$ 18,943</u>	

OCONTO COUNTY, WISCONSIN

Commission on Aging Transportation 85.21 Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous				
Interest	\$ -	\$ -	\$ 16	\$ 16
<hr/>				
Expenditures				
Total Expenditures	-	-	-	-
<hr/>				
Net Change in Fund Balance	\$ -	\$ -	16	\$ 16
<hr/>				
Fund Balance - January 1			<u>11,122</u>	
Fund Balance - December 31			<u>\$ 11,138</u>	

OCONTO COUNTY, WISCONSIN

Jail Canteen Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous				
Jail canteen sales	\$ -	\$ -	\$ 35,521	\$ 35,521
Total Revenues	-	-	35,521	35,521
Expenditures				
Public safety				
Jail canteen purchases	-	-	17,179	(17,179)
Total Expenditures	-	-	17,179	(17,179)
Net Change in Fund Balance	\$ -	\$ -	18,342	\$ 18,342
Fund Balance - January 1			-	
Fund Balance - December 31			\$ 18,342	

OCONTO COUNTY, WISCONSIN

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

For the Year Ended December 31, 2011

(With comparative amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2010 Actual
	Original	Final			
Revenues					
Intergovernmental Charges for Services					
State					
Administration	\$ 110,400	\$ 110,400	\$ 221,618	\$ 111,218	\$ 189,546
Maintenance	732,000	732,000	709,858	(22,142)	775,653
Snow/ice control	483,900	483,900	484,321	421	427,084
State unclassified maintenance	4,800	4,800	48,063	43,263	90,197
State roadside special maintenance	73,500	73,500	100,388	26,888	150,132
State other	26,200	26,200	85,543	59,343	79,261
State insurance claims	-	-	53,047	53,047	37,317
State records and reports	-	-	124,535	124,535	98,206
State 1% small tools	-	-	17,981	17,981	12,362
Total State	1,430,800	1,430,800	1,845,354	414,554	1,859,758
Other local governments	1,863,947	1,863,947	2,349,975	486,028	2,202,310
Local (county) departments	168,510	168,510	399,438	230,928	44,454
Local CTHS transportation payments	5,304,195	5,304,195	4,776,795	(527,400)	4,409,730
Total Other Local Governments	7,336,652	7,336,652	7,526,208	189,556	6,656,494
Total Intergovernmental Charges for Services	8,767,452	8,767,452	9,371,562	604,110	8,516,252
Miscellaneous Revenues					
Licenses and permits	-	-	5,450	5,450	3,080
Total Operating Revenues	8,767,452	8,767,452	9,377,012	609,560	8,519,332

(Continued)

OCONTO COUNTY, WISCONSIN

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

Highway Enterprise Fund (Continued)

