

OCONTO COUNTY, WISCONSIN
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2013

OCONTO COUNTY, WISCONSIN

December 31, 2013

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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, 2013, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund, the human services and county roads and bridges special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 State of Wisconsin, 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 2012 financial statements, and our report dated July 3, 2013, 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, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2014, 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.

A handwritten signature in black ink, appearing to read "Schnecker".

Certified Public Accountants
Green Bay, Wisconsin
June 23, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oconto County, Wisconsin
Management's Discussion and Analysis
December 31, 2013

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, 2013.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2013 by \$119,288,032 (*net position*). Of this amount, \$23,594,573 (*unrestricted*) may be used to meet the County's ongoing obligations to citizens and creditors. Of the remainder, \$95,477,491 is net investment in capital assets, and \$215,968 is restricted for unspent grant awards and advances.
- The County's total net position decreased by \$1,436,528 from 2012. The decrease consisted of a decrease in governmental activities of \$1,155,143 and a decrease in business-type activities of \$281,385.
- As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$20,930,831, an increase of \$1,276,500 from the prior year.
- As of December 31, 2013, the County's general fund unassigned fund balance was \$9,970,056, approximately 60% of the total 2013 general fund expenditures of \$16,502,793.
- There is no outstanding debt of the county at the end of 2013. There is no anticipated new debt borrowing for 2014.
- Delinquent property taxes (tax certificates & tax deeds) decreased by \$428,008, or 15% (compared to a 6% decrease last year), to \$2,438,738.
- The county's 2013 equalized value decreased again from the previous year by 1%, to \$3,512,155,600. This is the fifth year of consecutive decreases in the county's equalized value.
- The property tax mill rate increased 15 cents per \$1,000 of equalized value for the year 2013 to \$5.149, compared to \$4.996 in 2012. The property tax levy increased to \$17,987,812 in 2013 from \$17,790,125, an increase of \$197,687, or 1.1%. 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, 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: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in 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, county roads and bridges fund and capital projects 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 required supplementary information 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 assets may serve over time as a useful indicator of the County’s financial position. In the case of the County, assets exceeded liabilities by \$119,288,032 at the close of the year.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2013	2012	2013	2012	2013	2012
OCONTO COUNTY NET POSITION						
Current and other assets	\$ 43,784,753	\$ 43,119,776	\$ 4,954,675	\$ 5,168,190	\$ 48,739,428	\$ 48,287,966
Capital assets	86,880,647	89,056,530	8,596,844	8,426,577	\$ 95,477,491	\$ 97,483,107
Total assets	130,665,400	132,176,306	13,551,519	13,594,767	144,216,919	145,771,073
Long-term liabilities outstanding	1,307,874	1,226,617	1,632,018	1,504,731	\$ 2,939,892	\$ 2,731,348
Other liabilities	3,202,470	3,820,170	618,033	507,183	\$ 3,820,503	\$ 4,327,353
Total liabilities	4,510,344	5,046,787	2,250,051	2,011,914	6,760,395	7,058,701
Deferred inflows	18,168,492	17,987,812	-	-	18,168,492	17,987,812
Net assets:						
Invested in capital assets, net of debt ..	86,880,647	89,056,531	8,596,844	8,426,577	\$ 95,477,491	\$ 97,483,108
Restricted	215,968	245,148	-	-	215,968	245,148
Unrestricted	20,889,949	19,840,028	2,704,624	3,156,276	23,594,573	22,996,304
	\$ 107,986,564	\$ 109,141,707	\$ 11,301,468	\$ 11,582,853	\$ 119,288,032	\$ 120,724,560

By far the largest portion of the County’s total net assets 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 capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt, if any, must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of *unrestricted net assets* of \$23,594,573 may be used to meet the County’s ongoing obligations to its citizens and creditors.

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

Change in net assets. Governmental activities decreased the County's net assets by \$1,155,143 and business-type activities decreased the County's net assets by \$281,385 during the year, thus resulting in a net decrease of \$1,436,528 of the total net assets of the County.

