

OCONTO COUNTY, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2012

OCONTO COUNTY, WISCONSIN

December 31, 2012

Table of Contents

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT DISCUSSION AND ANALYSIS	4 - 10
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12 - 13
Fund Financial Statements	
Balance Sheet - Governmental Funds	14 - 15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16 - 17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Human Services Fund	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - County Roads and Bridges Fund	20
Statement of Net Position - Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23
Statement of Net Position - Fiduciary Funds	24
Notes to Financial Statements	25 - 44
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress - Other Post- Employment Benefit Plan	45
Schedule of Employer Contributions - Other Post-Employment Benefit Plan	46

OCONTO COUNTY, WISCONSIN
December 31, 2012

Table of Contents

	<u>Page No.</u>
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual - General Fund	47 - 54
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - County Roads and Bridges	55
Combining Balance Sheet - Nonmajor Governmental Funds	56 - 57
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	58 - 59
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Jail Assessment Fund	60
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Family Mediation Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - County Sales Tax Fund	62
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tourism Fund	63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Revolving Loan Funds	64
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Dog License Fund	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Commission on Aging Transportation 85.21 Fund	66
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Jail Canteen Fund	67
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Highway Enterprise Fund	68 - 69
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Recycling Enterprise Fund	70
Combining Statement of Net Position - Agency Funds	71

OCONTO COUNTY, WISCONSIN
December 31, 2012

Table of Contents (Continued)

	<u>Page No.</u>
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	72 - 73
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	
Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance	74- 75
Schedule of Federal Awards	76 - 79
Schedule of State Financial Assistance	80 - 83
Notes to the Schedule of Federal Awards and the Schedule of State Financial Assistance	84 - 86
Schedule of Findings and Questioned Costs	87 - 90
Schedule of Prior Year Audit Findings and Corrective Action Plan	91
STATE FINANCIAL REPORT FORM	
Independent Auditors' Report on State Financial Report Form	92
Schedule of Revisions to 2012 State Financial Report Form	93



INDEPENDENT AUDITORS' REPORT

To the County Board
Oconto County, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconto County, Wisconsin ("the County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, the human services and county roads and bridges special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A.6.h, the County has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2012. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress and the schedule of employer contributions on pages 4 through 10 and 45 and 46 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance, and the other information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Financial Information

We have previously audited Oconto County's 2011 financial statements, and our report dated June 15, 2012, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants
Green Bay, Wisconsin
July 3, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oconto County, Wisconsin
Management's Discussion and Analysis
December 31, 2012

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, 2012.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2012 by \$120,724,560 (*net position*). Of this amount, \$22,996,304 (*unrestricted*) may be used to meet the County's ongoing obligations to citizens and creditors. Of the remainder, \$97,483,108 is net investment in capital assets, and \$245,148 is restricted for unspent grant awards and advances.
- The County's total net position decreased by \$2,425,822 from 2011. The decrease consisted of a decrease in governmental activities of \$1,668,340 and a decrease in business-type activities of \$757,482.
- As of December 31, 2012, the County's governmental funds reported combined ending fund balances of \$19,654,331, an increase of 987,057 from the prior year.
- As of December 31, 2012, the County's general fund unassigned fund balance was \$9,201,557, or approximately 55% of the total 2012 general fund expenditures of \$16,612,093.
- There is no outstanding debt of the county at the end of 2012. There is no anticipated new debt borrowing for 2013.
- Delinquent property taxes (tax certificates & tax deeds) decreased by \$170,691, or 6% (compared to an 8% increase last year), to \$2,866,746.
- The county's equalized value (08/2012) decreased again from the previous year by 1.9%. This is the fourth year of consecutive decreases in the county's equalized value.
- The property tax mill rate increased 11 cents per \$1,000 of equalized value for the year 2012 to \$4.996, compared to \$4.882 in 2011. The property tax levy increased to \$17,790,125 in 2012 from \$17,633,343, an increase of \$156,782, or .9%. The increase was within the state imposed tax levy and tax rate limits.

Overview of the Basic Financial Statements

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

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

The *statement of net position* reports all assets, deferred outflow of resources, liabilities, deferred inflows of resources, and net position. The statement of net position reports the residual amount as net position, rather than net assets.

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 11-13 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 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 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 14-20 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 21-23 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 24 of this report.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 25 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 47 of this report.

Government-wide Financial Analysis

Net assets: As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$120,724,560 at the close of the year.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2012	2011	2012	2012	2012	2011
OCONTO COUNTY NET POSITION						
Current and other assets	\$ 43,119,775	\$ 41,493,191	\$ 5,168,190	\$ 5,733,672	\$ 48,287,965	\$ 47,226,863
Capital assets	89,056,531	91,613,818	8,426,577	8,543,176	97,483,108	100,156,994
Total assets	132,176,306	133,107,009	13,594,767	14,276,848	145,771,073	147,383,857
Long-term liabilities outstanding	1,226,617	1,036,530	1,504,731	1,647,177	\$ 2,731,348	\$ 2,683,707
Other liabilities	3,820,170	3,470,307	507,183	289,336	4,327,353	3,759,643
Total liabilities	5,046,787	4,506,837	2,011,914	1,936,513	7,058,701	6,443,350
Deferred inflows of resources	17,987,812	17,790,125	-	-	17,987,812	17,790,125
Net position					-	-
Net investment in capital assets	89,056,531	91,613,818	8,426,577	8,543,176	\$ 97,483,108	\$ 100,156,994
Restricted	245,148	-	-	-	245,148	-
Unrestricted	19,840,028	19,196,229	3,156,276	3,797,159	22,996,304	22,993,388
	\$ 109,141,707	\$ 110,810,047	\$ 11,582,853	\$ 12,340,335	\$ 120,724,560	\$ 123,150,382

By far the largest portion of the County’s total net position (80.7%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt, if any, must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of *unrestricted net position* of \$22,996,304 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 position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Change in net assets. Governmental activities decreased the County's net assets by \$1,118,340 and business-type activities decreased the County's net assets by \$757,482 during the year, thus resulting in a net decrease of \$2,425,822 of the total net assets of the County.

OCONTO COUNTY CHANGE IN NET POSITION PRIMARY GOVERNMENT	Governmental Activities		Business-type Activities		TOTALS	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services, fees, fines, costs ...	\$ 5,011,005	\$ 5,252,147	\$ 9,120,101	\$ 10,234,526	\$ 14,131,106	\$ 15,486,673
Operating grants and contributions	12,923,065	13,669,071	207,620	217,047	13,130,685	13,886,118
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	17,790,125	17,633,343	-	-	17,790,125	17,633,343
Other taxes	2,230,804	2,144,253	-	-	2,230,804	2,144,253
Grants and contributions not restricted to specific programs	597,434	761,279	-	-	597,434	761,279
Interest and investment earnings	135,281	137,072	8,543	12,110	143,824	149,182
Other	4,811	22,374	-	-	4,811	22,374
Total revenues	38,692,525	39,619,539	9,336,264	10,463,683	48,028,789	50,083,222
Expenses:						
General government	5,650,562	5,343,601	-	-	5,650,562	5,343,601
Public safety	7,344,792	6,741,189	-	-	7,344,792	6,741,189
Public works	6,403,204	5,774,292	-	-	6,403,204	5,774,292
Health and human services	17,781,619	18,161,591	-	-	17,781,619	18,161,591
Culture and recreation	1,511,610	1,629,902	-	-	1,511,610	1,629,902
Development	1,983,065	1,653,935	-	-	1,983,065	1,653,935
Interest on long-term debt	-	-	-	-	-	-
Highway	-	-	8,446,776	9,141,258	8,446,776	9,141,258
MAR-OCO landfill	-	-	597,082	615,140	597,082	615,140
Recycling	-	-	735,901	615,646	735,901	615,646
Total expenses	40,674,852	39,304,510	9,779,759	10,372,044	50,454,611	49,676,554
Increase in net assets before transfers	(1,982,327)	315,029	(443,495)	91,639	(2,425,822)	406,668
Transfers	313,987	440,316	(313,987)	(440,316)	-	-
Change in net position	(1,668,340)	755,345	(757,482)	(348,677)	(2,425,822)	406,668
Net position January 1	110,810,047	110,054,702	12,340,335	12,689,012	123,150,382	122,743,714
Net position December 31	\$109,141,707	\$110,810,047	\$11,582,853	\$12,340,335	\$120,724,560	\$123,150,382

Governmental activities. Elements contributing to the \$1,668,340 decrease in governmental net position are mainly due to a decrease of program revenues of \$987,148 and an increase in expenditures of \$1,370,342.

Business-type activities. Elements contributing to the \$757,482 decrease in business-type net assets include:

- Highway business-type fund transferred \$313,987 to the general fund, otherwise had net loss of \$158,138 before transfer.
- Recycling operations resulted in a net loss of \$139,089.
- MAR-OCO Landfill operations resulted in a net loss of \$146,268.

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, 2012, the County's governmental funds reported a combined ending fund balance of \$19,654,331, an increase of \$987,057 from the prior year. Of that combined ending fund balance, \$9,201,557 (47%) constitutes *unassigned fund balance* that is available for spending at the County's discretion. The remainder of fund balance is *assigned, restricted, committed and 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, a commitment for new jail facility project 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 \$9,201,557, while the total fund balance was \$14,540,212. 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 55% of total general fund expenditures, while the total fund balance represents 87.5% of general fund expenditures. In relation to general fund revenues, unassigned fund balance also represents 59.7% of total general fund revenues.

The fund balance of the County's general fund increased \$1,126,959, from \$13,413,253 to \$14,540,212 during the year. Key factors in this increase include:

- The amount of \$469,500 was received from the county sales fund as reimbursement for the 2012 prior debt defeasance.
- Transfers totaling \$713,987 were received from the human services and highway funds.

The Human Services fund had a balance of \$1,665,788 at the end of the year. This fund balance decreased \$358,143 during the year. This decrease was due to a transfer to the general fund of \$400,000, otherwise operating revenues exceeded expenditures by \$41,857. The tax levy for Human Services remained the same as 2010, amounting to \$4,988,184. Of the \$1,665,788 fund balance, \$627,268 will be applied to reduce the human service fund's 2013 property tax levy and \$400,000 will be transferred to the general fund to reduce the overall 2013 levy.

The County Roads and Bridges fund had a balance of \$1,553,541 at the end of the year. This fund balance increased \$289,441 during the year. The tax levy for the roads and bridge stayed the same in 2012 as 2011, that being \$3,222,541, excluding the local bridge aid levies. Of the county road and bridge \$1,553,541 fund balance, \$144,616 will applied to reduce the fund's 2013 property tax levy and \$530,400 will be transferred to the general fund to reduce the overall 2013 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>12/31/2012</u>	<u>12/31/2011</u>
Highway	\$2,546,298	\$2,958,502
MAR-OCO Landfill	22,000	196,817
Recycling	587,978	641,840

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 \$1,872,764 increase in appropriations and can be briefly summarized as follows:

- \$158,000 increase in land records,
- \$93,000 additional expenditures for law enforcement projects,
- \$464,200 additional expenditures for state aided recreation projects,
- \$412,000 additional expenditures for conservation and development programs
- \$558,000 increase 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 \$1,126,959 thus increasing the general fund balance at the end of 2012 to \$14,540,212 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 \$97,483,108 (net of accumulated depreciation), a decrease of \$2,673,886 from 2011. 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	
	2012	2011	2012	2011	2012	2011
Land	\$ 11,806,968	\$ 11,681,968	\$ 123,716	\$ 123,716	\$ 11,930,684	\$ 11,805,684
Buildings	7,247,141	7,658,641	2,035,543	2,238,911	9,282,684	9,897,552
Improvements other than buildings	693,655	751,157	901,640	946,124	1,595,295	1,697,281
Machinery and equipment	1,156,825	1,291,113	5,319,760	5,164,212	6,476,585	6,455,325
Infrastructure	68,151,942	70,230,939	-	-	68,151,942	70,230,939
Construction in progress			30,250	52,250	30,250	52,250
Other	-	-	15,668	17,963	15,668	17,963
Total	\$ 89,056,531	\$ 91,613,818	\$ 8,426,577	\$ 8,543,176	\$ 97,483,108	\$ 100,156,994

Additional information on the County’s capital assets can be found in Note C (5) on pages 37-38 of this report.

Long-term Debt: At the end of 2012, 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 2013 was 6.9%, and compares with the statewide rate of 6.7% and a federal rate of 7.0%. 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. Note, however, that the mill rate limit has been repealed by the state legislature in 2013. The (following) tax levy limit is still in place for 2013-2014.

An additional, and more restrictive, limit was placed on county budgets by the State for budgets beginning in 2007. That limit is the actual 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 2011 levy (collection in 2012) the County’s increase in NNC was .752%. The state allowed minimum percentage was 0%. For the 2012 levy (collect in 2013) the state percentage is again 0%, and is based only on NNC. Additionally, the percentage increase allowed is based on prior year actual levy, rather than the previously allowable levy. The County has consistently budgeted at the maximum allowable levy amount since 2009.