For the Year Ended December 31, 2011

(With comparative amounts for year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
Expenses					
Highway Administration					
Highway administration	438,498	438,498	428,465	10,033	384,628
Supervision	137,829	137,829	165,139	(27,310)	153,649
Radio expense	8,700	8,700	8,161	539	7,136
General public liability	25,000	25,000	23,110	1,890	23,899
Alcohol and drug testing	2,279	2,279	2,004	275	1,121
Safety meeting	41,701	41,701	20,995	20,706	22,960
State administration	15,000	15,000	12,633	2,367	13,607
Total Highway Administration	669,007	669,007	660,507	8,500	607,000
Highway Maintenance and Construction					
County Trunk Highway System					
Transportation cost pool	700,000	700,000	153,882	546,118	93,262
Routine maintenance	1,320,987	1,320,987	1,334,610	(13,623)	1,287,702
Snow/ice control	700,000	700,000	616,558	83,442	517,818
Hot mix and seal coating	1,192,176	1,192,176	1,448,727	(256,551)	1,150,069
Gravel maintenance	150,425	150,425	92,188	58,237	22,199
STP road construction	60,000	60,000	55,939	4,061	804,726
STP other	120,000	120,000	127,858	(7,858)	258,313
CHIP	855,000	855,000	877,635	(22,635)	159,808
Safer bridge program	347,000	347,000	8,126	338,874	29,396
Total Highway Maintenance and Construction	5,445,588	5,445,588	4,715,523	730,065	4,323,293
State Trunk Highway System					
Maintenance	732,000	732,000	661,763	70,237	743,857
Snow and ice control	483,900	483,900	488,215	(4,315)	403,613
State miscellaneous charges	-	-	55,604	(55,604)	98,563
State bridge maintenance	4,800	4,800	38,092	(33,292)	3,923
STHS roadside maintenance	73,500	73,500	102,608	(29,108)	152,537
State signage and traffic control	26,200	26,200	15,005	11,195	23,914
State insurance accident reports	-	-	53,730	(53,730)	37,558
Total State Trunk Highway System	1,320,400	1,320,400	1,415,017	(94,617)	1,463,965
Local government-road maintenance	1,560,679	1,560,679	1,473,993	86,686	1,435,333
Local government-snow and ice control	303,268	303,268	289,846	13,422	306,048
Local government-bridge maintenance	-	-	101,275	(101,275)	114,745
Total Local Governments	1,863,947	1,863,947	1,865,114	(1,167)	1,856,126
Local Departments	168,510	168,510	485,097	(316,587)	129,862
Total Local Governments and Departments	2,032,457	2,032,457	2,350,211	(317,754)	1,985,988
Total Operating Expenses	9,467,452	9,467,452	9,141,258	326,194	8,380,246
Change in Net Assets	\$ (700,000)	\$ (700,000)	\$ 235,754	\$ 935,754	\$ 139,086

OCONTO COUNTY, WISCONSIN

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

Recycling Enterprise Fund

For the Year Ended December 31, 2011

(With comparative amounts for the year ended December 31, 2010)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2010 Actual
	Original	Final			
Operating Revenues					
Intergovernmental Charges for Services					
Waste tires disposal	\$ 20,000	\$ 20,000	\$ 13,374	\$ (6,626)	\$ 15,148
Freon disposal	15,000	15,000	4,926	(10,074)	8,829
Materials buy-back	1,300	1,300	1,357	57	1,153
Total Intergovernmental Charges	<u>36,300</u>	<u>36,300</u>	<u>19,657</u>	<u>(16,643)</u>	<u>25,130</u>
Public Charges for Services					
Tipping fees	500	500	170	(330)	195
Electronics disposal	8,000	8,000	12,531	4,531	14,211
Total Public Charges for Services	<u>8,500</u>	<u>8,500</u>	<u>12,701</u>	<u>4,201</u>	<u>14,406</u>
Miscellaneous					
Sales of recyclable materials	236,000	236,000	421,528	185,528	233,885
Total Revenues	<u>280,800</u>	<u>280,800</u>	<u>453,886</u>	<u>173,086</u>	<u>273,421</u>
Operating Expenses					
Public Works					
Personnel	227,077	227,077	216,502	10,575	205,013
Consulting and professional svcs	58,600	58,600	59,600	(1,000)	59,426
Utility services	19,600	19,600	15,204	4,396	13,212
Purchased repairs and maintenance	22,500	22,500	7,452	15,048	22,923
Purchased services-other	150,000	150,000	146,298	3,702	147,416
Office supplies	5,500	5,500	10,689	(5,189)	4,366
Subscriptions and dues	2,700	2,700	2,834	(134)	2,311
Employee travel and training	5,700	5,700	5,327	373	5,218
Operating supplies and expenses	12,540	12,540	12,204	336	14,132
Repair and maintenance supplies	8,000	8,000	9,851	(1,851)	19,280
Insurance	6,300	6,300	5,868	432	5,953
Depreciation	94,000	94,000	91,730	2,270	100,924
Cost allocations	8,000	8,000	1,655	6,345	1,780
Other	123,000	123,000	30,432	92,568	88,060
Total Operating Expenses	<u>743,517</u>	<u>743,517</u>	<u>615,646</u>	<u>127,871</u>	<u>690,014</u>
Operating Income (Loss)	<u>(462,717)</u>	<u>(462,717)</u>	<u>(161,760)</u>	<u>300,957</u>	<u>(416,593)</u>
Nonoperating Revenues (Expenses)					
State aid recycling program	305,000	305,000	197,307	(107,693)	305,356
Sale of equipment	1,800	1,800	640	(1,160)	10,565
Capital	(50,000)	(50,000)	-	50,000	-
Total Nonoperating Revenues (Expenses)	<u>256,800</u>	<u>256,800</u>	<u>197,947</u>	<u>(58,853)</u>	<u>315,921</u>
Change in Net Assets	<u>\$ (205,917)</u>	<u>\$ (205,917)</u>	<u>\$ 36,187</u>	<u>\$ 242,104</u>	<u>\$ (100,672)</u>