OCONTO COUNTY CHANGE IN NET POSITION PRIMARY GOVERNMENT	Governmental Activities		Business-type Activities		TOTALS	
	2013	2012	2013	2012	2013	2011
Revenues:						
Program revenues:						
Charges for services, fees, fines, costs ...	\$ 5,146,857	\$ 5,011,005	\$ 10,163,758	\$ 9,120,101	\$ 15,310,615	\$ 14,131,106
Operating grants and contributions	13,422,256	12,923,065	207,720	207,620	13,629,976	13,130,685
General revenues:						
Property taxes	17,987,812	17,790,125	-	-	17,987,812	17,790,125
Other taxes	2,169,085	2,230,804	-	-	2,169,085	2,230,804
Grants and contributions not restricted to specific programs	608,379	597,434	-	-	608,379	597,434
Interest and investment earnings	92,508	135,281	7,031	8,543	99,539	143,824
Other	6,359	4,811	2,245	-	8,604	4,811
Total revenues	39,433,256	38,692,525	10,380,754	9,336,264	49,814,010	48,028,789
Expenses:						
General government	5,602,408	5,650,562	-	-	5,602,408	5,650,562
Public safety	6,999,037	7,344,792	-	-	6,999,037	7,344,792
Public works	6,468,772	6,403,204	-	-	6,468,772	6,403,204
Health and human services	18,661,408	17,781,619	-	-	18,661,408	17,781,619
Culture and recreation	1,548,309	1,511,610	-	-	1,548,309	1,511,610
Development	1,838,865	1,983,065	-	-	1,838,865	1,983,065
Highway	-	-	8,909,429	8,446,776	8,909,429	8,446,776
MAR-OCO landfill	-	-	568,830	597,082	568,830	597,082
Recycling	-	-	653,480	735,901	653,480	735,901
Total expenses	41,118,799	40,674,852	10,131,739	9,779,759	51,250,538	50,454,611
Increase in net assets before transfers	(1,685,543)	(1,982,327)	249,015	(443,495)	(1,436,528)	(2,425,822)
Transfers	530,400	313,987	(530,400)	(313,987)	-	-
Change in net position	(1,155,143)	(1,668,340)	(281,385)	(757,482)	(1,436,528)	(2,425,822)
Net position January 1	109,141,707	110,810,047	11,582,853	12,340,335	120,724,560	123,150,382
Net position December 31	\$107,986,564	\$109,141,707	\$11,301,468	\$11,582,853	\$119,288,032	\$120,724,560

Governmental activities. Elements contributing to the \$1,155,143 decrease in governmental net are mainly due to expenditures exceeding revenues by \$1,685,543.

Business-type activities. Elements contributing to the \$281,385 decrease in business-type net assets include:

- Highway business-type fund transferred \$530,400 to the general fund, otherwise had net gain of \$473,055 before transfer.
- Recycling operations resulted in a net loss of \$146,826.
- MAR-OCO Landfill operations resulted in a net loss of \$77,214.

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, 2013, the County's governmental funds reported a combined ending fund balance of \$20,930,831, an increase of \$1,276,500 from the prior year. Of that combined ending fund balance, \$9,970,056 (48%) 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, long-term advances, a reserve 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 \$9,970,056, while the total fund balance was \$13,072,636. 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 60% of total general fund expenditures, while the total fund balance represents 79% of general fund expenditures. In relation to general fund revenues, unassigned fund balance also represents 63% of total general fund revenues.

The fund balance of the County's general fund decreased \$1,467,576, from \$14,540,212 to \$13,072,636 during the year. Key factors in this decrease include:

- Actual expenditures exceeded actual revenues by \$731,578.
- Net transfers out of \$735,998 included a \$3,000,000 transfer to the capital projects fund for the proposed law enforcement center.

The Human Services fund had a balance of \$1,174,756 at the end of the year. This fund balance decreased \$491,032 during the year. This decrease was due to a transfer to the general fund of \$400,000 and expenditures exceeding revenues by \$91,032. The tax levy for Human Services remained the same as 2012, amounting to \$5,000,000. Of the \$1,174,756 fund balance, \$618,868 is being applied to reduce the human service fund's 2014 property tax levy.

The County Roads and Bridges fund had a balance of \$1,560,183 at the end of the year. This fund balance increased \$6,642 during the year. The tax levy for the roads and bridge decreased to \$3,250,754 in 2013 from \$3,286,246 in 2012, excluding the local bridge aid levies. Of the county road and bridge \$1,560,183 fund balance, \$180,116 will be applied to reduce the fund's 2014 property tax 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 (deficit) of the County's proprietary funds are listed below:

	<u>12/31/2012</u>	<u>12/31/2012</u>
Highway	\$2,506,554	\$2,546,298
MAR-OCO Landfill	(99,538)	22,000
Recycling	297,608	587,978

The results of operations for the aforementioned funds have been noted in the change in net assets section on page 7.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget amounted to a \$1,229,348 increase in appropriations and can be briefly summarized in part as follows:

- \$361,649 increase for land records and deeds redaction project
- \$105,000 additional expenditures for law enforcement OJA grant project,
- \$334,135 additional expenditures for state aided recreation projects,
- \$215,045 additional expenditures for conservation and development programs
- \$ 68,030 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 expenditures and other financing uses exceeded revenues and other financing sources by \$1,467,576 thus decreasing the general fund balance at the end of 2013 to \$13,072,636 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 \$95,477,491 (net of accumulated depreciation), a decrease of \$2,005,617 from 2012. 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	
	2013	2012	2013	2012	2013	2012
Land	\$ 11,806,968	\$ 11,806,968	\$ 123,716	\$ 123,716	\$ 11,930,684	\$ 11,930,684
Buildings	6,832,837	7,247,141	2,013,656	2,035,543	8,846,493	9,282,684
Improvements other than buildings	636,153	693,655	824,048	901,640	1,460,201	1,595,295
Machinery and equipment	1,309,374	1,156,825	5,588,010	5,319,760	6,897,384	6,476,585
Infrastructure	66,295,315	68,151,942	-	-	66,295,315	68,151,942
Construction in progress	-	-	33,927	30,250	33,927	30,250
Other	-	-	13,487	15,668	13,487	15,668
Total	\$ 86,880,647	\$ 89,056,531	\$ 8,596,844	\$ 8,426,577	\$ 95,477,491	\$ 97,483,108

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 2013, 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 April 2014 was 7.6%, and compares with the statewide rate of 5.9% and a federal rate of 5.9%. 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 2014-2015.

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 2012 levy (collection in 2013) the County's increase in NNC was .6%. The state allowed minimum percentage was 0%. For the 2013 levy (collect in 2014) the county's increase is .79% and 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, 2013

(With summarized financial information as of December 31, 2012)

	Primary Government				Component Unit
	Governmental Activities	Business-type Activities	Total		Commission on Aging
			2013	2012	
ASSETS					
Cash and investments	\$ 18,906,982	\$ 2,264,890	\$ 21,171,872	\$ 20,615,174	\$ 49,376
Receivables					
Taxes	21,476,472	-	21,476,472	21,852,810	-
Accounts	1,377,694	36,460	1,414,154	1,283,190	50,469
Loans	566,277	-	566,277	551,467	-
Due from other governments	1,437,689	550,440	1,988,129	2,042,786	-
Inventories and prepaid items	19,639	1,365,043	1,384,682	1,210,946	-
Restricted cash and investments	-	737,842	737,842	731,592	-
Capital assets					
Land	11,806,968	123,716	11,930,684	11,930,684	-
Improvements other than buildings	1,476,319	3,008,777	4,485,096	4,485,096	-
Buildings	16,107,128	5,175,119	21,282,247	21,142,649	-
Machinery and equipment	6,122,700	15,409,041	21,531,741	20,948,008	-
Other capital assets	-	52,792	52,792	52,792	-
Construction in progress	-	33,927	33,927	30,250	-
Infrastructure	135,959,860	-	135,959,860	134,182,545	-
Less: Accumulated depreciation	(84,592,328)	(15,206,528)	(99,798,856)	(95,288,916)	-
TOTAL ASSETS	130,665,400	13,551,519	144,216,919	145,771,073	99,845
LIABILITIES					
Accounts payable	2,056,815	269,630	2,326,445	3,037,158	30,678
Accrued payroll liabilities	982,927	256,136	1,239,063	1,041,602	45,516
Due to other governments	162,728	-	162,728	219,566	-
Unearned revenues	-	92,267	92,267	29,027	-
Long-term obligations					
Due in more than one year	1,307,874	214,651	1,522,525	1,402,055	-
Closure and post-closure care costs	-	1,417,367	1,417,367	1,329,293	-
TOTAL LIABILITIES	4,510,344	2,250,051	6,760,395	7,058,701	76,194
DEFERRED INFLOWS OF RESOURCES					
Property taxes	18,168,492	-	18,168,492	17,987,812	-
NET POSITION					
Net investment in capital assets	86,880,647	8,596,844	95,477,491	97,483,108	-
Restricted for					
Unspent grant awards and advances	215,968	-	215,968	245,148	-
Unrestricted	20,889,949	2,704,624	23,594,573	22,996,304	23,651
TOTAL NET POSITION	\$ 107,986,564	\$ 11,301,468	\$ 119,288,032	\$ 120,724,560	\$ 23,651