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 Position

December 31, 2012

(With summarized financial information as of December 31, 2011)

	Primary Government				Component Unit
	Governmental Activities	Business-type Activities	Total		Commission on Aging
			2012	2011	
ASSETS					
Cash and investments	\$ 17,890,849	\$ 2,724,325	\$ 20,615,174	\$ 20,665,034	\$ 37,641
Receivables					
Taxes	21,852,810	-	21,852,810	21,872,695	-
Accounts	1,248,078	35,112	1,283,190	1,339,653	43,993
Loans	551,467	-	551,467	442,745	-
Due from other governments	1,568,759	474,027	2,042,786	1,045,473	-
Inventories and prepaid items	7,812	1,203,134	1,210,946	994,211	-
Restricted cash and investments	-	731,592	731,592	724,353	-
Deferred charges	-	-	-	142,699	-
Capital assets					
Land	11,806,968	123,716	11,930,684	11,805,684	-
Improvements other than buildings	1,476,319	3,008,777	4,485,096	4,451,550	-
Buildings	16,107,128	5,035,521	21,142,649	21,142,649	-
Machinery and equipment	5,821,553	15,126,455	20,948,008	20,721,138	-
Other capital assets	-	52,792	52,792	52,792	-
Construction in progress	-	30,250	30,250	52,250	-
Infrastructure	134,182,545	-	134,182,545	132,650,691	-
Less: Accumulated depreciation	(80,337,982)	(14,950,934)	(95,288,916)	(90,719,760)	-
TOTAL ASSETS	132,176,306	13,594,767	145,771,073	147,383,857	81,634
LIABILITIES					
Accounts payable	2,755,002	282,156	3,037,158	2,121,580	29,844
Accrued payroll liabilities	845,602	196,000	1,041,602	1,168,859	-
Due to other governments	219,566	-	219,566	469,204	-
Unearned revenues	-	29,027	29,027	-	-
Long-term obligations					
Due in more than one year	1,226,617	175,438	1,402,055	1,231,344	-
Closure and post-closure care costs	-	1,329,293	1,329,293	1,452,363	-
TOTAL LIABILITIES	5,046,787	2,011,914	7,058,701	6,443,350	29,844
DEFERRED INFLOWS OF RESOURCES					
Property taxes	17,987,812	-	17,987,812	17,790,125	-
NET POSITION					
Net investment in capital assets	89,056,531	8,426,577	97,483,108	100,156,994	-
Restricted for					
Unspent grant awards and advances	245,148	-	245,148	-	-
Unrestricted	19,840,028	3,156,276	22,996,304	22,993,388	51,790
TOTAL NET POSITION	\$ 109,141,707	\$ 11,582,853	\$ 120,724,560	\$ 123,150,382	\$ 51,790

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, 2012

(With summarized financial information for the year ended December 31, 2011)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	\$ 5,650,562	\$ 1,076,741	\$ 185,220	\$ -
Public safety	7,344,792	718,797	195,057	-
Public works	6,403,204	4,500	1,130,156	-
Health and human services	17,781,619	2,441,328	10,117,494	-
Culture and recreation	1,511,610	245,636	469,577	-
Development	1,983,065	524,003	825,561	-
Total Governmental Activities	<u>40,674,852</u>	<u>5,011,005</u>	<u>12,923,065</u>	<u>-</u>
Business-type Activities				
Highway	8,446,776	8,288,638	-	-
MAR-OCO Landfill	597,082	442,271	-	-
Recycling	735,901	389,192	207,620	-
Total Business-type Activities	<u>9,779,759</u>	<u>9,120,101</u>	<u>207,620</u>	<u>-</u>
Total primary government	<u>\$ 50,454,611</u>	<u>\$ 14,131,106</u>	<u>\$ 13,130,685</u>	<u>\$ -</u>
Component unit				
Commission on aging	<u>\$ 657,472</u>	<u>\$ 138,505</u>	<u>\$ 499,016</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
- Miscellaneous
- Transfers
- Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			2011	Component Unit
Governmental Activities	Business-type Activities	Total		Commission on Aging
\$ (4,388,601)	\$ -	\$ (4,388,601)	\$ (4,145,372)	\$ -
(6,430,938)	-	(6,430,938)	(5,857,499)	-
(5,268,548)	-	(5,268,548)	(4,209,043)	-
(5,222,797)	-	(5,222,797)	(4,861,700)	-
(796,397)	-	(796,397)	(1,060,967)	-
(633,501)	-	(633,501)	(248,711)	-
<u>(22,740,782)</u>	<u>-</u>	<u>(22,740,782)</u>	<u>(20,383,292)</u>	<u>-</u>
-	(158,138)	(158,138)	235,754	-
-	(154,811)	(154,811)	(192,412)	-
-	(139,089)	(139,089)	36,187	-
<u>-</u>	<u>(452,038)</u>	<u>(452,038)</u>	<u>79,529</u>	<u>-</u>
<u>(22,740,782)</u>	<u>(452,038)</u>	<u>(23,192,820)</u>	<u>(20,303,763)</u>	<u>-</u>
-	-	-	-	(19,951)
17,790,125	-	17,790,125	17,633,343	-
2,230,804	-	2,230,804	2,144,253	-
597,434	-	597,434	761,279	-
135,281	8,543	143,824	149,182	1,311
4,811	-	4,811	22,374	10,506
313,987	(313,987)	-	-	-
<u>21,072,442</u>	<u>(305,444)</u>	<u>20,766,998</u>	<u>20,710,431</u>	<u>11,817</u>
(1,668,340)	(757,482)	(2,425,822)	406,668	(8,134)
<u>110,810,047</u>	<u>12,340,335</u>	<u>123,150,382</u>	<u>122,743,714</u>	<u>59,924</u>
<u>\$ 109,141,707</u>	<u>\$ 11,582,853</u>	<u>\$ 120,724,560</u>	<u>\$ 123,150,382</u>	<u>\$ 51,790</u>

Fund Financial Statements

OCONTO COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2012

(With summarized financial information as of December 31, 2011)

	General	Human Services	County Roads and Bridges	Other Governmental Funds	Total Governmental Funds	
					2012	2011
ASSETS						
Cash and investments	\$ 11,946,433	\$ 1,864,073	\$ 1,553,541	\$ 2,526,802	\$ 17,890,849	\$ 16,878,428
Receivables						
Taxes	12,717,131	5,000,000	3,250,754	-	20,967,885	20,951,040
Accounts	1,038,239	114,623	-	1,500	1,154,362	1,247,744
Notes	-	-	-	551,467	551,467	442,745
Advance to other funds	-	-	-	-	-	10,000
Due from other governments	795	1,516,421	-	-	1,517,216	938,622
Inventories and prepaid items	2,812	5,000	-	-	7,812	19,038
TOTAL ASSETS	\$ 25,705,410	\$ 8,500,117	\$ 4,804,295	\$ 3,079,769	\$ 42,089,591	\$ 40,487,617
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 652,374	\$ 1,469,116	\$ -	\$ 633,512	\$ 2,755,002	\$ 1,991,453
Accrued payroll liabilities	644,504	201,098	-	-	845,602	1,009,650
Advance from other funds	-	-	-	-	-	10,000
Due to other governments	131,262	88,304	-	-	219,566	469,204
Total Liabilities	1,428,140	1,758,518	-	633,512	3,820,170	3,480,307
Deferred Inflows of Resources						
Property taxes	9,737,058	5,000,000	3,250,754	-	17,987,812	17,790,125
Loans receivable	-	-	-	551,467	551,467	442,745
Advance from state	-	75,811	-	-	75,811	107,166
Total Deferred Inflows of Resources	9,737,058	5,075,811	3,250,754	551,467	18,615,090	18,340,036
Fund Balances						
Nonspendable for						
Delinquent property taxes	2,443,961	-	-	-	2,443,961	2,698,464
Long-term advances	-	-	-	-	-	10,000
Inventories and prepaid items	2,812	5,000	-	-	7,812	17,377
Restricted for						
Unspent grant awards and advances	245,148	-	-	-	245,148	118,660
Committed for						
New jail facility	2,000,000	-	-	-	2,000,000	-
Assigned for						
Continuing appropriations	646,734	-	-	-	646,734	539,065
Special revenue funds	-	1,660,788	1,553,541	1,894,790	5,109,119	5,246,856
Unassigned, reported in						
General fund	9,201,557	-	-	-	9,201,557	10,036,852
Total Fund Balances	14,540,212	1,665,788	1,553,541	1,894,790	19,654,331	18,667,274
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 25,705,410	\$ 8,500,117	\$ 4,804,295	\$ 3,079,769	\$ 42,089,591	\$ 40,487,617

(Continued)

OCONTO COUNTY, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2012

(With summarized financial information as of December 31, 2011)

	2012	2011
<u>Reconciliation to the Statement of Net Position</u>		
Total Fund Balances from previous page	\$ 19,654,331	\$ 18,667,274
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	89,056,531	91,613,818
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	\$ (577,993)	
Compensated absences	<u>(648,624)</u>	(1,036,530)
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>1,657,462</u>	<u>1,565,485</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 11)	<u>\$ 109,141,707</u>	<u>\$ 110,810,047</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, 2012

(With summarized financial information for the year ended December 31, 2011)

	General	Human Services	County Roads and Bridges	Other Governmental Funds	Total Governmental Funds	
					2012	2011
Revenues						
Taxes	\$ 10,209,345	\$ 4,988,184	\$ 3,286,246	\$ 1,635,148	\$ 20,118,923	\$ 19,722,184
Intergovernmental	2,577,983	9,650,161	1,130,156	206,000	13,564,300	14,577,137
Licenses and permits	221,575	-	-	14,975	236,550	220,246
Fines and forfeits	179,258	-	-	38,477	217,735	198,612
Public charges for services	1,421,705	1,634,108	-	792	3,056,605	3,433,462
Intergovernmental charges for services	398,607	-	-	-	398,607	378,616
Miscellaneous	401,182	693,449	-	140,930	1,235,561	1,291,479
Total Revenues	15,409,655	16,965,902	4,416,402	2,036,322	38,828,281	39,821,736
Expenditures						
Current						
General government	4,828,229	-	-	-	4,828,229	4,701,490
Public safety	6,642,188	-	-	86,100	6,728,288	6,508,227
Public works	197,246	-	4,126,961	-	4,324,207	5,079,619
Health and human services	712,410	16,924,045	-	26,954	17,663,409	18,058,029
Culture and recreation	1,216,281	-	-	157,749	1,374,030	1,499,411
Development	1,680,422	-	-	221,309	1,901,731	1,632,489
Capital outlay	1,335,317	-	-	-	1,335,317	430,262
Total Expenditures	16,612,093	16,924,045	4,126,961	492,112	38,155,211	37,909,527
Excess of Revenues Over (Under) Expenditures	(1,202,438)	41,857	289,441	1,544,210	673,070	1,912,209
Other Financing Sources (Uses)						
Transfers in	2,329,397	-	-	74,195	2,403,592	1,982,839
Transfers out	-	(400,000)	-	(1,689,605)	(2,089,605)	(1,542,523)
Total Other Financing Sources (Uses)	2,329,397	(400,000)	-	(1,615,410)	313,987	440,316
Net Change in Fund Balances	1,126,959	(358,143)	289,441	(71,200)	987,057	2,352,525
Fund Balances - January 1	13,413,253	2,023,931	1,264,100	1,965,990	18,667,274	16,314,749
Fund Balances - December 31	\$ 14,540,212	\$ 1,665,788	\$ 1,553,541	\$ 1,894,790	\$ 19,654,331	\$ 18,667,274

(Continued)

OCONTO COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2012
(With summarized financial information for the year ended December 31, 2011)

	2012	2011
<u>Reconciliation to the Statement of Activities</u>		
Net Change in Fund Balances from previous page	\$ 987,057	\$ 2,352,525
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets which meet capitalization criteria is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as expenditures in governmental fund statements	\$ 1,898,879	
Depreciation expense reported in the statement of activities	(4,423,584)	
Amount by which capital outlays are less than depreciation		(2,524,705) (1,221,000)
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.		
Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	\$ (27,733)	
Loss on disposition reported on the statement of activities	(4,849)	
Cost of assets disposed of		(32,582) (30,292)
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:		
		91,977 (173,026)
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:		
		(190,087) (172,862)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 12 and 13)	\$ (1,668,340)	\$ 755,345

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,877,526	\$ 9,877,526	\$ 10,209,345	\$ 331,819
Intergovernmental	1,875,647	2,382,153	2,577,983	195,830
Licenses and permits	192,475	192,475	221,575	29,100
Fines and forfeits	203,500	203,500	179,258	(24,242)
Public charges for services	1,487,140	1,556,842	1,421,705	(135,137)
Intergovernmental charges for services	330,720	371,618	398,607	26,989
Miscellaneous	285,235	364,575	401,182	36,607
Total Revenues	14,252,243	14,948,689	15,409,655	460,966
Expenditures				
Current				
General government	5,248,458	5,548,516	4,828,229	720,287
Public safety	6,243,840	6,384,243	6,642,188	(257,945)
Public works	195,955	195,955	197,246	(1,291)
Health and human services	743,752	741,859	712,410	29,449
Culture and recreation	1,142,889	1,607,091	1,216,281	390,810
Development	1,366,364	1,778,370	1,680,422	97,948
Capital outlay	620,000	1,177,988	1,335,317	(157,329)
Total Expenditures	15,561,258	17,434,022	16,612,093	821,929
Excess of Revenues Over (Under) Expenditures	(1,309,015)	(2,485,333)	(1,202,438)	1,282,895
Other Financing Sources				
Transfers in	1,309,015	1,827,425	2,329,397	501,972
Net Change in Fund Balance	-	(657,908)	1,126,959	1,784,867
Fund Balance - January 1	13,413,253	13,413,253	13,413,253	-
Fund Balance - December 31	\$ 13,413,253	\$ 12,755,345	\$ 14,540,212	\$ 1,784,867

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,988,184	\$ 4,988,184	\$ 4,988,184	\$ -
Intergovernmental	9,740,732	9,506,567	9,650,161	143,594
Public charges for services	1,536,771	1,634,107	1,634,108	1
Miscellaneous	-	693,449	693,449	-
Total Revenues	16,265,687	16,822,307	16,965,902	143,595
Expenditures				
Current				
Health and human services	16,501,951	17,117,337	16,924,045	193,292
Excess of Revenues Over (Under) Expenditures	(236,264)	(295,030)	41,857	336,887
Other Financing Sources (Uses)				
Transfers out	-	-	(400,000)	(400,000)
Net Change in Fund Balance	(236,264)	(295,030)	(358,143)	(63,113)
Fund Balance - January 1	2,023,931	2,023,931	2,023,931	-
Fund Balance - December 31	\$ 1,787,667	\$ 1,728,901	\$ 1,665,788	\$ (63,113)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,286,246	\$ 3,286,246	\$ 3,286,246	\$ -
Intergovernmental	1,113,626	1,113,626	1,130,156	16,530
Total Revenues	<u>4,399,872</u>	<u>4,399,872</u>	<u>4,416,402</u>	<u>16,530</u>
Expenditures				
Current				
Public works	4,590,872	4,590,872	4,126,961	463,911
Net Change in Fund Balance	(191,000)	(191,000)	289,441	480,441
Fund Balance - January 1	<u>1,264,100</u>	<u>1,264,100</u>	<u>1,264,100</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,073,100</u>	<u>\$ 1,073,100</u>	<u>\$ 1,553,541</u>	<u>\$ 480,441</u>