OCONTO COUNTY, WISCONSIN
 Agency Funds
 Combining Statement of Net Assets
 December 31, 2011

	Clerk of Courts	Jail Inmate	Total 2011
Assets			
Cash	\$ 392,102	\$ 4,109	\$ 396,211
Liabilities			
Due to others			
Deposits	\$ 392,102	\$ 768	\$ 392,870
Other liabilities	-	3,341	3,341
Total Liabilities	\$ 392,102	\$ 4,109	\$ 396,211

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR 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, 2011, which collectively comprise Oconto County, Wisconsin's financial statements and have issued our report thereon dated June 15, 2012. 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

Management of Oconto County, Wisconsin is responsible for establishing and maintaining effective 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 County's 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 as item 2011-01 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 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 15, 2012.

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 15, 2012

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, 2011. 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, 2011. 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 2011-03.

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 2011-02. 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 the responses.

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 15, 2012

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards
For the Year Ended December 31, 2011

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/11	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/11	Total Revenues	
<u>U.S. DEPARTMENT OF AGRICULTURE</u>							
Special Supplement Food Program for Women, Infants and Children	WI Department of Health Services	10.557	\$ (17,844)	\$ 149,592	\$ 11,562	\$ 143,310	\$ 143,310
State Administrative Matching Grants for Food Stamp Program	WI Department of Health Services	10.561	(19,568)	190,174	42,487	213,093	213,093
Schools & Road Grants to States - National Forest Income	WI Department of Natural Resources	10.665	-	199,410	-	199,410	199,410
Total U.S. Department of Agriculture			(37,412)	539,176	54,049	555,813	555,813
<u>U.S. DEPARTMENT OF COMMERCE</u>							
Economic Adjustment Assistance	Direct Program	11.307	-	72,676	-	72,676	72,676
<u>U.S. DEPARTMENT OF INTERIOR</u>							
ARRA - National Map	Brown County, Wisconsin	15.817	-	14,460	-	14,460	14,460
<u>U.S. DEPARTMENT OF JUSTICE</u>							
CEASE	WI Department of Justice	N/A	(591)	1,354	-	763	763
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>							
ARRA - Highway Planning and Construction	WI Department of Transportation	20.205	-	-	300	300	300
TraCS Implementation/Expanded Use Grant	WI Department of Transportation	20.232	(41,500)	41,500	-	-	-
State and Community Highway Safety Highway Safety Aid	WI Department of Transportation	20.600	-	14,189	-	14,189	14,189
Child Passenger Safety Car Seat Grant	WI Department of Transportation	20.600	-	4,000	-	4,000	4,000
Total U.S. Department of Transportation			(41,500)	59,689	300	18,489	18,489
<u>ENVIRONMENTAL PROTECTION AGENCY</u>							
State Indoor Radon Grants	WI Department of Health Services	66.032	(3)	2,503	-	2,500	2,500
Great Lakes Program	Direct Program	66.469	-	42,286	1,401	43,687	43,687
Total Environmental Protection Agency			(3)	44,789	1,401	46,187	46,187