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, 2013

(With summarized financial information for the year ended December 31, 2012)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	\$ 5,602,408	\$ 1,095,715	\$ 237,712	\$ -
Public safety	6,999,037	599,697	276,441	-
Public works	6,468,772	5,386	1,160,004	-
Health and human services	18,661,408	2,540,377	10,837,528	-
Culture and recreation	1,548,309	236,504	249,036	-
Development	1,838,865	669,178	661,535	-
Total Governmental Activities	<u>41,118,799</u>	<u>5,146,857</u>	<u>13,422,256</u>	<u>-</u>
Business-type Activities				
Highway	8,909,429	9,382,484	-	-
MAR-OCO Landfill	568,830	484,585	-	-
Recycling	653,480	296,689	207,720	-
Total Business-type Activities	<u>10,131,739</u>	<u>10,163,758</u>	<u>207,720</u>	<u>-</u>
Total primary government	<u>\$ 51,250,538</u>	<u>\$ 15,310,615</u>	<u>\$ 13,629,976</u>	<u>\$ -</u>
Component unit				
Commission on aging	<u>\$ 665,797</u>	<u>\$ 143,931</u>	<u>\$ 534,953</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			2012	Component Unit	
Governmental Activities	Business-type Activities	Total		Commission on Aging	
\$ (4,268,981)	\$ -	\$ (4,268,981)	\$ (4,388,601)	\$ -	
(6,122,899)	-	(6,122,899)	(6,430,938)	-	
(5,303,382)	-	(5,303,382)	(5,268,548)	-	
(5,283,503)	-	(5,283,503)	(5,222,797)	-	
(1,062,769)	-	(1,062,769)	(796,397)	-	
(508,152)	-	(508,152)	(633,501)	-	
<u>(22,549,686)</u>	<u>-</u>	<u>(22,549,686)</u>	<u>(22,740,782)</u>	<u>-</u>	
-	473,055	473,055	(158,138)	-	
-	(84,245)	(84,245)	(154,811)	-	
-	(149,071)	(149,071)	(139,089)	-	
-	<u>239,739</u>	<u>239,739</u>	<u>(452,038)</u>	<u>-</u>	
<u>(22,549,686)</u>	<u>239,739</u>	<u>(22,309,947)</u>	<u>(23,192,820)</u>	<u>-</u>	
-	-	-	-	13,087	
17,987,812	-	17,987,812	17,790,125	-	
2,169,085	-	2,169,085	2,230,804	-	
608,379	-	608,379	597,434	-	
92,508	7,031	99,539	143,824	4,593	
6,359	2,245	8,604	4,811	2,585	
530,400	(530,400)	-	-	-	
<u>21,394,543</u>	<u>(521,124)</u>	<u>20,873,419</u>	<u>20,766,998</u>	<u>7,178</u>	
(1,155,143)	(281,385)	(1,436,528)	(2,425,822)	20,265	
<u>109,141,707</u>	<u>11,582,853</u>	<u>120,724,560</u>	<u>123,150,382</u>	<u>3,386</u>	
<u>\$ 107,986,564</u>	<u>\$ 11,301,468</u>	<u>\$ 119,288,032</u>	<u>\$ 120,724,560</u>	<u>\$ 23,651</u>	

Fund Financial Statements

OCONTO COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2013

(With summarized financial information as of December 31, 2012)

	General	Human Services	County Roads and Bridges	Capital Projects	Other Governmental Funds	Total Governmental Funds	
						2013	2012
ASSETS							
Cash and investments	\$ 10,879,752	\$ 678,513	\$ 1,560,183	\$ 3,000,000	\$ 2,788,534	\$ 18,906,982	\$ 17,890,849
Receivables							
Taxes	12,259,770	5,000,000	3,476,944	-	-	20,736,714	20,967,885
Accounts	916,654	391,371	-	-	1,789	1,309,814	1,154,362
Notes	-	-	-	-	566,277	566,277	551,467
Due from other governments	-	1,395,247	-	-	-	1,395,247	1,517,216
Inventories and prepaid items	6,605	13,034	-	-	-	19,639	7,812
TOTAL ASSETS	\$ 24,062,781	\$ 7,478,165	\$ 5,037,127	\$ 3,000,000	\$ 3,356,600	\$ 42,934,673	\$ 42,089,591
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 425,291	\$ 964,457	\$ -	\$ -	\$ 667,067	\$ 2,056,815	\$ 2,755,002
Accrued payroll liabilities	733,740	249,187	-	-	-	982,927	845,602
Due to other governments	139,566	23,162	-	-	-	162,728	219,566
Total Liabilities	1,298,597	1,236,806	-	-	667,067	3,202,470	3,820,170
Deferred Inflows of Resources							
Property taxes	9,691,548	5,000,000	3,476,944	-	-	18,168,492	17,987,812
Loans receivable	-	-	-	-	566,277	566,277	551,467
Advance from state	-	66,603	-	-	-	66,603	75,811
Total Deferred Inflows of Resources	9,691,548	5,066,603	3,476,944	-	566,277	18,801,372	18,615,090
Fund Balances							
Nonspendable for							
Delinquent property taxes	2,214,809	-	-	-	-	2,214,809	2,443,961
Inventories and prepaid items	6,605	13,034	-	-	-	19,639	7,812
Restricted for							
Unspent grant awards and advances	215,968	-	-	-	-	215,968	245,148
Committed for							
New jail facility	-	-	-	3,000,000	-	3,000,000	2,000,000
Assigned for							
Continuing appropriations	665,198	-	-	-	-	665,198	646,734
Special revenue funds	-	1,161,722	1,560,183	-	2,123,256	4,845,161	5,109,119
Unassigned, reported in							
General fund	9,970,056	-	-	-	-	9,970,056	9,201,557
Total Fund Balances	13,072,636	1,174,756	1,560,183	3,000,000	2,123,256	20,930,831	19,654,331
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 24,062,781	\$ 7,478,165	\$ 5,037,127	\$ 3,000,000	\$ 3,356,600	\$ 42,934,673	\$ 42,089,591