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

OCONTO COUNTY, WISCONSIN

Statement of Net Position

Proprietary Funds

December 31, 2012

(With summarized financial information as of December 31, 2011)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2012	2011
	ASSETS				
Current Assets					
Cash and investments	\$ 1,402,176	\$ 654,373	\$ 667,776	\$ 2,724,325	\$ 3,786,606
Accounts receivable	8,745	26,367	-	35,112	21,986
Due from other governments	474,027	-	-	474,027	82,855
Inventories and prepaid items	1,203,134	-	-	1,203,134	1,117,872
Total Current Assets	3,088,082	680,740	667,776	4,436,598	5,009,319
Noncurrent Assets					
Restricted cash and investments	-	731,592	-	731,592	724,353
Land	52,202	62,514	9,000	123,716	123,716
Improvements other than buildings	355,077	2,624,268	29,432	3,008,777	2,975,231
Buildings	4,468,281	17,468	549,772	5,035,521	5,035,521
Machinery and equipment	14,011,621	385,347	729,487	15,126,455	14,932,698
Other capital assets	52,792	-	-	52,792	52,792
Construction in progress	-	30,250	-	30,250	52,250
Less accumulated depreciation	(11,774,280)	(2,069,590)	(1,107,064)	(14,950,934)	(14,629,032)
Total Noncurrent Assets	7,165,693	1,781,849	210,627	9,158,169	9,267,529
TOTAL ASSETS	10,253,775	2,462,589	878,403	13,594,767	14,276,848
LIABILITIES					
Current Liabilities					
Accounts payable	190,722	21,304	70,130	282,156	130,127
Accrued payroll liabilities	184,712	1,620	9,668	196,000	159,209
Unearned revenue	29,027	-	-	29,027	-
Total Current Liabilities	404,461	22,924	79,798	507,183	289,336
Noncurrent Liabilities					
Compensated absences payable	137,323	38,115	-	175,438	194,814
Landfill closure care costs	-	59,285	-	59,285	232,606
Landfill post closure care costs	-	1,270,008	-	1,270,008	1,219,757
Total Noncurrent Liabilities	137,323	1,367,408	-	1,504,731	1,647,177
TOTAL LIABILITIES	541,784	1,390,332	79,798	2,011,914	1,936,513
NET POSITION					
Net investment in capital assets	7,165,693	1,050,257	210,627	8,426,577	8,543,176
Unrestricted	2,546,298	22,000	587,978	3,156,276	3,797,159
TOTAL NET POSITION	\$ 9,711,991	\$ 1,072,257	\$ 798,605	\$ 11,582,853	\$ 12,340,335

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

OCONTO COUNTY, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2012
(With summarized financial information for the year ended December 31, 2011)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2012	2011
Operating Revenues					
Intergovernmental charges for services	\$ 8,283,688	\$ 146,482	\$ 27,956	\$ 8,458,126	\$ 9,534,807
Public charges for services	4,950	295,789	30,250	330,989	277,551
Sale of recyclable materials	-	-	306,156	306,156	421,528
Total Operating Revenues	8,288,638	442,271	364,362	9,095,271	10,233,886
Operating Expenses					
Operation and maintenance	7,732,744	469,478	644,974	8,847,196	9,473,907
Depreciation	714,032	94,320	90,927	899,279	898,137
Total Operating Expenses	8,446,776	563,798	735,901	9,746,475	10,372,044
Operating Loss	(158,138)	(121,527)	(371,539)	(651,204)	(138,158)
Nonoperating Revenues and Expenses					
State aid	-	-	207,620	207,620	217,047
Interest income	-	8,543	-	8,543	12,110
Gain on sale of equipment	-	-	24,830	24,830	640
Loss on sale of equipment	-	(33,284)	-	(33,284)	-
Total Nonoperating Revenues and Expenses	-	(24,741)	232,450	207,709	229,797
Net Income (Loss) Before Transfers	(158,138)	(146,268)	(139,089)	(443,495)	91,639
Transfers out	(313,987)	-	-	(313,987)	(440,316)
Change in Net Position	(472,125)	(146,268)	(139,089)	(757,482)	(348,677)
Net Position - January 1	10,184,116	1,218,525	937,694	12,340,335	12,689,012
Net Position - December 31	\$ 9,711,991	\$ 1,072,257	\$ 798,605	\$ 11,582,853	\$ 12,340,335

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, 2012

(With summarized financial information for the year ended December 31, 2011)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2012	2011
Cash Flows from Operating Activities					
Cash received from user charges	\$ (2,410)	\$ 290,023	\$ 336,406	\$ 624,019	\$ 719,027
Cash received from other government payments	8,064,242	146,482	27,956	8,238,680	9,695,597
Cash payments to employees	(2,608,489)	(104,948)	(241,788)	(2,955,225)	(2,921,921)
Cash payments to suppliers	(5,240,087)	(486,901)	(346,570)	(6,073,558)	(6,621,509)
Net Cash Provided (Used) by Operating Activities	213,256	(155,344)	(223,996)	(166,084)	871,194
Cash Flows from Noncapital Financing Activities					
Transfer to general fund	(313,987)	-	-	(313,987)	(440,316)
State aid	-	-	207,620	207,620	217,047
Net Cash Provided (Used) by Noncapital Financing Activities	(313,987)	-	207,620	(106,367)	(223,269)
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(654,111)	(156,153)	(5,700)	(815,964)	(797,303)
Sale of equipment	-	-	24,830	24,830	640
Net Cash Provided (Used) by Capital and Related Financing Activities	(654,111)	(156,153)	19,130	(791,134)	(796,663)
Cash Flows from Investing Activities					
Interest income	-	8,543	-	8,543	12,110
Net Increase (Decrease) in Cash and Cash Equivalents	(754,842)	(302,954)	2,754	(1,055,042)	(136,628)
Cash and Cash Equivalents - January 1	2,157,018	1,688,919	665,022	4,510,959	4,647,587
Cash and Cash Equivalents - December 31	\$ 1,402,176	\$ 1,385,965	\$ 667,776	\$ 3,455,917	\$ 4,510,959
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:					
Operating loss	\$ (158,138)	\$ (121,527)	\$ (371,539)	\$ (651,204)	\$ (138,158)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities					
Depreciation	714,032	94,320	90,927	899,279	898,137
Changes in assets and liabilities					
Accounts receivable	(7,360)	(5,766)	-	(13,126)	19,948
Due from other governments	(391,172)	-	-	(391,172)	176,617
Inventories and prepaid items	(227,961)	-	-	(227,961)	87,790
Deferred charges	142,699	-	-	142,699	(15,827)
Accounts payable	100,175	(3,840)	55,694	152,029	(316,264)
Accrued payroll liabilities	34,963	906	922	36,791	14,441
Unearned revenues	29,027	-	-	29,027	-
Landfill closure care	-	(123,070)	-	(123,070)	114,736
Compensated absences payable	(23,009)	3,633	-	(19,376)	29,774
Net Cash Provided (Used) by Operating Activities	\$ 213,256	\$ (155,344)	\$ (223,996)	\$ (166,084)	\$ 871,194
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 Position

Fiduciary Funds

December 31, 2012

(With summarized financial information as of December 31, 2011)

	Agency Funds	
	2012	2011
ASSETS		
Cash and cash equivalents	\$ 417,066	\$ 396,211
LIABILITIES		
Due to county departments	\$ 417,066	\$ 396,211

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

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2012

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

BLENDDED 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 position 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, 2012

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, 2012

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*.

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, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. Cash and Investments

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

b. Accounts 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, 2012

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 Activities	Business-type 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 Outflows/Inflows of Resources

The County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended December 31, 2012. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The County also has additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, loans receivable and advance from state. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs are reported as expense when incurred.

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 when incurred.

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

- 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.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND PROPRIETARY STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, 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 position - Amount of net position 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 position - Net position that is neither classified as restricted nor as net investment in capital assets.

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, 2011, from which the summarized information was derived.

9. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

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, 2012.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

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 \$21,801,473 on December 31, 2012 as summarized below:

Petty cash and cash on hand	\$ 1,175
Deposits with financial institutions	6,133,569
Deposit with Marinette County for landfill	1,385,965
Investments	14,280,764
	<u>\$ 21,801,473</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Primary government	
Cash and investments	\$ 20,615,174
Restricted cash and investments	731,592
Component unit	
Cash and investments	37,641
Fiduciary Fund Statement of Net Position	
Agency funds	417,066
	<u>\$ 21,801,473</u>

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

Custodial Credit Risk

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

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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. As of January 1, 2013 the County's noninterest-bearing transaction accounts are combined with its interest-bearing demand deposits for FDIC insurance coverage. 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, 2012, \$5,429,922 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits of which \$5,079,922 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 \$350,000 was uncollateralized.

On December 31, 2012 the County held repurchase agreement investments of \$10,924,791 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	\$ 3,355,973	\$ -	\$ -	\$ -	\$ 3,355,973

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.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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	\$ 10,924,791	\$ 10,924,791	\$ -	\$ -	\$ -
Wisconsin local government investment pool	3,355,973	3,355,973	-	-	-
Totals	\$ 14,280,764	\$ 14,280,764	\$ -	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$3,355,973 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, 2012, 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, 2012, 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, 2012 for collection in 2013 are for the following:

County apportionment	<u>\$ 17,987,812</u>
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The above County apportionment of \$17,987,812 is for financing 2013 operations and will be transferred in 2013 from deferred inflows of resources to current revenues of the County's governmental funds.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

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, 2012, the County's general fund showed an investment of \$2,866,746 in delinquent taxes as follows:

Tax certificates	\$ 2,800,303
Tax deeds	66,443
Total	<u>\$ 2,866,746</u>

An aging of the total delinquent taxes of \$2,866,746 on December 31, 2012 follows:

Year Acquired	Tax Certificates
Prior to 2008	\$ 14,887
2008	174,038
2009	472,169
2010	809,684
2011	<u>1,329,525</u>
	2,800,303
Tax Deeds	<u>66,443</u>
	<u>\$ 2,866,746</u>

Of the total of \$2,866,746 for delinquent taxes, \$422,785 was collected by the County within 60 days after December 31, 2012. The remaining unpaid balance of \$2,443,961 is recorded as nonspendable fund balance for the general fund.

4. Restricted Assets

Restricted assets on December 31, 2012 totaled \$731,592 consisting of cash and investments held for the following purposes:

Enterprise Fund	
MAR-OCO Joint Landfill	
Long-term care deposits	<u>\$ 731,592</u>

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,681,968	\$ 125,000	\$ -	\$ 11,806,968
Capital assets, being depreciated:				
Improvements other than buildings	1,476,319	-	-	1,476,319
Buildings	16,107,128	-	-	16,107,128
Machinery and equipment	5,788,440	242,025	208,912	5,821,553
Infrastructure	132,650,691	1,531,854	-	134,182,545
Subtotals	156,022,578	1,773,879	208,912	157,587,545
Less accumulated depreciation for:				
Improvements other than buildings	725,162	57,502	-	782,664
Buildings	8,448,487	411,500	-	8,859,987
Machinery and equipment	4,497,327	343,731	176,330	4,664,728
Infrastructure	62,419,752	3,610,851	-	66,030,603
Subtotals	76,090,728	4,423,584	176,330	80,337,982
Total capital assets, being depreciated, net	79,931,850	(2,649,705)	32,582	77,249,563
Governmental activities capital assets, net	<u>\$ 91,613,818</u>	<u>\$ (2,524,705)</u>	<u>\$ 32,582</u>	89,056,531
Less related long-term debt outstanding				-
Net investment in capital assets				<u>\$ 89,056,531</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 123,716	\$ -	\$ -	\$ 123,716
Construction in progress	52,250	-	22,000	30,250
Total capital assets, not being depreciated	175,966	-	22,000	153,966
Capital assets, being depreciated:				
Improvements other than buildings	2,975,231	33,546	-	3,008,777
Buildings	5,035,521	-	-	5,035,521
Machinery and equipment	14,932,698	879,447	685,690	15,126,455
Other capital assets	52,792	-	-	52,792
Subtotals	22,996,242	912,993	685,690	23,223,545
Less accumulated depreciation for:				
Improvements other than buildings	2,029,107	78,030	-	2,107,137
Buildings	2,796,610	203,368	-	2,999,978
Machinery and equipment	9,768,486	615,586	577,377	9,806,695
Other capital assets	34,829	2,295	-	37,124
Subtotals	14,629,032	899,279	577,377	14,950,934
Total capital assets, being depreciated, net	8,367,210	13,714	108,313	8,272,611
Business-type activities capital assets, net	<u>\$ 8,543,176</u>	<u>\$ 13,714</u>	<u>\$ 130,313</u>	8,426,577
Less related long-term debt outstanding				-
Net investment in capital assets				<u>\$ 8,426,577</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities	
General government	\$ 380,574
Public safety	241,450
Public works	3,610,851
Health and human services	56,395
Culture and recreation	134,314
Total depreciation expense - governmental activities	<u>\$ 4,423,584</u>
Business-type activities	
Highway	\$ 714,032
Mar-Oco landfill	94,320
Recycling	90,927
Total depreciation expense - business-type activities	<u>\$ 899,279</u>

6. Interfund Transfers

Interfund transfers for the year ended December 31, 2012 were as follows:

	Transfer to:		
		County Revolving Loan Fund	
	General Fund		Totals
Transfers from:			
Human services	\$ 400,000	\$ -	\$ 400,000
County sales tax	1,615,410	-	1,615,410
State grant loan fund	-	74,195	74,195
Highway	313,987	-	313,987
Totals	<u>\$ 2,329,397</u>	<u>\$ 74,195</u>	<u>\$ 2,403,592</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. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2012:

	Outstanding 1/1/12	Issued	Retired	Outstanding 12/31/12	Due Within One Year
Governmental activities:					
Post-employment health benefits payable	\$ 420,169	\$ 235,824	\$ 78,000	\$ 577,993	\$ -
Compensated absences	616,361	32,263	-	648,624	-
Governmental activities Long-term obligations	<u>\$ 1,036,530</u>	<u>\$ 268,087</u>	<u>\$ 78,000</u>	<u>\$ 1,226,617</u>	<u>\$ -</u>
Business-type activities:					
Compensated absences	<u>\$ 194,814</u>	<u>\$ -</u>	<u>\$ 19,376</u>	<u>\$ 175,438</u>	<u>\$ -</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

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 position.