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2011

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/11	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/11	Total Revenues	
U.S. DEPARTMENT OF EDUCATION							
Early Intervention Services (IDEA) Cluster							
Grants for Infants and Toddlers with Disabilities	WI Department of Health Services	84.181	-	26,742	-	26,742	26,742
ARRA - Grants for Infants and Toddlers with Disabilities	WI Department of Health Services	84.393	(2,873)	21,352	-	18,479	18,479
Total U.S. Department of Education			(2,873)	48,094	-	45,221	45,221
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Preventive Health (Title III-D)	GWAAR*	93.043	(33)	3,510	-	3,477	3,477
Aging Cluster							
Grants for Supportive Services and Senior Centers (Title III-B)	GWAAR*	93.044	(1,224)	43,212	3,007	44,995	44,995
Nutrition Services (Title III-C)							
Congregate Meal Program (Title III-C-1)	GWAAR*	93.045	(384)	39,816	2,577	42,009	42,009
Home Delivered Meals (Title III-C-2)	GWAAR*		(220)	26,919	-	26,699	26,699
Subtotal - Nutrition Services (Title III-C)			(604)	66,735	2,577	68,708	68,708
Nutrition Services Incentive Program (NSIP)							
Congregate Meal Program (Title III-C-1)	GWAAR*	93.053	-	12,945	-	12,945	12,945
Home Delivered Meals (Title III-C-2)	GWAAR*		-	19,749	-	19,749	19,749
Subtotal - Nutrition Services Incentive Program (NSIP)			-	32,694	-	32,694	32,694
Total Aging Cluster			(1,828)	142,641	5,584	146,397	146,397
National Family Caregiver Support (Title III-E)	GWAAR*	93.052	(3,578)	12,650	9,849	18,921	18,921
Public Health Emergency Preparedness	WI Department of Health Services	93.069	(2,519)	55,714	(5,786)	47,409	47,409
Public Health Emergency Preparedness	Brown County, Wisconsin	93.069	-	4,638	-	4,638	4,638
Total Public Health Emergency Preparedness			(2,519)	60,352	(5,786)	52,047	52,047

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2011

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/11	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/11	Total Revenues	
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u>							
Medicare Enrollment Assistance Program	GWAAR*	93.071	(1,248)	6,242	2,133	7,127	7,127
Immunization Cluster							
Immunization Grants	WI Department of Health Services	93.268	(7)	9,823	-	9,816	9,816
ARRA - Immunization	WI Department of Health Services	93.712	(6,414)	7,294	-	880	880
			<u>(6,421)</u>	<u>17,117</u>	<u>-</u>	<u>10,696</u>	<u>10,696</u>
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	-	50,652	-	50,652	50,652
Temporary Assistance for Needy Families (TANF)	WI Department of Children and Families	93.558	(19,810)	170,770	40,273	191,233	191,233
Total Temporary Assistance for Needy Families (TANF)			<u>(19,810)</u>	<u>221,422</u>	<u>40,273</u>	<u>241,885</u>	<u>241,885</u>
Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(79,226)	340,437	79,623	340,834	340,834
ARRA - Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(574)	574	-	-	-
Total Child Support Enforcement (Title IV-D)			<u>(79,800)</u>	<u>341,011</u>	<u>79,623</u>	<u>340,834</u>	<u>340,834</u>
Low Income Home Energy Assistance	WI Department of Administration	93.568	(21,514)	61,498	11,854	51,838	51,838
Child Care Development Fund	WI Department of Children and Families	93.596	(10,966)	111,209	(73)	100,170	100,170
Chafee Education and Training Vouchers	WI Department of Children and Families	93.599	-	508	-	508	508
Child Welfare Services	WI Department of Children and Families	93.645	-	13,839	-	13,839	13,839
Child Welfare Services	WI Department of Corrections	93.645	(21)	2,429	938	3,346	3,346
Total Child Welfare Services			<u>(21)</u>	<u>16,268</u>	<u>938</u>	<u>17,185</u>	<u>17,185</u>
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(90)	189,422	30	189,362	189,362
Foster Care (Title IV-E)	WI Department of Corrections	93.658	(30)	3,775	1,459	5,204	5,204
Total Foster Care (Title IV-E)			<u>(120)</u>	<u>193,197</u>	<u>1,489</u>	<u>194,566</u>	<u>194,566</u>