(Continued)

OCONTO COUNTY, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2013

(With summarized financial information as of December 31, 2012)

	2013	2012
<u>Reconciliation to the Statement of Net Position</u>		
Total Fund Balances from previous page	\$ 20,930,831	\$ 19,654,331
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.	86,880,647	89,056,531
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	\$ (692,859)	
Compensated absences	<u>(615,015)</u>	(1,226,617)
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>1,482,960</u>	<u>1,657,462</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 11)	<u>\$ 107,986,564</u>	<u>\$ 109,141,707</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, 2013
(With summarized financial information for the year ended December 31, 2012)

	General	Human Services	County Roads and Bridges	Capital Projects	Other Governmental Funds	Total Governmental Funds	
						2013	2012
Revenues							
Taxes	\$ 10,552,525	\$ 5,000,000	\$ 3,250,754	\$ -	\$ 1,575,993	\$ 20,379,272	\$ 20,118,923
Intergovernmental	2,625,083	10,313,949	1,160,004	-	-	14,099,036	13,564,300
Licenses and permits	212,564	-	-	-	13,303	225,867	236,550
Fines and forfeits	173,658	-	-	-	35,442	209,100	217,735
Public charges for services	1,644,253	1,914,940	-	-	-	3,559,193	3,056,605
Intergovernmental charges for services	255,106	-	-	-	-	255,106	398,607
Miscellaneous	308,026	573,319	-	-	148,403	1,029,748	1,235,561
Total Revenues	15,771,215	17,802,208	4,410,758	-	1,773,141	39,757,322	38,828,281
Expenditures							
Current							
General government	4,957,012	-	-	-	34	4,957,046	4,828,229
Public safety	6,687,662	-	-	-	64,987	6,752,649	6,728,288
Public works	208,029	-	4,404,116	-	-	4,612,145	4,324,207
Health and human services	676,111	17,893,240	-	-	19,111	18,588,462	17,663,409
Culture and recreation	1,449,222	-	-	-	-	1,449,222	1,374,030
Development	1,650,154	-	-	-	126,941	1,777,095	1,901,731
Capital outlay	874,603	-	-	-	-	874,603	1,335,317
Total Expenditures	16,502,793	17,893,240	4,404,116	-	211,073	39,011,222	38,155,211
Excess of Revenues Over (Under) Expenditures							
	(731,578)	(91,032)	6,642	-	1,562,068	746,100	673,070
Other Financing Sources (Uses)							
Transfers in	2,264,002	-	-	3,000,000	-	5,264,002	2,403,592
Transfers out	(3,000,000)	(400,000)	-	-	(1,333,602)	(4,733,602)	(2,089,605)
Total Other Financing Sources (Uses)	(735,998)	(400,000)	-	3,000,000	(1,333,602)	530,400	313,987
Net Change in Fund Balances	(1,467,576)	(491,032)	6,642	3,000,000	228,466	1,276,500	987,057
Fund Balances - January 1	14,540,212	1,665,788	1,553,541	-	1,894,790	19,654,331	18,667,274
Fund Balances - December 31	\$ 13,072,636	\$ 1,174,756	\$ 1,560,183	\$ 3,000,000	\$ 2,123,256	\$ 20,930,831	\$ 19,654,331

(Continued)

OCONTO COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2013
(With summarized financial information for the year ended December 31, 2012)