At December 31, 2012, \$450,000 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, 2012 was \$176,527,755 as follows:

Equalized valuation of the County	\$ 3,530,555,100
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	176,527,755
Net outstanding general obligation debt applicable to debt limitation	<u>-</u>
Legal Margin for New Debt	<u><u>\$ 176,527,755</u></u>

8. 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, 2012 follows:

	Landfill Closure Care	Landfill Postclosure Care
Total estimated costs	\$ 963,428	\$ 2,451,280
Percentage of storage capacity used as of December 31, 2012	74.1708%	51.81%
Total estimated liability for costs as of December 31, 2012	<u>714,582</u>	<u>1,270,008</u>
Less closure costs paid	655,297	-
Liabilities as of December 31, 2012	<u><u>\$ 59,285</u></u>	<u><u>\$ 1,270,008</u></u>

The above net liabilities of \$59,285 and \$1,270,008 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 \$1,270,008 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, 2012 was \$731,592.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

9. 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, 2012, fund balance was nonspendable as follows:

General Fund	
Nonspendable for delinquent property taxes	\$ 2,443,961
Nonspendable for inventories and prepaid items	2,812
	<u>\$ 2,446,773</u>
Special Revenue Fund	
Nonspendable for inventories and prepaid items	<u>\$ 5,000</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, 2012, fund balance assigned was as follows:

General Fund	
Assigned for:	
Land conservation	\$ 4,180
Forestry/parks	152,263
LWR/LIS	251,955
UW-Extension	37,299
Law enforcement	41,923
Safety/risk management	3,427
Register of deeds ssn redaction project	73,507
Information services	22,168
Property maintenance	5,012
Contingency	55,000
	<u>\$ 646,734</u>
Special Revenue Funds	
Assigned for subsequent year's expenditures	<u>\$ 5,109,119</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 \$9,201,557 is in compliance with the above minimum fund balance amount.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2012

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 employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates are as follows:

	2012	
	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.9%	5.9%
Executives & Elected Officials	7.05%	7.05%
Protective with Social Security	5.9%	9.0%
Protective without Social Security	5.9%	11.3%

The payroll for County employees covered by the WRS for the year ended December 31, 2012 was \$12,499,641; the employer's total payroll was \$13,412,623. The total required contribution for the year ended December 31, 2012 was \$1,536,027, which consisted of \$795,971 or 6.4% of covered payroll from the employer, and \$740,056, or 5.9% of covered payroll from employees. Total contributions for the years ended December 31, 2011 and 2010 were \$1,497,769 and \$1,416,515, 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. A 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 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

NOTE D - OTHER INFORMATION (Continued)

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. Other Postemployment Benefits

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

Funding Policy - The County currently does not have a formal funding policy. Payments under the plan are being made on a pay-as-you-go basis. 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	\$ 242,381
Interest on net OPEB	16,807
Adjustment to annual required contribution	<u>(23,364)</u>
Annual OPEB cost (expense)	235,824
Contributions made	<u>78,000</u>
Change in net OPEB obligation	157,824
OPEB obligation - beginning of year	<u>420,169</u>
OPEB obligation - end of year	<u><u>\$ 577,993</u></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.

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, 2012 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 2012 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
12/31/2012	\$ 235,824	33.08%	\$ 577,993

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

NOTE D - OTHER INFORMATION (Continued)

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, 2012 was 30 years.

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 2012 and 2013 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2012 budget was .75%. The actual limit for the County for the 2013 budget was .60%. 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.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2012

NOTE D - OTHER INFORMATION (Continued)

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 SUPPLEMENTARY INFORMATION

OCONTO COUNTY, WISCONSIN
 Schedule of Funding Progress
 Other Post-Employment Benefit Plan
 December 31, 2012

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. The County is currently in the process to obtain an updated actuarial report. No material changes are expected as a result of that study.

OCONTO COUNTY, WISCONSIN
 Schedule of Employer Contributions
 Other Post-Employment Benefit Plan
 For the Year Ended December 31, 2012

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%
2012	78,000	242,381	32.18%

SUPPLEMENTARY 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, 2012

(with summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Revenues					
Taxes					
Property tax	\$ 9,361,206	\$ 9,361,206	\$ 9,361,205	\$ (1)	\$ 9,131,786
Forest crop tax (county share)	200	200	56	(144)	108
Managed forest lands	20,000	20,000	17,632	(2,368)	19,215
Interest on delinquent taxes	425,000	425,000	738,960	313,960	542,253
Payments in lieu of taxes	25,000	25,000	30,101	5,101	27,913
Real estate transfer fees (county share)	46,000	46,000	61,264	15,264	53,167
State sales tax retained	120	120	127	7	127
Total Taxes	9,877,526	9,877,526	10,209,345	331,819	9,774,569
Intergovernmental Grants and Aids					
Federal park patrol	13,000	5,950	5,950	-	4,338
Federal aid - sheriff	-	-	10,662	10,662	-
Federal asset forfeiture program	-	1,476	1,476	-	-
Federal EPA conservation project	-	159,875	160,746	871	43,687
State shared revenue	585,351	585,351	587,685	2,334	749,010
Exempted business computers	11,000	11,000	9,749	(1,251)	12,269
Environmental impact fee	-	11,479	11,479	-	-
Circuit court support	130,204	130,204	129,052	(1,152)	137,382
Guardian ad litem support	29,094	29,094	29,213	119	29,094
Interpreter fees	3,500	3,500	3,649	149	4,129
Victim witness program	30,542	30,542	25,099	(5,443)	35,822
Forest crop & MFL	18,000	18,000	22,893	4,893	23,029
IV-D child support program	169,798	169,798	346,342	176,544	393,218
Commission on aging	105,022	103,129	103,129	-	102,963
Veterans service officer grant	10,000	10,000	13,349	3,349	13,751
UW extension family nutrition	1,383	1,383	1,383	-	211
Land records	5,319	5,319	400	(4,919)	5,019
Land conservation	346,000	151,000	135,584	(15,416)	370,054
Wildlife damage	14,540	19,125	19,125	-	9,635
Coastal management project	-	37,500	37,500	-	-
Lake protection grant	-	-	-	-	12,458
Private sewage systems-Wisconsin fund	-	23,904	23,904	-	26,758
Snowmobile trails	105,250	193,546	193,546	-	201,265
ATV trails	37,944	136,903	136,903	-	58,794
Recreation trail aids	-	56,263	56,263	-	72,257
Recreation aids-state forestry loan	-	70,000	70,000	-	-
Conservation	2,600	-	-	-	9,356
Wildlife habitat management	2,179	2,179	2,184	5	2,179
Forest roads	11,580	11,580	11,562	(18)	11,580
Forestry sustainable grant	10,000	-	-	-	9,500
Forestry administration grant	50,182	50,182	50,182	-	50,248
ED grant	1,150	1,150	1,144	(6)	1,150
National forest Title III	9,860	9,860	9,859	(1)	11,078
National forest income	-	167,611	167,611	-	188,331
ATV patrol	30,000	30,000	27,517	(2,483)	28,548
Snowmobile patrol	18,000	18,000	13,837	(4,163)	12,672
Water patrol	3,112	3,112	3,140	28	3,112
Police training	8,280	8,280	7,340	(940)	8,100

(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, 2012

(with summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Revenues (Continued)					
Intergovernmental Grants and Aids (Continued)					
Tribal law enforcement	30,000	22,378	22,378	-	34,004
Cease program	-	6,068	6,068	-	-
Highway safety projects	-	4,655	17,075	12,420	14,189
Sheriff-DNA sample reimbursement	780	780	560	(220)	440
DOC sanctions program	30,000	30,000	48,489	18,489	46,003
Emergency government-SARA grant	10,713	10,713	11,430	717	10,713
Emergency government (EMPG)	41,264	41,264	42,526	1,262	41,322
Homeland security	-	-	-	-	24,000
Land records-local grant	-	-	-	-	14,460
Total Intergovernmental Grants and Aids	1,875,647	2,382,153	2,577,983	195,830	2,826,128
Licenses and Permits					
County clerk-marriage licenses	2,000	2,000	2,814	814	2,498
Conservation licenses-County share	300	300	262	(38)	276
County clerk-domestic partner fees	-	-	-	-	45
LWR-LIS permits and fees	6,000	6,000	6,423	423	5,565
Zoning Fees and Permits					
Land use permits	65,000	65,000	76,078	11,078	71,024
Land divisions-zoning share	6,000	6,000	6,423	423	5,595
Rezone hearings	18,000	18,000	18,900	900	15,350
Board of adjust hearings	20,000	20,000	29,580	9,580	17,975
Private sewage permits	68,000	68,000	77,525	9,525	78,213
Ag waste	1,850	1,850	850	(1,000)	1,400
County forest permits	5,325	5,325	2,720	(2,605)	3,847
Total Licenses and Permits	192,475	192,475	221,575	29,100	201,788
Fines and Forfeits					
County ordinance fines and forfeits	100,000	100,000	89,225	(10,775)	83,094
County share-state fines and forfeits	100,000	100,000	88,602	(11,398)	75,468
Ag use value penalties	2,500	2,500	1,336	(1,164)	3,271
County recreation ordinance violation	1,000	1,000	95	(905)	578
Total Fines and Forfeits	203,500	203,500	179,258	(24,242)	162,411
Public Charges For Services					
Clerk of court fees	190,000	190,000	149,100	(40,900)	189,350
Family court commissioner charges	700	700	770	70	727
Family mediation fees	20,200	20,200	10,230	(9,970)	-
Register in probate fees	14,000	14,000	19,008	5,008	16,920
District attorney-copier and service fees	5,000	5,000	6,236	1,236	5,423
County clerk-copies/directories charges	15	15	38	23	54
Treasurer-sales to public	200	200	153	(47)	205
Child support agency fees	2,200	2,200	3,980	1,780	2,814
Corporation counsel charges	-	-	9	9	-
Register of deeds fees	214,000	214,000	236,240	22,240	214,055
ROD-redaction project	50,000	55,045	55,045	-	49,465
Data processing miscellaneous sales	3,000	3,000	2,637	(363)	3,000
UW extension sales	1,100	1,100	1,317	217	324

(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, 2012

(with summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Revenues (Continued)					
Public Charges For Services (Continued)					
District resource management	-	10,424	10,424	-	7,708
Parenting newsletter	-	600	600	-	530
4-H outreach	-	19,264	19,264	-	9,744
Agriculture program	-	4,943	4,943	-	9,063
Family resources center	-	497	497	-	9,281
WiFund application fees	1,000	1,000	700	(300)	600
Non-metallic mining fees	26,000	26,000	26,740	740	26,820
Non-metallic reclaim review fees	500	500	800	300	-
LWR-physical address fees	7,200	7,200	6,617	(583)	5,399
Sale of platbooks	-	7,398	7,398	-	12,359
Sale of real estate listings	5,300	5,300	9,139	3,839	4,967
Land records modernization	60,000	60,000	64,866	4,866	58,146
Public access fees (land records)	20,000	20,000	23,988	3,988	21,081
Sale of GIS maps	4,500	4,500	2,256	(2,244)	3,865
SOLO fees	9,900	9,900	10,500	600	8,575
County parks-Chute Pond	104,700	104,700	98,953	(5,747)	97,913
County parks-North Shore	65,225	65,225	66,037	812	62,195
Boat landing fees	33,500	40,463	40,463	-	41,890
Shooting range fees	12,500	27,068	27,068	-	19,596
County forest (including timber sales)	429,500	429,500	320,035	(109,465)	571,612
Sheriff Fees					
Impound vehicles	1,000	1,000	1,185	185	1,835
Paper service	85,000	85,000	66,098	(18,902)	70,597
Restitution	500	500	285	(215)	410
SSA incentives	1,500	1,500	5,400	3,900	600
Moving and escort fees	500	500	-	(500)	-
Sale of accident reports	2,500	2,500	1,761	(739)	1,569
Law enforcement fees-special deputy	3,500	3,500	2,602	(898)	1,741
Inmate telephone commission	10,000	10,000	8,931	(1,069)	10,709
Board of prisoners-Huber	47,000	47,000	39,739	(7,261)	40,851
Board of Prisoners Charges					
Booking fees	4,500	4,500	4,632	132	2,949
Medical and miscellaneous	500	500	470	(30)	255
Prescription medical	400	400	647	247	322
Pay to stay	12,000	12,000	14,128	2,128	8,511
GPS bracelet	32,000	32,000	43,548	11,548	25,266
Juvenile housing-charges to parents	6,000	6,000	6,228	228	5,640
Total Public Charges For Services	1,487,140	1,556,842	1,421,705	(135,137)	1,624,936