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2011

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/11	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/11	Total Revenues	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)							
Social Services Block Grant	WI Department of Health Services	93.667	-	99,157	-	99,157	99,157
Social Services Block Grant	WI Department of Children and Families	93.667	-	21,118	-	21,118	21,118
Social Services Block Grant	Shawano County, Wisconsin	93.667	-	-	37	37	37
Total Social Services Block Grant			-	120,275	37	120,312	120,312
Youth Independent Living	WI Department of Children and Families	93.674	(1,917)	12,573	7,057	17,713	17,713
ARRA - Prevention and Wellness	WI Department of Health Services	93.723	(1,635)	5,623	2,093	6,081	6,081
State Children's Insurance Program	WI Department of Health Services	93.767	(2,800)	16,217	3,579	16,996	16,996
Medical Assistance Program	WI Department of Health Services	93.778	(424,446)	5,185,783	332,774	5,094,111	5,094,111
Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations	WI Department of Health Services	93.779	(44,628)	44,628	-	-	-
Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations	GWAAR*	93.779	(1,152)	7,008	3,717	9,573	9,573
Total Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations			(45,780)	51,636	3,717	9,573	9,573
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	-	48,966	-	48,966	48,966
Preventive Health and Social Services Block Grant	WI Department of Health Services	93.991	(1)	5,017	-	5,016	5,016
Maternal and Child Health Services Block Grant	WI Department of Health Services	93.994	(3)	11,630	-	11,627	11,627
Total U.S. Department of Health and Human Services			(627,865)	6,705,048	498,566	6,575,749	6,575,749
U.S. DEPARTMENT OF HOMELAND SECURITY							
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	-	20,661	20,661	41,322	41,322
Homeland Security Grant Program	WI Department of Administration	97.067	-	24,000	-	24,000	24,000
Total U.S. Department of Homeland Security			-	44,661	20,661	65,322	65,322
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ (710,244)	\$ 7,529,947	\$ 574,977	\$ 7,394,680	\$ 7,394,680

* 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
For the Year Ended December 31, 2011

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/11	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/11	Total Revenues	
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION							
Soil and Water Resource Management Program							
Basic Annual Staffing Grants	Direct Program	115.15	\$ (39,238)	\$ 167,958	\$ 19,797	\$ 148,517	\$ 148,517
LWRM Plan Implementation	Direct Program	115.40	-	71,537	-	71,537	71,537
Total Department of Agriculture, Trade and Consumer Protection			(39,238)	239,495	19,797	220,054	220,054
DEPARTMENT OF COMMERCE							
Private Sewage System Replacement and Rehabilitation Program							
	Direct Program	143.110	-	26,758	-	26,758	26,758
DEPARTMENT OF NATURAL RESOURCES							
Aids in Lieu of Taxes	Direct Program	370.503	-	39	-	39	39
Boating Enforcement Aids	Direct Program	370.55	-	3,112	-	3,112	3,112
All-Terrain Vehicle Enforcement Aids	Direct Program	370.551	-	28,548	-	28,548	28,548
Snowmobile Enforcement Aids	Direct Program	370.552	-	12,672	-	12,672	12,672
Wildlife Damage Abatement and Claims	Direct Program	370.553	-	9,635	-	9,635	9,635
Resource Aids - County Conservation Aids	Direct Program	370.563	-	9,356	-	9,356	9,356
Recreation Aids - Fish, Wildlife & Forestry	Direct Program	370.564	-	2,179	-	2,179	2,179
Lake Protection Grant	Direct Program	370.663	-	12,458	-	12,458	12,458
Forest Croplands & Managed Forest Land Aids	Direct Program	370.566	-	23,029	-	23,029	23,029
Urban & Community Forestry	Direct Program	370.572	-	60,898	-	60,898	60,898
Recreational Aids - Snowmobile Trail and Area Aid		370.574 & 370.575					
S - 3314	Direct Program	370.575	-	5,525	-	5,525	5,525
S - 3735	Direct Program		-	34,782	-	34,782	34,782
S - 3862	Direct Program		-	108,333	-	108,333	108,333
S - 3995	Direct Program		-	52,625	-	52,625	52,625
All-Terrain Vehicle (ATV) Program		370.576 &					
ATV 1820	Direct Program	370.577	-	6,975	-	6,975	6,975
ATV 1957	Direct Program		-	7,375	-	7,375	7,375
ATV 2025	Direct Program		-	18,972	-	18,972	18,972
ATV 2110	Direct Program		-	6,500	-	6,500	6,500
ATV 2153	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	-	197,307	-	197,307	197,307
Peshtigo Brook Conservation Easement	Direct Program	370.TA2	-	70,281	-	70,281	70,281
Total Department of Natural Resources			-	839,573	-	839,573	839,573