<u>Reconciliation to the Statement of Activities</u>	2013	2012
Net Change in Fund Balances from previous page	\$ 1,276,500	\$ 987,057
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	\$ 2,206,682	
Depreciation expense reported in the statement of activities	<u>(4,373,290)</u>	
Amount by which capital outlays are less than depreciation	(2,166,608)	(2,524,705)
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	\$ (29,564)	
Loss on disposition reported on the statement of activities	<u>20,288</u>	
Net book value of assets disposed of	(9,276)	(32,582)
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:	(174,502)	91,977
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:	<u>(81,257)</u>	<u>(190,087)</u>
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 12 and 13)	<u>\$ (1,155,143)</u>	<u>\$ (1,668,340)</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 Balance
Budget and Actual
General Fund

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,390,278	\$ 10,390,278	\$ 10,552,525	\$ 162,247
Intergovernmental	2,121,472	2,248,581	2,625,083	376,502
Licenses and permits	197,475	197,475	212,564	15,089
Fines and forfeits	193,500	193,500	173,658	(19,842)
Public charges for services	1,365,865	1,457,049	1,644,253	187,204
Intergovernmental charges for services	285,829	299,029	255,106	(43,923)
Miscellaneous	267,435	301,709	308,026	6,317
Total Revenues	14,821,854	15,087,621	15,771,215	683,594
Expenditures				
Current				
General government	5,355,651	5,825,593	4,957,012	868,581
Public safety	6,700,346	6,840,471	6,687,662	152,809
Public works	203,666	203,666	208,029	(4,363)
Health and human services	674,754	676,254	676,111	143
Culture and recreation	1,472,539	1,806,674	1,449,222	357,452
Development	1,532,206	1,747,249	1,650,154	97,095
Capital outlay	806,000	874,603	874,603	-
Total Expenditures	16,745,162	17,974,510	16,502,793	1,471,717
Excess of Revenues Over (Under) Expenditures	(1,923,308)	(2,886,889)	(731,578)	2,155,311
Other Financing Sources (Uses)				
Transfers in	1,736,400	1,805,002	2,264,002	459,000
Transfers out	-	(3,000,000)	(3,000,000)	-
Total Other Financing Sources (Uses)	1,736,400	(1,194,998)	(735,998)	459,000
Net Change in Fund Balance	(186,908)	(4,081,887)	(1,467,576)	2,614,311
Fund Balance - January 1	14,540,212	14,540,212	14,540,212	-
Fund Balance - December 31	\$ 14,353,304	\$ 10,458,325	\$ 13,072,636	\$ 2,614,311

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -
Intergovernmental	9,070,504	10,181,065	10,313,949	132,884
Public charges for services	1,748,319	1,914,941	1,914,940	(1)
Miscellaneous	-	573,319	573,319	-
Total Revenues	15,818,823	17,669,325	17,802,208	132,883
Expenditures				
Current				
Health and human services	16,446,091	18,317,361	17,893,240	424,121
Excess of Revenues Over (Under) Expenditures	(627,268)	(648,036)	(91,032)	557,004
Other Financing Uses				
Transfers out	-	-	(400,000)	(400,000)
Net Change in Fund Balance	(627,268)	(648,036)	(491,032)	157,004
Fund Balance - January 1	1,665,788	1,665,788	1,665,788	-
Fund Balance - December 31	\$ 1,038,520	\$ 1,017,752	\$ 1,174,756	\$ 157,004

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,250,754	\$ 3,250,754	\$ 3,250,754	\$ -
Intergovernmental	1,110,625	1,110,625	1,160,004	49,379
Total Revenues	<u>4,361,379</u>	<u>4,361,379</u>	<u>4,410,758</u>	<u>49,379</u>
Expenditures				
Current				
Public works	4,505,995	4,505,995	4,404,116	101,879
Net Change in Fund Balance	(144,616)	(144,616)	6,642	151,258
Fund Balance - January 1	<u>1,553,541</u>	<u>1,553,541</u>	<u>1,553,541</u>	-
Fund Balance - December 31	<u>\$ 1,408,925</u>	<u>\$ 1,408,925</u>	<u>\$ 1,560,183</u>	<u>\$ 151,258</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, 2013