(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, 2012

(with summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Revenues (Continued)					
Intergovernmental Charges For Services					
Charges to Other Local Governments					
Election supplies to local governments	20,000	20,000	21,065	1,065	25,400
Technology svcs charges to local gov'ts	-	-	3,170	3,170	3,410
LIS charges to municipalities-postage	16,004	16,004	18,338	2,334	16,195
LWR-LCC NRDA project	-	21,298	21,298	-	-
Juvenile detention-other governments	136,000	136,000	112,161	(23,839)	129,175
Board of prisoners-other governments	40,000	40,000	32,276	(7,724)	44,207
Board of prisoners-municipal bookings	1,000	1,000	1,100	100	1,859
Radio reimbursement-local governments	-	19,600	21,000	1,400	-
Surveyor charges	6,000	6,000	4,845	(1,155)	7,597
Charges To County Departments					
Clerk of courts charge-child support	27,773	27,773	27,751	(22)	28,557
Corporation counsel charge-child support	12,543	12,543	10,476	(2,067)	12,790
Technical service charges to depts	39,600	39,600	39,870	270	26,520
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	61,457	53,457	59,106
Total Intergovernmental Charges	330,720	371,618	398,607	26,989	378,616
Miscellaneous					
Interest					
General investments	150,000	150,000	133,765	(16,235)	135,284
HRA/S125 interest allocation	2,375	2,375	-	(2,375)	-
Property Sales					
Sale of law enforcement squads	25,000	25,000	18,083	(6,917)	25,321
Sale of law enforcement items	-	8,500	9,650	1,150	3,850
Tax deeded property proceeds	65,900	65,900	86,283	20,383	44,354
Sale of forestry land	-	13,800	13,800	-	-
Insurance premium refunds/dividends	40,960	40,960	72,578	31,618	102,996
Insurance recoveries-law enforcement	-	33,489	33,489	-	30,312
Miscellaneous					
Safety/risk management	-	10,014	10,014	-	-
Other	-	-	4,972	4,972	-
Donations					
Veterans service drivers mileage	-	-	4,511	4,511	3,494
K-9	-	13,537	13,537	-	9,831
Recreation enforcement	1,000	1,000	500	(500)	1,500
Total Miscellaneous	285,235	364,575	401,182	36,607	356,942
Total Revenues	14,252,243	14,948,689	15,409,655	460,966	15,325,390
Other Financing Sources					
Transfers In					
County sales tax	595,028	1,113,438	1,615,410	501,972	899,760
Highway	313,987	313,987	313,987	-	440,316
Human services	400,000	400,000	400,000	-	642,763
Total Financing Services	1,309,015	1,827,425	2,329,397	501,972	1,982,839
Total Revenues and Other Financing Sources	\$ 15,561,258	\$ 16,776,114	\$ 17,739,052	\$ 962,938	\$ 17,308,229

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, 2012

(with summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Expenditures					
General Government					
Legislative					
County board & committees	\$ 196,313	\$ 196,313	\$ 182,365	\$ 13,948	\$ 171,508
Judicial					
Clerk of courts	541,977	541,977	520,404	21,573	565,540
Circuit court branch I & II	164,323	164,323	161,397	2,926	161,439
Register In probate	155,212	155,212	163,406	(8,194)	157,738
Family court commissioner	142,143	142,143	137,886	4,257	143,754
Mediation	34,715	34,715	32,298	2,417	-
Law library	3,800	3,800	3,282	518	3,650
Medical examiner	94,104	94,104	87,584	6,520	93,448
Legal					
District attorney	196,166	196,166	190,977	5,189	196,902
Victim witness program	57,911	57,911	57,075	836	59,937
Corporation counsel	92,080	92,080	86,758	5,322	90,634
General Administration					
Administrative-coordinator	181,471	181,471	180,003	1,468	154,422
County clerk	184,101	184,101	179,179	4,922	180,493
Elections	114,398	114,398	105,946	8,452	55,442
Labor negotiations	21,500	21,500	11,140	10,360	9,803
Employee assistance program	-	-	-	-	7,523
HRA administration	13,000	13,000	12,703	297	12,655
S125 administration	1,300	1,300	775	525	852
County wellness program	-	12,886	9,459	3,427	2,737
Technology information services	691,854	715,931	701,035	14,896	676,307
T/S-county van	10,000	18,061	14,952	3,109	(47)
T/S VOIP	-	16,277	(2,783)	19,060	(6,037)
Platbooks	-	58,230	4,814	53,416	5,030
Financial Administration					
Accounting					
Finance department	190,529	190,529	198,724	(8,195)	194,291
Independent auditing	48,160	48,160	48,160	-	48,110
Special accounting & reporting	6,410	6,410	6,410	-	6,410
Charges to depts for audit	(17,247)	(17,247)	(16,605)	(642)	(17,221)
Treasury					
County treasurer	176,845	176,845	169,376	7,469	194,673
Assessment of Property					
Property tax listing	192,963	190,761	182,047	8,714	193,327
Assessor of incomes	480	480	-	480	234
Tax deeds	13,500	15,702	15,202	500	13,455
Risk and Property Management					
Safety/risk manager	31,658	31,658	28,634	3,024	30,393
General Buildings and Plant					
Courthouse property & maintenance	714,024	718,024	661,039	56,985	634,601

(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, 2012

(with summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Expenditures (Continued)					
General Government (Continued)					
Property Records and Control					
Register of deeds	241,917	241,917	235,518	6,399	243,816
Register of deeds-redaction project	50,000	119,111	45,604	73,507	3,790
County surveyor	208,240	217,388	193,282	24,106	209,742
Physical address program	39,363	39,363	31,105	8,258	32,875
Land records modernization	74,748	233,016	71,501	161,515	86,177
Uncollectable Taxes and Assessments					
Uncollectable personal property taxes	10,000	10,000	672	9,328	2,103
Non-Departmental Insurance					
Property and liability insurance	345,500	345,500	332,822	12,678	285,378
Workers compensation insurance	300,000	300,000	309,925	(9,925)	265,280
Charges to departments-P&L insurance	(250,000)	(250,000)	(234,943)	(15,057)	(242,220)
Charges to departments-workers comp	(300,000)	(300,000)	(293,696)	(6,304)	(237,480)
Unemployment compensation	25,000	25,000	2,665	22,335	8,090
Other General Government					
Contingent fund	250,000	190,000	-	190,000	-
Other general	-	-	132	(132)	1,891
Total General Government	5,248,458	5,548,516	4,828,229	720,287	4,701,445
Public Safety					
Law Enforcement					
Sheriff	2,883,049	2,976,675	3,201,592	(224,917)	3,082,743
K-9 program	-	45,294	3,371	41,923	4,484
Cease program	-	8,767	857	7,910	4,702
Federal asset forfeiture program	-	2,734	-	2,734	-
Tribal enforcement	30,000	22,378	23,785	(1,407)	37,772
Watercraft patrol enforcement	1,000	1,000	1,567	(567)	2,582
ATV patrol enforcement	2,500	2,500	2,266	234	2,213
Snowmobile patrol enforcement	2,000	2,000	556	1,444	3,445
Highway safety project grants	-	4,654	4,654	-	14,189
Nicolet forest patrol	13,000	5,950	5,950	-	-
Recreation enforcement	126,752	126,752	136,714	(9,962)	127,578
Telecommunications/911 dispatch	832,233	832,233	876,904	(44,671)	837,674
Highway safety commission	900	900	-	900	-
Correction and Detentions					
County jail	1,859,258	1,859,258	1,899,626	(40,368)	1,799,972
Juvenile detention	403,619	403,619	396,586	7,033	392,769
Other Public Safety					
EMS council	1,000	1,000	111	889	224
Emergency government	68,236	68,236	65,396	2,840	64,515
Emergency government-SARA	20,293	20,293	22,253	(1,960)	20,345
Emergency government-Homeland Security	-	-	-	-	30,955
Total Public Safety	6,243,840	6,384,243	6,642,188	(257,945)	6,426,162

(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, 2012

(with summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Expenditures (Continued)					
Public Works					
Transportation					
Airport	17,558	17,558	17,558	-	17,622
Sanitation					
Private sewage system regulation	178,397	178,397	179,688	(1,291)	179,413
Total Public Works	<u>195,955</u>	<u>195,955</u>	<u>197,246</u>	<u>(1,291)</u>	<u>197,035</u>
Health and Human Services					
Aging					
Commission on aging	139,117	137,224	136,845	379	136,646
Senior citizens center	3,275	3,275	3,275	-	3,275
Veterans					
Veterans service officer	130,441	130,441	124,168	6,273	132,255
Veterans relief	3,000	3,000	957	2,043	1,392
Care of veterans graves	1,560	1,560	1,560	-	1,560
Other					
Child support agency	466,359	466,359	445,605	20,754	472,745
Total Health and Human Services	<u>743,752</u>	<u>741,859</u>	<u>712,410</u>	<u>29,449</u>	<u>747,873</u>
Culture and Recreation					
Culture					
Libraries	374,750	374,750	371,594	3,156	372,002
Historical society	9,991	9,991	9,991	-	9,991
Recreation					
County parks	277,532	277,532	273,104	4,428	279,623
Machickanee shooting range	12,500	67,566	8,574	58,992	5,210
County boat landings	33,500	126,475	37,594	88,881	61,218
County snowmobile trails	105,250	244,481	144,646	99,835	215,878
County ATV trails	37,944	152,190	56,312	95,878	66,013
County fair	9,400	9,400	9,400	-	9,400
Education					
UW-extension program	281,422	281,422	278,930	2,492	283,439
Extension homemakers	600	600	600	-	600
UW-X nutrition program	-	(152)	-	(152)	846
Parenting newsletter	-	4,984	123	4,861	2,967
UW-X family resource center	-	6,100	827	5,273	10,298
UW-X district resource management	-	16,121	1,620	14,501	4,937
4-H outreach	-	23,876	14,768	9,108	11,331
UW-X AG newsletter	-	11,755	8,198	3,557	4,618
Total Culture and Recreation	<u>1,142,889</u>	<u>1,607,091</u>	<u>1,216,281</u>	<u>390,810</u>	<u>1,338,371</u>

(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, 2012

(with summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Expenditures (Continued)					
Development					
Resource Conservation					
County forestry	306,894	306,894	310,667	(3,773)	301,275
Forest roads	11,580	38,960	2,371	36,589	4,388
National forest pass-through payments	-	167,611	167,611	-	188,331
Conservation projects	2,600	290	-	290	-
Resource Conservation (continued)					
Wildlife habitat management	-	12,202	10,000	2,202	3,263
County forest land acquisition	2,179	148,170	143,781	4,389	-
County dams	1,620	1,620	1,185	435	1,688
Title III	9,860	20,938	20,960	(22)	-
S/A county forestry	10,000	-	-	-	9,476
Land conservation	520,811	333,704	288,274	45,430	545,891
Wildlife damage program	14,540	19,125	15,424	3,701	16,617
LWR coastal management	-	181,172	178,523	2,649	43,687
LWR AIS project	-	37,500	43,346	(5,846)	138
LWR administration	18,980	18,980	18,238	742	19,848
Planning and Zoning					
Bay Lake Regional Planning Commission	17,091	17,091	17,091	-	16,616
Zoning	242,774	242,774	235,765	7,009	241,128
Board of adjustments	18,129	18,129	15,186	2,943	11,932
Land use planning	66,224	66,224	65,564	660	67,497
Private sewage systems-Wisconsin fund	-	23,904	23,904	-	26,758
Salvage yard cleanup	550	550	-	550	(81)
Economic Development					
Oconto County EDC	122,532	122,532	122,532	-	122,532
Total Development	1,366,364	1,778,370	1,680,422	97,948	1,620,984
Capital Outlay					
General Public Buildings and Other					
General Government					
Courthouse	-	356,976	356,976	-	85,156
Computer hardware and software	160,000	33,770	33,770	-	169,267
Law Enforcement					
Radio & communication system	-	324,942	324,942	-	37,320
Vehicles and squads	150,000	151,155	151,155	-	133,524
Other					
Forestry projects and outlay	255,000	254,252	411,581	(157,329)	4,995
County board	55,000	56,893	56,893	-	-
Total Capital Outlay	620,000	1,177,988	1,335,317	(157,329)	430,262
Total Expenditures and Other Financing Uses	\$ 15,561,258	\$ 17,434,022	\$ 16,612,093	\$ 821,929	\$ 15,462,132

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, 2012

(With summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Revenues					
Taxes - property tax levy	\$ 3,222,541	\$ 3,222,541	\$ 3,222,541	\$ -	\$ 3,221,672
Special purpose levy - local bridge	63,705	63,705	63,705	-	120,800
	<u>3,286,246</u>	<u>3,286,246</u>	<u>3,286,246</u>	<u>-</u>	<u>3,342,472</u>
Intergovernmental					
State transportation aids	1,018,410	1,018,410	1,018,410	-	1,131,567
State STP projects	-	-	2,362	2,362	59,653
State LRIP	6,180	6,180	6,148	(32)	6,149
State local bridge	-	-	27,021	27,021	1,436
State CHIP	89,036	89,036	76,215	(12,821)	360,729
Total Intergovernmental	<u>1,113,626</u>	<u>1,113,626</u>	<u>1,130,156</u>	<u>16,530</u>	<u>1,559,534</u>
Total Revenues	<u>4,399,872</u>	<u>4,399,872</u>	<u>4,416,402</u>	<u>16,530</u>	<u>4,902,006</u>
Expenditures					
Public Works					
CTHS admin	450,661	450,661	442,996	7,665	417,019
Maintenance	1,510,000	1,510,000	1,595,999	(85,999)	1,132,745
Snow removal	826,000	826,000	597,792	228,208	616,558
Hot mix maintenance	1,260,000	1,260,000	1,141,575	118,425	1,448,727
Gravel maintenance	127,006	127,006	47,985	79,021	92,188
STP road improvement	20,000	20,000	10,325	9,675	55,939
STP before/after (county)	-	-	-	-	127,858
CHIP program	300,000	300,000	163,564	136,436	877,635
Safer bridge program	33,500	33,500	69,685	(36,185)	8,126
Co aid bridges	63,705	63,705	57,040	6,665	105,789
Total Expenditures	<u>4,590,872</u>	<u>4,590,872</u>	<u>4,126,961</u>	<u>463,911</u>	<u>4,882,584</u>
Net Change in Fund Balance	<u>(191,000)</u>	<u>(191,000)</u>	<u>289,441</u>	<u>480,441</u>	<u>19,422</u>
Fund Balance - January 1	<u>1,264,100</u>	<u>1,264,100</u>	<u>1,264,100</u>	<u>-</u>	<u>1,244,678</u>
Fund Balance - December 31	<u>\$ 1,073,100</u>	<u>\$ 1,073,100</u>	<u>\$ 1,553,541</u>	<u>\$ 480,441</u>	<u>\$ 1,264,100</u>