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2011

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/11	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/11	Total Revenues	
DEPARTMENT OF TRANSPORTATION							
Elderly and Handicapped Transportation Aids	Direct Program	395.101	-	102,963	-	102,963	102,963
DEPARTMENT OF CORRECTIONS							
Community Intervention Program	Direct Program	410.302	(7,340)	7,340	-	-	-
Community Youth and Family Aids	Direct Program	410.313	(2,256)	263,612	101,789	363,145	363,145
Total Department of Corrections			(9,596)	270,952	101,789	363,145	363,145
DEPARTMENT OF HEALTH SERVICES							
Funeral/Cemetery W-2 and Non W-2	Direct Program	435.105	(8,053)	43,899	9,337	45,183	45,183
Medicaid Transportation	Direct Program	435.131	(8,277)	28,845	(762)	19,806	19,806
Medicaid Transportation Administration	Direct Program	435.132	(1,635)	3,491	-	1,856	1,856
FSET Admin GPR/Fed Base	Direct Program	435.231	-	19,594	-	19,594	19,594
IM Available Allocation-State	Direct Program	435.283	-	133,338	2,698	136,036	136,036
IM Available Allocation-Federal	Direct Program	435.284	(3,156)	18,285	4,035	19,164	19,164
Medicaid Subrogation Collections	Direct Program	435.291	157	(6,717)	(4,923)	(11,483)	(11,483)
Community Options Program	Direct Program	435.367	(120,751)	423,909	75,842	379,000	379,000
Medical Assistance Program Benefits							
COP W Program	Direct Program	435.338	(78,190)	222,828	8,317	152,955	152,955
CIP II Program	Direct Program	435.348	6,047	253,411	26,049	285,507	285,507
CIP II Community Relocation	Direct Program	435.369	(841)	32,741	46,983	78,883	78,883
CIP II Diversions	Direct Program	435.375	34,690	16,841	(45,551)	5,980	5,980
ICFMR	Direct Program	435.407	533	39,077	(4,585)	35,025	35,025
FC Transition CIP 1B	Direct Program	435.410	(23,480)	23,656	21,045	21,221	21,221
CLTS	Direct Program	435.450	(20,433)	151,881	(11,429)	120,019	120,019
CLTS MH	Direct Program	435.451	(2,767)	49,659	(7,256)	39,636	39,636
CLTS DD	Direct Program	435.460	-	18,713	(5,065)	13,648	13,648
CLTS MH Other	Direct Program	435.461	(979)	4,376	-	3,397	3,397
CLTS PD Other	Direct Program	435.462	(1,288)	4,685	(270)	3,127	3,127
CIP II MFP	Direct Program	435.478	(4,557)	4,557	-	-	-
Brain Injury Waiver Program	Direct Program	435.506	-	104,148	-	104,148	104,148
CIP 1B Program	Direct Program	435.564	(12,616)	163,639	81,982	233,005	233,005
CIP 1A Program	Direct Program	435.580	-	260,224	-	260,224	260,224