(With summarized financial information as of December 31, 2012)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2013	2012
ASSETS					
Current Assets					
Cash and investments	\$ 1,297,519	\$ 623,788	\$ 343,583	\$ 2,264,890	\$ 2,724,325
Accounts receivable	6,881	29,579	-	36,460	35,112
Due from other governments	550,440	-	-	550,440	474,027
Inventories and prepaid items	1,365,043	-	-	1,365,043	1,203,134
Total Current Assets	3,219,883	653,367	343,583	4,216,833	4,436,598
Noncurrent Assets					
Restricted cash and investments	-	737,842	-	737,842	731,592
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	3,008,777
Buildings	4,482,879	142,468	549,772	5,175,119	5,035,521
Machinery and equipment	14,165,423	394,783	848,835	15,409,041	15,126,455
Other capital assets	52,792	-	-	52,792	52,792
Construction in progress	3,677	30,250	-	33,927	30,250
Less accumulated depreciation	(11,963,958)	(2,159,702)	(1,082,868)	(15,206,528)	(14,950,934)
Total Noncurrent Assets	7,148,092	1,832,423	354,171	9,334,686	9,158,169
TOTAL ASSETS	10,367,975	2,485,790	697,754	13,551,519	13,594,767
LIABILITIES					
Current Liabilities					
Accounts payable	201,214	34,076	34,340	269,630	282,156
Accrued payroll liabilities	243,338	1,163	11,635	256,136	196,000
Unearned revenue	92,267	-	-	92,267	29,027
Total Current Liabilities	536,819	35,239	45,975	618,033	507,183
Noncurrent Liabilities					
Compensated absences payable	176,510	38,141	-	214,651	175,438
Landfill closure care costs	-	99,804	-	99,804	59,285
Landfill post closure care costs	-	1,317,563	-	1,317,563	1,270,008
Total Noncurrent Liabilities	176,510	1,455,508	-	1,632,018	1,504,731
TOTAL LIABILITIES	713,329	1,490,747	45,975	2,250,051	2,011,914
NET POSITION					
Net investment in capital assets	7,148,092	1,094,581	354,171	8,596,844	8,426,577
Unrestricted	2,506,554	(99,538)	297,608	2,704,624	3,156,276
TOTAL NET POSITION	\$ 9,654,646	\$ 995,043	\$ 651,779	\$ 11,301,468	\$ 11,582,853

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, 2013
(With summarized financial information for the year ended December 31, 2012)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2013	2012
Operating Revenues					
Intergovernmental charges for services	\$ 9,379,144	\$ 151,812	\$ 16,783	\$ 9,547,739	\$ 8,458,126
Public charges for services	3,340	332,773	13,599	349,712	330,989
Sale of recyclable materials	-	-	253,466	253,466	306,156
Total Operating Revenues	9,382,484	484,585	283,848	10,150,917	9,095,271
Operating Expenses					
Operation and maintenance	8,214,124	478,717	586,337	9,279,178	8,847,196
Depreciation	695,305	90,113	67,143	852,561	899,279
Total Operating Expenses	8,909,429	568,830	653,480	10,131,739	9,746,475
Operating Income (Loss)	473,055	(84,245)	(369,632)	19,178	(651,204)
Nonoperating Revenues and Expenses					
State aid	-	-	207,720	207,720	207,620
Insurance recoveries	-	-	2,245	2,245	-
Interest income	-	7,031	-	7,031	8,543
Gain on sale of equipment	-	-	12,841	12,841	24,830
Loss on sale of equipment	-	-	-	-	(33,284)
Total Nonoperating Revenues and Expenses	-	7,031	222,806	229,837	207,709
Net Income (Loss) Before Transfers	473,055	(77,214)	(146,826)	249,015	(443,495)
Transfers out	(530,400)	-	-	(530,400)	(313,987)
Change in Net Position	(57,345)	(77,214)	(146,826)	(281,385)	(757,482)
Net Position - January 1	9,711,991	1,072,257	798,605	11,582,853	12,340,335
Net Position - December 31	\$ 9,654,646	\$ 995,043	\$ 651,779	\$ 11,301,468	\$ 11,582,853