OCONTO COUNTY, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

(With summarized financial information as of December 31, 2011)

	Jail Assessment	County Sales Tax	Tourism	State Grant Loan Fund
ASSETS				
Cash and investments	\$ 87,644	\$ 1,012,464	\$ 3,822	\$ 270,751
Receivables				
Taxes	-	-	-	-
Accounts	-	-	-	-
Notes	-	-	-	-
Inventories and prepaid items	-	-	-	-
TOTAL ASSETS	\$ 87,644	\$ 1,012,464	\$ 3,822	\$ 270,751
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 3,822	\$ -
Accrued payroll liabilities	-	-	-	-
Advance from other funds	-	-	-	-
Total Liabilities	-	-	3,822	-
Deferred Inflow of Resources				
Property taxes	-	-	-	-
Loans receivable	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-
Fund Balances				
Assigned for				
Special revenue funds	87,644	1,012,464	-	270,751
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 87,644	\$ 1,012,464	\$ 3,822	\$ 270,751

Tri-County Loan Fund	County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	Total Nonmajor Governmental Funds	
						2012	2011
\$ 25,267	\$ 433,512	\$ 633,466	\$ 20,965	\$ 19,477	\$ 19,434	\$ 2,526,802	\$ 2,551,372
-	-	-	-	-	-	-	154,490
-	-	-	-	-	1,500	1,500	3,170
42,406	509,061	-	-	-	-	551,467	442,745
-	-	-	-	-	-	-	1,661
<u>\$ 67,673</u>	<u>\$ 942,573</u>	<u>\$ 633,466</u>	<u>\$ 20,965</u>	<u>\$ 19,477</u>	<u>\$ 20,934</u>	<u>\$ 3,079,769</u>	<u>\$ 3,153,438</u>
\$ -	\$ -	\$ 615,723	\$ 13,967	\$ -	\$ -	\$ 633,512	\$ 579,333
-	-	-	-	-	-	-	880
-	-	-	-	-	-	-	10,000
-	-	615,723	13,967	-	-	633,512	590,213
-	-	-	-	-	-	-	154,490
42,406	509,061	-	-	-	-	551,467	442,745
42,406	509,061	-	-	-	-	551,467	597,235
25,267	433,512	17,743	6,998	19,477	20,934	1,894,790	1,965,990
<u>\$ 67,673</u>	<u>\$ 942,573</u>	<u>\$ 633,466</u>	<u>\$ 20,965</u>	<u>\$ 19,477</u>	<u>\$ 20,934</u>	<u>\$ 3,079,769</u>	<u>\$ 3,153,438</u>

OCONTO COUNTY, WISCONSIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Jail Assessment	Family Mediation	County Sales Tax	Tourism	State Grant Loan Fund
Revenues					
Taxes	\$ -	\$ -	\$ 1,480,658	\$ 154,490	\$ -
Intergovernmental	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Fines and forfeits	38,477	-	-	-	-
Public charges for services	-	-	-	792	-
Miscellaneous	-	-	-	583	526
Total Revenues	38,477	-	1,480,658	155,865	526
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	68,301	-	-	-	-
Health and human services	-	34	-	-	-
Culture and recreation	-	-	-	157,749	-
Development	-	-	-	-	3,683
Total Expenditures	68,301	34	-	157,749	3,683
Excess of Revenues Over (Under)					
Expenditures	(29,824)	(34)	1,480,658	(1,884)	(3,157)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(1,615,410)	-	(74,195)
Total Other Financing Sources (Uses)	-	-	(1,615,410)	-	(74,195)
Net Change in Fund Balances	(29,824)	(34)	(134,752)	(1,884)	(77,352)
Fund Balances - January 1	117,468	34	1,147,216	1,884	348,103
Fund Balances - December 31	\$ 87,644	\$ -	\$ 1,012,464	\$ -	\$ 270,751

Tri-County Loan Fund	County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	Total Nonmajor Governmental Funds	
						2012	2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,635,148	\$ 1,616,959
-	206,000	-	-	-	-	206,000	-
-	-	-	14,975	-	-	14,975	18,458
-	-	-	-	-	-	38,477	36,201
-	-	-	-	-	-	792	16,202
6,393	104,180	518	-	8,339	20,391	140,930	161,215
6,393	310,180	518	14,975	8,339	20,391	2,036,322	1,849,035
-	-	-	-	-	-	-	45
-	-	-	-	-	17,799	86,100	82,065
-	-	-	26,920	-	-	26,954	45,976
-	-	-	-	-	-	157,749	161,040
3,333	214,293	-	-	-	-	221,309	11,505
3,333	214,293	-	26,920	-	17,799	492,112	300,631
3,060	95,887	518	(11,945)	8,339	2,592	1,544,210	1,548,404
-	74,195	-	-	-	-	74,195	-
-	-	-	-	-	-	(1,689,605)	(899,760)
-	74,195	-	-	-	-	(1,615,410)	(899,760)
3,060	170,082	518	(11,945)	8,339	2,592	(71,200)	648,644
22,207	263,430	17,225	18,943	11,138	18,342	1,965,990	1,317,346
\$ 25,267	\$ 433,512	\$ 17,743	\$ 6,998	\$ 19,477	\$ 20,934	\$ 1,894,790	\$ 1,965,990

OCONTO COUNTY, WISCONSIN

Jail Assessment Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeits				
Jail assessment surcharge	\$ -	\$ -	\$ 38,477	\$ 38,477
Expenditures				
Public safety				
Jail maintenance and improvements	-	-	68,301	(68,301)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(29,824)	<u>\$ (29,824)</u>
Fund Balance - January 1			<u>117,468</u>	
Fund Balance - December 31			<u>\$ 87,644</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Health and human services				
Family mediation	-	-	34	(34)
Net Change in Fund Balance	\$ -	\$ -	(34)	\$ (34)
Fund Balance - January 1			34	
Fund Balance - December 31			\$ -	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
County sales tax collections	\$ 1,333,488	\$ 1,333,488	\$ 1,480,658	\$ 147,170
Other Financing Sources (Uses)				
Transfers to general fund	(1,097,000)	(1,097,000)	(1,615,410)	(518,410)
Net Change in Fund Balance	<u>\$ 236,488</u>	<u>\$ 236,488</u>	(134,752)	<u>\$ (371,240)</u>
Fund Balance - January 1			<u>1,147,216</u>	
Fund Balance - December 31			<u>\$ 1,012,464</u>	

OCONTO COUNTY, WISCONSIN

Tourism Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2012

	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				
Tourism sales and charges	25,200	14,481	792	(13,689)
Miscellaneous				
Promotion charges	260	-	583	583
Total Revenues	<u>179,950</u>	<u>168,971</u>	<u>155,865</u>	<u>(13,106)</u>
Expenditures				
Culture and recreation				
Administrative services	143,223	140,578	142,669	(2,091)
Marketing and promotion	48,102	30,277	15,080	15,197
Total Expenditures	<u>191,325</u>	<u>170,855</u>	<u>157,749</u>	<u>13,106</u>
Net Change in Fund Balance	<u>\$ (11,375)</u>	<u>\$ (1,884)</u>	<u>(1,884)</u>	<u>\$ -</u>
Fund Balance - January 1			<u>1,884</u>	
Fund Balance - December 31			<u>\$ -</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, 2012

	Budgeted Amounts		Actual				Variance with Final Budget Positive (Negative)
			State Grant Loan Fund	Tri-County Loan Fund	County Revolving Loan Fund	Total 2012	
	Original	Final					
Revenues							
Intergovernmental							
State grant	\$ -	\$ -	\$ -	\$ -	\$ 206,000	\$ 206,000	\$ 206,000
Miscellaneous							
Loan repayments							
Principal	-	-	-	4,582	86,568	91,150	91,150
Interest	-	-	-	1,774	12,195	13,969	13,969
Service fees and interest	-	-	526	37	5,417	5,980	5,980
Total Revenues	-	-	526	6,393	310,180	317,099	317,099
Expenditures							
Development							
Disbursement of development loans	-	-	-	-	200,000	200,000	(200,000)
Administration	-	-	3,683	3,333	14,293	21,309	(21,309)
Total Expenditures	-	-	3,683	3,333	214,293	221,309	(221,309)
Excess of Revenues Over (Under) Expenditures	-	-	(3,157)	3,060	95,887	95,790	95,790
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	74,195	74,195	74,195
Transfers out	-	-	(74,195)	-	-	(74,195)	(74,195)
Total Other Financing Sources (Uses)	-	-	(74,195)	-	74,195	-	-
Net Change in Fund Balances	\$ -	\$ -	(77,352)	3,060	170,082	95,790	\$ 95,790
Fund Balances - January 1			348,103	22,207	263,430	633,740	
Fund Balances - December 31			\$ 270,751	\$ 25,267	\$ 433,512	\$ 729,530	

OCONTO COUNTY, WISCONSIN

Dog License Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits				
Dog licenses	\$ -	\$ -	\$ 14,975	\$ 14,975
Total Revenues	-	-	14,975	14,975
Expenditures				
Health and human services				
Dog licensing costs	-	-	842	(842)
Payments to districts	-	-	26,078	(26,078)
Total Expenditures	-	-	26,920	(26,920)
Net Change in Fund Balance	\$ -	\$ -	(11,945)	\$ (11,945)
Fund Balance - January 1			18,943	
Fund Balance - December 31			\$ 6,998	

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				
Other	\$ -	\$ -	\$ 8,321	\$ 8,321
Interest	-	-	18	18
Total Revenues	-	-	8,339	8,339
Expenditures				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	8,339	<u>\$ 8,339</u>
Fund Balance - January 1			<u>11,138</u>	
Fund Balance - December 31			<u>\$ 19,477</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous				
Jail canteen sales	\$ -	\$ -	\$ 20,391	\$ 20,391
Total Revenues	-	-	20,391	20,391
Expenditures				
Public safety				
Jail canteen purchases	-	-	17,799	(17,799)
Total Expenditures	-	-	17,799	(17,799)
Net Change in Fund Balance	\$ -	\$ -	2,592	\$ 2,592
Fund Balance - January 1			18,342	
Fund Balance - December 31			\$ 20,934	

OCONTO COUNTY, WISCONSIN

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

Highway Enterprise Fund

For the Year Ended December 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2011 Actual
	Original	Final			
Revenues					
Intergovernmental Charges for Services					
State					
Administration	\$ 181,900	\$ 181,900	\$ 205,899	\$ 23,999	\$ 221,618
Maintenance	732,000	732,000	640,595	(91,405)	709,858
Snow/ice control	483,900	483,900	425,936	(57,964)	484,321
State unclassified maintenance	4,800	4,800	118,449	113,649	48,063
State roadside special maintenance	73,500	73,500	144,893	71,393	100,388
State other	26,200	26,200	91,410	65,210	85,543
State insurance claims	-	-	55,406	55,406	53,047
State records and reports	-	-	114,785	114,785	124,535
State 1% small tools	-	-	12,339	12,339	17,981
Total State	1,502,300	1,502,300	1,809,712	307,412	1,845,354
Other local governments	1,863,947	1,863,947	2,359,077	495,130	2,349,975
Local (county) departments	168,510	168,510	44,977	(123,533)	399,438
Local CTHS transportation payments	4,481,037	4,481,037	4,069,922	(411,115)	4,776,795
Total Other Local Governments	6,513,494	6,513,494	6,473,976	(39,518)	7,526,208
Total Intergovernmental Charges for Services	8,015,794	8,015,794	8,283,688	267,894	9,371,562
Miscellaneous Revenues					
Licenses and permits	-	-	4,950	4,950	5,450
Total Operating Revenues	8,015,794	8,015,794	8,288,638	272,844	9,377,012