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2011

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/11	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/11	Total Revenues	
DEPARTMENT OF HEALTH SERVICES (Continued)							
Certified Mental Health Program	Direct Program	435.517	-	18,834	-	18,834	18,834
Non-Resident - 997	Direct Program	435.531	(2,595)	2,595	-	-	-
Grants for Infants and Toddlers with Disabilities	Direct Program	435.550	-	25,570	-	25,570	25,570
State Funded-Basic County Allocation	Direct Program	435.561	-	708,696	-	708,696	708,696
Family Support Program	Direct Program	435.577	(13,407)	55,133	-	41,726	41,726
State Funded-State/County Match	Direct Program	435.681	-	91,177	-	91,177	182,354
Healthcheck	Direct Program	435.967	-	6,280	546	6,826	6,826
CST Counties 2013	Direct Program	435.81007	(17,357)	19,590	-	2,233	2,233
CST Counties 2014	Direct Program	435.81099	-	31,532	16,937	48,469	48,469
WIC Farmers' Market Nutrition Program	Direct Program	435.154720	-	1,061	-	1,061	1,061
WWWP - GPR	Direct Program	435.157000	(1)	18,788	-	18,787	18,787
Lead Poisoning	Direct Program	435.157720	(3)	3,546	-	3,543	3,543
Maternal & Child Health Svc. Block Grant	Direct Program	435.159320	-	887	-	887	887
Aging and Disability Resource Center	Shawano County, Wisconsin	435.560100	-	-	2,370	2,370	2,370
Elderly Benefit Specialist Program	GWAAR*	435.560320	(2,354)	28,215	2,354	28,215	28,215
State Pharmaceutical Assistance Program	GWAAR*	435.560327	(2,500)	7,200	2,479	7,179	7,179
State Senior Community Services	GWAAR*	435.560330	(2)	4,502	3,194	7,694	7,694
Home Delivered Meals (Title III-C-1)	GWAAR*	435.560350	(651)	67,705	4,383	71,437	71,437
Home Delivered Meals (Title III-C-2)	GWAAR*	435.560360	(28)	3,467	-	3,439	3,439
Alzheimer's'	GWAAR*	435.560381	(2,991)	9,694	6,375	13,078	13,078
Elder Abuse	GWAAR*	435.560490	(1,084)	7,033	13,644	19,593	19,593
Total Department of Health Services			(288,569)	3,126,585	248,729	3,086,745	3,177,922
DEPARTMENT OF CHILDREN AND FAMILIES							
Wisconsin Works (W-2) Agencies	Direct Program	437.215	(8,646)	60,370	33,519	85,243	85,243
AW DOJ Fingerprint Background	Direct Program	437.3324	(245)	558	82	395	395
State Funded-Basic County Allocation	Direct Program	437.3561	-	153,610	-	153,610	153,610
State Funded-State/County Match	Direct Program	437.3681	-	31,014	-	31,014	62,028
Child Support	Direct Program	437.7502	50,382	-	327	50,709	50,709
Total Department of Children and Families			41,491	245,552	33,928	320,971	351,985

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2011

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/11	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/11	Total Revenues	
DEPARTMENT OF JUSTICE							
County Law Enforcement Services	Direct Program	455.226	(34,004)	-	-	34,004	34,004
Victim and Witness Assistance Program		455.503, 455.532					
Program Cluster	Direct Program	& 455.539	-	35,822	-	35,822	35,822
Total Department of Justice			(34,004)	35,822	-	69,826	69,826
DEPARTMENT OF MILITARY AFFAIRS							
Emergency Planning Grant Program							
FFY11	Direct Program	465.337	-	10,713	-	10,713	10,713
Total Department of Military Affairs			-	10,713	-	10,713	10,713
DEPARTMENT OF ADMINISTRATION							
Land Information Grants							
2011	Direct Program	505.116	-	5,019	-	5,019	5,019
Public Benefits							
2010-11	Direct Program	505.371	(9,701)	32,394	-	22,693	22,693
2011-12	Direct Program		-	-	10,428	10,428	10,428
Total Department of Administration			(9,701)	37,413	10,428	38,140	38,140
TOTAL STATE PROGRAMS			\$ (339,617)	\$ 4,935,826	\$ 414,671	\$ 5,078,888	\$ 5,201,079

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, 2011

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 2011 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, 2011

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, 2011	\$	47,109
Cash balance at December 31, 2011		22,207
Administrative expenditures for year ended December 31, 2011		3,360
Total Expenditures for CFDA #11.307	\$	<u>72,676</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 17, 2012 CARS for the Human Services Department and the December 2011 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, 2011