(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, 2012

(With summarized financial information for year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Actual
	Original	Final			
Expenses					
Highway Administration					
Highway administration	450,661	450,661	433,998	16,663	428,465
Supervision	150,856	150,856	163,643	(12,787)	165,139
Radio expense	8,700	8,700	14,236	(5,536)	8,161
General public liability	25,000	25,000	20,083	4,917	23,110
Alcohol and drug testing	2,279	2,279	1,990	289	2,004
Safety meeting	30,000	30,000	29,297	703	20,995
State administration	15,000	15,000	16,113	(1,113)	12,633
Total Highway Administration	682,496	682,496	679,360	3,136	660,507
Highway Maintenance and Construction					
County Trunk Highway System					
Transportation cost pool	700,000	700,000	191,435	508,565	153,882
Routine maintenance	1,463,935	1,463,935	1,712,891	(248,956)	1,334,610
Snow/ice control	826,000	826,000	597,792	228,208	616,558
Hot mix and seal coating	1,260,000	1,260,000	1,141,577	118,423	1,448,727
Gravel maintenance	127,006	127,006	47,985	79,021	92,188
STP road construction	20,000	20,000	10,325	9,675	55,939
STP other	-	-	-	-	127,858
CHIP	250,000	250,000	163,564	86,436	877,635
Safer bridge program	33,500	33,500	69,685	(36,185)	8,126
Total Highway Maintenance and Construction	4,680,441	4,680,441	3,935,254	745,187	4,715,523
State Trunk Highway System					
Maintenance	732,000	732,000	637,304	94,696	661,763
Snow and ice control	483,900	483,900	404,176	79,724	488,215
State miscellaneous charges	-	-	122,601	(122,601)	55,604
State bridge maintenance	4,800	4,800	1,300	3,500	38,092
STHS roadside maintenance	73,500	73,500	146,567	(73,067)	102,608
State signage and traffic control	26,200	26,200	5,187	21,013	15,005
State insurance accident reports	-	-	56,001	(56,001)	53,730
Total State Trunk Highway System	1,320,400	1,320,400	1,373,136	(52,736)	1,415,017
Local government-road maintenance	1,560,679	1,560,679	1,947,433	(386,754)	1,473,993
Local government-snow and ice control	303,268	303,268	359,073	(55,805)	289,846
Local government-bridge maintenance	-	-	32,160	(32,160)	101,275
Total Local Governments	1,863,947	1,863,947	2,338,666	(474,719)	1,865,114
Local Departments	168,510	168,510	120,360	48,150	485,097
Total Local Governments and Departments	2,032,457	2,032,457	2,459,026	(426,569)	2,350,211
Total Operating Expenses	8,715,794	8,715,794	8,446,776	269,018	9,141,258
Operating Income (Loss)	\$ (700,000)	\$ (700,000)	\$ (158,138)	\$ 541,862	\$ 235,754

OCONTO COUNTY, WISCONSIN

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

Recycling Enterprise Fund

For the Year Ended December 31, 2012

(With comparative amounts for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2011 Actual
	Original	Final			
Operating Revenues					
Intergovernmental Charges for Services					
Waste tires disposal	\$ 20,000	\$ 20,000	\$ 21,045	\$ 1,045	\$ 13,374
Freon disposal	6,000	6,000	6,299	299	4,926
Materials buy-back	1,000	1,000	612	(388)	1,357
Total Intergovernmental Charges	27,000	27,000	27,956	956	19,657
Public Charges for Services					
Tipping fees	250	250	180	(70)	170
Custom bailing	-	-	8,713	8,713	-
Electronics disposal	12,000	12,000	21,357	9,357	12,531
Total Public Charges for Services	12,250	12,250	30,250	18,000	12,701
Miscellaneous					
Sales of recyclable materials	278,500	278,500	306,156	27,656	421,528
Total Revenues	317,750	317,750	364,362	46,612	453,886
Operating Expenses					
Public Works					
Personnel	240,944	240,944	242,710	(1,766)	216,502
Consulting and professional svcs	15,600	15,600	23,671	(8,071)	59,600
Utility services	17,200	17,200	14,884	2,316	15,204
Purchased repairs and maintenance	18,500	18,500	40,592	(22,092)	7,452
Purchased services-other	160,000	160,000	194,305	(34,305)	146,298
Electronics disposal	9,000	9,000	21,900	(12,900)	-
Office supplies	7,000	7,000	6,168	832	10,689
Subscriptions and dues	2,800	2,800	2,792	8	2,834
Employee travel and training	6,200	6,200	5,531	669	5,327
Operating supplies and expenses	12,660	12,660	14,963	(2,303)	12,204
Repair and maintenance supplies	7,000	7,000	8,635	(1,635)	9,851
Insurance	6,400	6,400	5,955	445	5,868
Depreciation	96,600	96,600	90,927	5,673	91,730
Capital	20,000	20,000	-	20,000	-
Cost allocations	2,000	2,000	8,160	(6,160)	1,655
Other	96,500	96,500	54,708	41,792	30,432
Total Operating Expenses	718,404	718,404	735,901	(17,497)	615,646
Operating Income (Loss)	(400,654)	(400,654)	(371,539)	29,115	(161,760)
Nonoperating Revenues (Expenses)					
State aid recycling program	198,000	198,000	207,620	9,620	197,307
Sale of equipment	600	600	24,830	24,230	640
Total Nonoperating Revenues (Expenses)	198,600	198,600	232,450	33,850	197,947
Change in Net Position	\$ (202,054)	\$ (202,054)	\$ (139,089)	\$ 62,965	\$ 36,187

OCONTO COUNTY, WISCONSIN
 Agency Funds
 Combining Statement of Net Position
 December 31, 2012

	Clerk of Courts	Jail Inmate	Total 2012
Assets			
Cash	\$ 406,264	\$ 10,802	\$ 417,066
Liabilities			
Due to others			
Deposits	\$ 406,264	\$ 7,440	\$ 413,704
Other liabilities	-	3,362	3,362
Total Liabilities	\$ 406,264	\$ 10,802	\$ 417,066

**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***

Independent Auditors' Report

To the County Board
Oconto County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2012, and the related notes to the financial statements, which collectively comprise Oconto County's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 2 dated July 3, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2012-01 that we consider to be a significant deficiency.



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*.

Oconto County, Wisconsin's Response to Finding

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. Oconto County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Certified Public Accountants
Green Bay, Wisconsin
July 3, 2013

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Independent Auditors' Report

To the County Board
Oconto County, Wisconsin

Report on Compliance for Each Major Federal and State Program

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 Oconto County, Wisconsin's major federal and state programs for the year ended December 31, 2012. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Oconto County, Wisconsin's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of Oconto County, Wisconsin's compliance.



Opinion on Each Major Federal and State Program

In our opinion, Oconto County, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Oconto County, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Oconto County, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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. 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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2012-02, that we consider to be a significant deficiency.

Oconto County, Wisconsin's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Oconto County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
Green Bay, Wisconsin
July 3, 2013

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards
For the Year Ended December 31, 2012

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	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	\$ (11,562)	\$ 120,324	\$ 25,632	\$ 134,394	\$ 134,394
State Administrative Matching Grants for Food Stamp Program	WI Department of Health Services	10.561	(42,487)	107,336	25,779	90,628	90,628
State Administrative Matching Grants for Food Stamp Program	Brown County, Wisconsin	10.561	-	41,637	44,514	86,151	86,151
Total State Administrative Matching Grants for Food Stamp Program			(42,487)	148,973	70,293	176,779	176,779
Schools & Road Grants to States - National Forest Income	WI Department of Natural Resources	10.665	-	177,470	-	177,470	177,470
Total U.S. Department of Agriculture			(54,049)	446,767	95,925	488,643	488,643
<u>U.S. DEPARTMENT OF COMMERCE</u>							
Economic Adjustment Assistance	Direct Program	11.307	-	71,006	-	71,006	71,006
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>							
Community Development Block Grant	WI Department of Administration	14.228	-	206,000	-	206,000	206,000
<u>U.S. DEPARTMENT OF JUSTICE</u>							
CEASE	WI Department of Justice	N/A	-	5,304	-	5,304	5,304
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>							
ARRA - Highway Planning and Construction State and Community Highway Safety Highway Safety Aid	WI Department of Transportation	20.205	(300)	8,735	810	9,245	9,245
Child Passenger Safety Car Seat Grant	WI Department of Transportation	20.600	-	17,075	-	17,075	17,075
Total U.S. Department of Transportation	WI Department of Transportation	20.600	-	4,300	-	4,300	4,300
			(300)	30,110	810	30,620	30,620
<u>ENVIRONMENTAL PROTECTION AGENCY</u>							
State Indoor Radon Grants	WI Department of Health Services	66.032	-	939	1,561	2,500	2,500
Great Lakes Program	Direct Program	66.469	(1,401)	176,957	5,616	181,172	181,172
Total Environmental Protection Agency			(1,401)	177,896	7,177	183,672	183,672

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2012

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	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	-	26,283	-	26,283	26,283
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Preventive Health (Title III-D)							
Aging Cluster	GWAAR*	93.043	-	3,471	-	3,471	3,471
Grants for Supportive Services and Senior Centers (Title III-B)	GWAAR*	93.044	(3,007)	42,553	4,388	43,934	43,934
Nutrition Services (Title III-C)							
Congregate Meal Program (Title III-C-1)	GWAAR*	93.045	(2,577)	31,770	2,416	31,609	31,609
Home Delivered Meals (Title III-C-2)	GWAAR*		-	26,003	94	26,097	26,097
Subtotal - Nutrition Services (Title III-C)			(2,577)	57,773	2,510	57,706	57,706
Nutrition Services Incentive Program (NSIP)							
Congregate Meal Program (Title III-C-1)	GWAAR*	93.053	-	8,896	1,104	10,000	10,000
Home Delivered Meals (Title III-C-2)	GWAAR*		-	9,117	1,149	10,266	10,266
Subtotal - Nutrition Services Incentive Program (NSIP)			-	18,013	2,253	20,266	20,266
Total Aging Cluster			(5,584)	118,339	9,151	121,906	121,906
National Family Caregiver Support (Title III-E)	GWAAR*	93.052	(9,849)	22,530	6,057	18,738	18,738
Public Health Emergency Preparedness	WI Department of Health Services	93.069	5,786	61,345	15,005	82,136	82,136

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2012

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	Total Revenues	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)							
Immunization Cluster							
Immunization Grants	WI Department of Health Services	93.268	-	10,057	-	10,057	10,057
Affordable Care Act-Medicare Improvements for Patients and Providers	GWAAR*	93.518	(2,133)	8,796	-	6,663	6,663
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	-	48,436	-	48,436	48,436
Temporary Assistance for Needy Families (TANF)	WI Department of Children and Families	93.558	(40,273)	220,159	22,114	202,000	202,000
Temporary Assistance for Needy Families (TANF)	Brown County, Wisconsin	93.558	-	1,345	1,439	2,784	2,784
Total Temporary Assistance for Needy Families (TANF)			(40,273)	269,940	23,553	253,220	253,220
Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(79,623)	316,553	85,152	322,082	322,082
Low Income Home Energy Assistance	WI Department of Administration	93.568	(11,854)	46,434	12,627	47,207	47,207
Child Care Development Fund	WI Department of Children and Families	93.596	73	79,613	(880)	78,806	78,806
Chafee Education and Training Vouchers	WI Department of Children and Families	93.599	-	444	595	1,039	1,039
Child Welfare Services	WI Department of Children and Families	93.645	-	111,427	-	111,427	111,427
Child Welfare Services	WI Department of Corrections	93.645	(938)	3,858	415	3,335	3,335
Total Child Welfare Services			(938)	115,285	415	114,762	114,762
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(30)	18,035	37	18,042	18,042
Foster Care (Title IV-E)	WI Department of Corrections	93.658	(1,459)	6,131	665	5,337	5,337
Total Foster Care (Title IV-E)			(1,489)	24,166	702	23,379	23,379

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2012

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	Total Revenues	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)							
Social Services Block Grant	WI Department of Health Services	93.667	-	94,903	-	94,903	94,903
Social Services Block Grant	WI Department of Children and Families	93.667	-	49,262	-	49,262	49,262
Social Services Block Grant	GWAAR*	93.667	-	1,680	139	1,819	1,819
Social Services Block Grant	Shawano County, Wisconsin	93.667	(37)	160	-	123	123
Total Social Services Block Grant			(37)	146,005	139	146,107	146,107
Youth Independent Living	WI Department of Children and Families	93.674	(7,057)	14,854	9,391	17,188	17,188
ARRA - Prevention and Wellness	WI Department of Health Services	93.723	(2,093)	2,374	-	281	281
State Children's Insurance Program	WI Department of Health Services	93.767	(3,579)	3,579	-	-	-
State Children's Insurance Program	Brown County, Wisconsin	93.767	-	7,791	8,330	16,121	16,121
			(3,579)	11,370	8,330	16,121	16,121
Medical Assistance Program	WI Department of Health Services	93.778	(332,774)	4,028,534	1,305,928	5,001,688	5,001,688
Medical Assistance Program	Brown County, Wisconsin	93.778	-	57,741	61,730	119,471	119,471
Total Medical Assistance Program			(332,774)	4,086,275	1,367,658	5,121,159	5,121,159
Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations	WI Department of Health Services	93.779	-	-	20,496	20,496	20,496
Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations	GWAAR*	93.779	(3,717)	34,258	3,061	33,602	33,602
Total Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations			(3,717)	34,258	23,557	54,098	54,098
Block Grants for Community Mental Health Services	WI Department of Health Services	93.958	(3,425)	16,763	15	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	-	646	-	646	646
Maternal and Child Health Services Block Grant	WI Department of Health Services	93.994	-	7,552	5,313	12,865	12,865
Total U.S. Department of Health and Human Services			(498,566)	5,492,386	1,566,780	6,560,600	6,560,600
U.S. DEPARTMENT OF HOMELAND SECURITY							
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	(20,661)	41,924	21,263	42,526	42,526
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ (574,977)	\$ 6,497,676	\$ 1,691,955	\$ 7,614,654	\$ 7,614,654