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
1/1/11 - 12/31/11	\$ 18,479	\$ 21,352

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
1/1/11 - 12/31/11	\$ 880	\$ 7,294

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	\$ -
1/1/11 - 12/31/11	\$ 6,081	\$ 5,623

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

OCONTO COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2011

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
93.778	Medical Assistance Program

State ID Number	Name of State Program
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
435.506	Brain Injury Waiver Program
435.564	CIP 1B Program
435.580	CIP 1A Program
435.560100	Aging and Disability Resource Center
437.215	Wisconsin Works (W-2) Agencies
445.347	Child Day Care

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)
 For the Year Ended December 31, 2011

Section II - Basic Financial Statement Findings

Finding No.	Control Deficiencies
-------------	----------------------

2011-01 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)
 For the Year Ended December 31, 2011

Section III - Federal Award Findings and Questioned Costs

Finding No.	Internal Control Deficiency
-------------	-----------------------------

2011-02 Financial Reporting for Federal and State Financial Assistance

*Federal CFDA – All
 State IDs - All*

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)
 For the Year Ended December 31, 2011

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

Finding No.	State Single Audit Guidelines Findings	Questioned Costs
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2011-03 General Requirements - Purchase of Service Contracts

Federal CFDA – All
State IDs - All

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 (3) 2010 audits from providers as detailed below. Total payments of \$516,410, as summarized below by CARS line, are reported as questioned costs. \$ 516,410

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	\$ 19,566
CIP II	347	98,053
Basic County Allocation	561	6,166
<i>Country Healthcare</i>		
COP	367	4,872
Basic County Allocation	561	124,426
COP waiver	337	49,182
CIP II	347	55,326
CIP II - Community Relocation	368	2,125
CIP II - NH Diversion	374	42,645
<i>Bellin Health</i>		
Basic County Allocation	561	114,049
		<u>\$ 516,410</u>

OCONTO COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 2011

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 15, 2012

OCONTO COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2011

Prior Year Audit Findings

The findings noted in the 2010 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 2010-01 and 2010-02 outweigh the benefits to be received. Management reviews the financial report and the single audit report prepared by Schenck.

Corrective Action Plan

- | | | |
|---------|--|---|
| 2011-01 | Year End Closing and Financial Reporting | The County will continue to review the entire annual financial report for accuracy prior to issuance. |
| 2011-02 | 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. |
| 2011-03 | 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 financial statements of Oconto County, Wisconsin for the year ended December 31, 2011, we have also examined the 2011 Financial Report Form A required to be submitted to the Wisconsin Department of Revenue (WDR) by Wisconsin Administration Rule, Tax 16. The 2011 Financial Report Form A has been subjected to the auditing procedures applied in the audit of the financial statements. In our opinion the 2011 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 2011 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 15, 2012

OCONTO COUNTY, WISCONSIN
 Schedule of Revisions to 2011 State Financial Report Form
 Submitted to Wisconsin Department of Revenue

Seq./Acct. Number	Per State Financial Report	Increase (Decrease)	Per Audit
Governmental Funds:			
Revenues			
100-41800	\$ 531,546	\$ 10,703	\$ 542,249
Expenditures			
122-53311	\$ 3,707,237	\$ (22,375)	\$ 3,684,862
Net Governmental Fund Changes		\$ 33,078	
Governmental Fund Balance			
Per Filed Report			
151-34000		<u>18,634,196</u>	
Per Audit Report - Page 15		<u>\$ 18,667,274</u>	
Proprietary Funds:			
Expenditures			
209-53635	\$ 671,180	\$ (55,534)	\$ 615,646
210-53311	3,645,965	(393,584)	3,252,381
Total Expenditures	<u>\$ 4,317,145</u>	<u>\$ (449,118)</u>	<u>\$ 3,868,027</u>
Net Proprietary Fund Changes		\$ 449,118	
Per Filed Report			
230-62000		<u>(797,795)</u>	
Per Audit Report - Page 21		<u>\$ (348,677)</u>	