* 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, 2012

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	Total Revenues	
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION							
Soil and Water Resource Management Program							
Basic Annual Staffing Grants	Direct Program	115.15	\$ (19,797)	\$ 116,137	\$ 19,244	\$ 115,584	\$ 115,584
LWRM Plan Implementation	Direct Program	115.40	-	-	20,000	20,000	20,000
Total Department of Agriculture, Trade and Consumer Protection			(19,797)	116,137	39,244	135,584	135,584
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES							
Private Sewage System Replacement and Rehabilitation Program							
	Direct Program	165.202	-	23,904	-	23,904	23,904
DEPARTMENT OF NATURAL RESOURCES							
Aids in Lieu of Taxes	Direct Program	370.503	-	39	-	39	39
Stewardship County Forest Acquisition	Direct Program	370.512	-	56,263	-	56,263	56,263
Boating Enforcement Aids	Direct Program	370.550	-	3,140	-	3,140	3,140
All-Terrain Vehicle Enforcement Aids	Direct Program	370.551	-	27,517	-	27,517	27,517
Snowmobile Enforcement Aids	Direct Program	370.552	-	13,837	-	13,837	13,837
Wildlife Damage Abatement and Claims	Direct Program	370.553	-	19,125	-	19,125	19,125
Recreation Aids - Fish, Wildlife & Forestry	Direct Program	370.564	-	2,183	-	2,183	2,183
Forest Croplands & Managed Forest Land Aids	Direct Program	370.566	-	22,893	-	22,893	22,893
County Forest Aids	Direct Program	370.567	-	70,000	-	70,000	70,000
Urban & Community Forestry	Direct Program	370.572	-	51,326	-	51,326	51,326
Recreational Aids - Snowmobile Trail and Area Aid		370.574 &					
S - 3862	Direct Program	370.575	-	11,572	-	11,572	11,572
S - 3995	Direct Program		-	100,494	-	100,494	100,494
S - 4119	Direct Program		-	52,625	-	52,625	52,625
S - 4184	Direct Program		-	3,563	-	3,563	3,563
S - 4185	Direct Program		-	5,063	-	5,063	5,063
S - 4186	Direct Program		-	7,575	-	7,575	7,575
S - 4187	Direct Program		-	12,656	-	12,656	12,656
All-Terrain Vehicle (ATV) Program		370.576 &					
ATV 2153	Direct Program	370.577	-	18,972	-	18,972	18,972
ATV 2267	Direct Program		-	18,972	-	18,972	18,972
ATV 3000	Direct Program		-	3,563	-	3,563	3,563
ATV 3001	Direct Program		-	5,063	-	5,063	5,063
ATV 3002	Direct Program		-	7,575	-	7,575	7,575
ATV 3003	Direct Program		-	12,656	-	12,656	12,656

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2012

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	Total Revenues	
DEPARTMENT OF NATURAL RESOURCES (Continued)							
All-Terrain Vehicle (ATV) Program (Continued)							
ATV 3004	Direct Program		-	31,800	-	31,800	31,800
ATV 3005	Direct Program		-	11,438	-	11,438	11,438
ATV 3037	Direct Program		-	4,365	-	4,365	4,365
ATV 3043	Direct Program		-	22,500	-	22,500	22,500
Environmental Aids - Municipal & County							
Recycling	Direct Program	370.665	-	207,620	-	207,620	207,620
Invasive Species Grant	Direct Program	370.678	-	37,500	-	37,500	37,500
Total Department of Natural Resources			-	841,895	-	841,895	841,895
DEPARTMENT OF TRANSPORTATION							
Elderly and Handicapped Transportation Aids	Direct Program	395.101	-	103,129	-	103,129	103,129
DEPARTMENT OF CORRECTIONS							
Community Youth and Family Aids	Direct Program	410.313	(101,789)	386,182	40,454	324,847	324,847
Total Department of Corrections			(101,789)	386,182	40,454	324,847	324,847
DEPARTMENT OF HEALTH SERVICES							
Funeral/Cemetery W-2 and Non W-2	Direct Program	435.105	(9,337)	9,337	-	-	-
Medicaid Transportation	Direct Program	435.131	762	(762)	-	-	-
FSET Admin GPR/Fed Base	Direct Program	435.231	-	12,055	4,567	16,622	16,622
IM Available Allocation-State	Direct Program	435.283	(2,698)	2,698	-	-	-
IM Available Allocation-State	Brown County, Wisconsin	435.283	-	219,456	-	219,456	219,456
IM Available Allocation-Federal	Direct Program	435.284	(4,035)	4,035	-	-	-
Medicaid Subrogation Collections	Direct Program	435.291	4,923	(4,923)	-	-	-
Community Options Program	Direct Program	435.367	(75,842)	409,959	56,040	390,157	390,157
Medical Assistance Program Benefits							
COP W Program	Direct Program	435.338	(8,317)	147,825	13,098	152,606	152,606
CIP II Program	Direct Program	435.348	(26,049)	363,467	24,843	362,261	362,261
CIP II Community Relocation	Direct Program	435.369	(46,983)	77,144	4,657	34,818	34,818
CIP II Diversions	Direct Program	435.375	45,551	7,050	(45,203)	7,398	7,398
ICFMR	Direct Program	435.407	4,585	33,798	1,547	39,930	39,930
FC Transition CIP 1B	Direct Program	435.410	(21,045)	23,536	17,820	20,311	20,311
CLTS	Direct Program	435.450	11,429	(11,429)	-	-	-
CLTS MH	Direct Program	435.451	7,256	(7,256)	-	-	-
CLTS DD	Direct Program	435.460	5,065	(5,065)	-	-	-
CLTS PD Other	Direct Program	435.462	270	(270)	-	-	-

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2012

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	Total Revenues	
DEPARTMENT OF HEALTH SERVICES (Continued)							
Medical Assistance Program Benefits (Continued)							
CIP II MFP	Direct Program	435.478	-	-	5,106	5,106	5,106
Brain Injury Waiver Program	Direct Program	435.506	-	105,198	-	105,198	105,198
CIP 1B Program	Direct Program	435.564	(81,982)	300,302	16,597	234,917	234,917
CIP 1A Program	Direct Program	435.580	-	262,846	-	262,846	262,846
TPA CLTS DD Autism GPR	Direct Program	435.802	-	119,945	-	119,945	119,945
TPA CLTS DD Other GPR	Direct Program	435.805	-	18,743	-	18,743	18,743
TPA CLTS MH Autism GPR	Direct Program	435.808	-	24,738	-	24,738	24,738
TPA CLTS MH Other GPR	Direct Program	435.811	-	4,146	-	4,146	4,146
TPA CLTS PD Other GPR	Direct Program	435.817	-	4,146	-	4,146	4,146
CLTS MH Autism CWA Admin GPR	Direct Program	435.838	-	-	1,010	1,010	1,010
CLTS MH Other CWA Admin GPR	Direct Program	435.841	-	-	226	226	226
CLTS PD Other CWA Admin GPR	Direct Program	435.944	-	-	391	391	391
Certified Mental Health Program	Direct Program	435.517	-	19,195	-	19,195	19,195
Grants for Infants and Toddlers with Disabilities	Direct Program	435.550	-	25,731	-	25,731	25,731
State Funded-Basic County Allocation	Direct Program	435.561	-	712,416	-	712,416	712,416
Family Support Program	Direct Program	435.577	-	36,177	5,549	41,726	41,726
State Funded-State/County Match	Direct Program	435.681	-	93,924	-	93,924	93,924
Healthcheck	Direct Program	435.967	(546)	546	-	-	-
CST Counties 2015	Direct Program	435.81030	-	-	48,469	48,469	48,469
CST Counties 2012	Direct Program	435.81085	-	48,469	-	48,469	48,469
CST Counties 2014	Direct Program	435.81099	(16,937)	16,937	-	-	-
WIC Farmers' Market Nutrition Program	Direct Program	435.154720	-	-	1,061	1,061	1,061
WWWP - GPR	Direct Program	435.157000	-	4,765	14,023	18,788	18,788
Lead Poisoning	Direct Program	435.157720	-	3,592	-	3,592	3,592
Maternal & Child Health Svc. Block Grant	Direct Program	435.159320	-	554	390	944	944
Aging and Disability Resource Center	Shawano County, Wisconsin	435.560100	(2,370)	21,396	-	19,026	19,026
Elderly Benefit Specialist Program	GWAAR*	435.560320	(2,354)	28,215	2,354	28,215	28,215
State Pharmaceutical Assistance Program	GWAAR*	435.560327	(2,479)	2,479	2,200	2,200	2,200
State Senior Community Services	GWAAR*	435.560330	(3,194)	9,972	916	7,694	7,694
Home Delivered Meals (Title III-C-1)	GWAAR*	435.560350	(4,383)	52,980	4,021	52,618	52,618
Home Delivered Meals (Title III-C-2)	GWAAR*	435.560360	-	2,781	10	2,791	2,791
Alzheimer's	GWAAR*	435.560381	(6,375)	15,998	3,454	13,077	13,077
Elder Abuse	GWAAR*	435.560490	(13,644)	26,136	7,101	19,593	19,593
Total Department of Health Services			(248,729)	3,242,982	190,247	3,184,500	3,184,500

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2012

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	Total Revenues	
DEPARTMENT OF CHILDREN AND FAMILIES							
Wisconsin Works (W-2) Agencies	Direct Program	437.215	(33,519)	92,933	9,813	69,227	69,227
AW DOJ Fingerprint Background	Direct Program	437.3324	(82)	136	101	155	155
State Funded-Basic County Allocation	Direct Program	437.3561	-	177,892	-	177,892	177,892
State Funded-State/County Match	Direct Program	437.3681	-	31,022	-	31,022	62,044
Child Support	Direct Program	437.7502	(327)	31,262	-	30,935	30,935
Total Department of Children and Families			(33,928)	333,245	9,914	309,231	340,253
DEPARTMENT OF JUSTICE							
County Law Enforcement Services	Direct Program	455.226	-	22,378	-	22,378	22,378
Victim and Witness Assistance Program Program Cluster	Direct Program	455.503, 455.532 & 455.539	-	25,099	-	25,099	25,099
Total Department of Justice			-	47,477	-	47,477	47,477
DEPARTMENT OF MILITARY AFFAIRS							
Emergency Planning Grant Program FFY12	Direct Program	465.337	-	5,715	5,715	11,430	11,430
Total Department of Military Affairs			-	5,715	5,715	11,430	11,430
DEPARTMENT OF ADMINISTRATION							
Land Information Grants 2012	Direct Program	505.116	-	300	-	300	300
Public Benefits 2011-12	Direct Program	505.371	(10,428)	37,889	-	27,461	27,461
Public Benefits 2012-13	Direct Program		-	-	19,248	19,248	19,248
Total Department of Administration			(10,428)	38,189	19,248	47,009	47,009
TOTAL STATE PROGRAMS			\$ (414,671)	\$ 5,138,855	\$ 304,822	\$ 5,029,006	\$ 5,060,028

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
For the Year Ended December 31, 2012

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 2012 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 - Environmental Protection Agency
State - Wisconsin Department of Health Services

OCONTO COUNTY, WISCONSIN

Notes to the Schedule of Federal Awards and the Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2012

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, 2012	\$	42,406
Cash balance at December 31, 2012		25,267
Administrative expenditures for year ended December 31, 2012		3,333
Total Expenditures for CFDA #11.307	\$	<u>71,006</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 15, 2013 CARS for the Human Services Department and the December 2012 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)
For the Year Ended December 31, 2012

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 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
1/1/12 - 12/31/12	\$ 281	\$ 2,374

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, 2012

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? No

Federal 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 Unmodified

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
115.15	Basic Annual Staffing Grants
115.40	LWRM Plan Implementation
370.574 & 370.575	Recreational Aids - Snowmobile Trail and Area Aid
370.576 & 370.577	All-Terrain Vehicle (ATV) Program
395.101	Elderly and Handicapped Transportation Aids
410.313	Community Youth and Family Aids
435.283	IM Available Allocation-State
435.367	Community Options Program
	<i>Medical Assistance Programs</i>
435.338	COP W Program
435.348	CIP II Program
435.369	CIP II Community Relocation
435.375	CIP II Diversions
435.407	ICFMR
435.410	FC Transition CIP 1B
435.478	CIP II MFP
435.506	Brain Injury Waiver Program
435.564	CIP 1B Program
435.580	CIP 1A Program
435.802	TPA CLTS DD Autism GPR
435.805	TPA CLTS DD Other GPR
435.808	TPA CLTS MH Autism GPR
435.811	TPA CLTS MH Other GPR
435.817	TPA CLTS PD Other GPR
435.838	CLTS MH Autism CWA Admin GPR
435.841	CLTS MH Other CWA Admin GPR
435.944	CLTS PD Other CWA Admin GPR

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, 2012

Section II - Basic Financial Statement Findings

Finding No.	Control Deficiencies
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2012-01 Preparation of Annual Financial Report

Condition: Current County staff maintains accounting records which reflect the County's financial transactions; however, preparing the County's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The County contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to prepare the annual financial report in an efficient manner.

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

Cause: County management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect: Without our involvement, the County may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

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 train additional staff to completely 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 annual financial report.

OCONTO COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 2012

Section III - Federal Award Findings and Questioned Costs

Finding No.	Internal Control Deficiency
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2012-02 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, 2012

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 Safety and Professional Services	<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

July 3, 2013

OCONTO COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2012

Prior Year Audit Findings

The findings noted in the 2011 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 2011-01 and 2011-02 outweigh the benefits to be received. Management reviews the financial report and the single audit report prepared by Schenck.

Corrective Action Plan

- | | |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------|
| 2012-01 | Preparation of Annual Financial Report |
| | The County will continue to review the entire annual financial report for accuracy prior to issuance. |
| 2012-02 | 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. |

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, 2012, we have also examined the 2012 Financial Report Form A required to be submitted to the Wisconsin Department of Revenue (WDR) by Wisconsin Administration Rule, Tax 16. The 2012 Financial Report Form A has been subjected to the auditing procedures applied in the audit of the financial statements. In our opinion the 2012 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 2012 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
July 3, 2013

OCONTO COUNTY, WISCONSIN
Schedule of Revisions to 2012 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	\$ 723,717	\$ 15,246	\$ 738,963
Expenditures			
124-54300	\$ 10,177,060	\$ 37	\$ 10,177,097
Net Governmental Fund Changes		\$ 15,209	
Governmental Fund Balance			
Per Filed Report			
151-34000		19,639,122	
Per Audit Report - Page 16		\$ 19,654,331	
Proprietary Funds:			
Expenditures			
209-53631	\$ 530,515	\$ 66,566	\$ 597,081
210-53311	3,691,681	52,826	3,744,507
Total Expenditures	\$ 4,222,196	\$ 119,392	\$ 4,341,588
Net Proprietary Fund Changes		\$ (119,392)	
Per Filed Report			
230-62000		(638,090)	
Per Audit Report - Page 22		\$ (757,482)	