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, 2013

(With summarized financial information for the year ended December 31, 2012)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2013	2012
Cash Flows from Operating Activities					
Cash received from user charges	\$ 5,204	\$ 329,561	\$ 267,065	\$ 601,830	\$ 624,019
Cash received from other government payments	9,365,971	151,812	16,783	9,534,566	8,238,680
Cash payments to employees	(2,822,209)	(110,054)	(244,099)	(3,176,362)	(2,955,225)
Cash payments to suppliers	(5,445,519)	(268,248)	(376,061)	(6,089,828)	(6,073,558)
Net Cash Provided (Used) by Operating Activities	1,103,447	103,071	(336,312)	870,206	(166,084)
Cash Flows from Noncapital Financing Activities					
Transfer to general fund	(530,400)	-	-	(530,400)	(313,987)
State aid	-	-	207,720	207,720	207,620
Net Cash Provided (Used) by Noncapital Financing Activities	(530,400)	-	207,720	(322,680)	(106,367)
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(677,704)	(134,437)	(210,687)	(1,022,828)	(815,964)
Insurance recoveries	-	-	2,245	2,245	-
Sale of equipment	-	-	12,841	12,841	24,830
Net Cash Provided (Used) by Capital and Related Financing Activities	(677,704)	(134,437)	(195,601)	(1,007,742)	(791,134)
Cash Flows from Investing Activities					
Interest income	-	7,031	-	7,031	8,543
Net Increase (Decrease) in Cash and Cash Equivalents	(104,657)	(24,335)	(324,193)	(453,185)	(1,055,042)
Cash and Cash Equivalents - January 1	1,402,176	1,385,965	667,776	3,455,917	4,510,959
Cash and Cash Equivalents - December 31	\$ 1,297,519	\$ 1,361,630	\$ 343,583	\$ 3,002,732	\$ 3,455,917
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 473,055	\$ (84,245)	\$ (369,632)	\$ 19,178	\$ (651,204)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities					
Depreciation	695,305	90,113	67,143	852,561	899,279
Changes in assets and liabilities					
Accounts receivable	1,864	(3,212)	-	(1,348)	(13,126)
Due from other governments	(76,413)	-	-	(76,413)	(391,172)
Inventories and prepaid items	(161,909)	-	-	(161,909)	(227,961)
Accounts payable	10,492	12,772	(35,790)	(12,526)	152,029
Accrued payroll liabilities	58,626	(457)	1,967	60,136	36,791
Unearned revenues	63,240	-	-	63,240	171,726
Landfill closure care	-	88,074	-	88,074	(123,070)
Compensated absences payable	39,187	26	-	39,213	(19,376)
Net Cash Provided (Used) by Operating Activities	\$ 1,103,447	\$ 103,071	\$ (336,312)	\$ 870,206	\$ (166,084)
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, 2013

(With summarized financial information as of December 31, 2012)

ASSETS

Cash and cash equivalents

LIABILITIES

Due to county departments

Agency Funds	
2013	2012
\$ 344,326	\$ 417,066
\$ 344,326	\$ 417,066

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

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

2. Individual Component Unit Disclosures

BLENDING COMPONENT UNIT

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

DISCRETELY PRESENTED COMPONENT UNIT

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

3. Related Organization

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

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net 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, 2013

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.

CAPITAL PROJECTS FUND

This fund accounts for the new jail facility project.

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, 2013

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, 2013

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.

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, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

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

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

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

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

g. Compensated Absences

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

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, which 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, 2013

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 special revenue 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, 2013

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, 2012, from which the summarized information was derived.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2013

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, 2013.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2013

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 \$22,254,040 on December 31, 2013 as summarized below:

Petty cash and cash on hand	\$ 1,175
Deposits with financial institutions	17,611,661
Deposit with Marinette County for landfill	1,361,630
Investments	3,328,950
	<u>\$ 22,303,416</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position

Primary government	
Cash and investments	\$ 21,171,872
Restricted cash and investments	737,842
Component unit	
Cash and investments	49,376
Fiduciary Fund Statement of Net Position	
Agency funds	344,326
	<u>\$ 22,303,416</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, 2013

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 the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-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 the combined amount of all deposit accounts per official custodian per depository institution. 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, 2013, \$15,471,426 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits of which \$14,991,426 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 \$480,000 was uncollateralized.

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	\$ 3,328,950	\$ -	\$ -	\$ -	\$ 3,328,950

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, 2013

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
Wisconsin local government investment pool	\$ 3,328,950	\$ 3,328,950	\$ -	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$3,328,950 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, 2013, 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, 2013, 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 a deferred inflow 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, 2013 for collection in 2014 are for the following:

County apportionment	<u>\$ 18,168,492</u>
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The above County apportionment of \$18,168,492 is for financing 2014 operations and will be transferred in 2014 from deferred inflows of resources to current revenues of the County's governmental funds.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2013

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, 2013, the County's general fund showed an investment of \$2,438,738 in delinquent taxes as follows:

Tax certificates	\$ 2,273,602
Tax deeds	165,136
Total	\$ 2,438,738

An aging of the total delinquent taxes of \$2,438,738 on December 31, 2013 follows:

Year Acquired	Tax Certificates
Prior to 2009	\$ 14,824
2009	166,558
2010	415,891
2011	617,431
2012	1,058,898
	2,273,602
Tax Deeds	165,136
	\$ 2,438,738

Of the total of \$2,438,738 for delinquent taxes, \$223,929 was collected by the County within 60 days after December 31, 2013. The remaining unpaid balance of \$2,214,809 is recorded as nonspendable fund balance for the general fund.

4. Restricted Assets

Restricted assets on December 31, 2013 totaled \$737,842 consisting of cash and investments held for the following purposes:

Enterprise Fund	
MAR-OCO Joint Landfill	
Long-term care deposits	\$ 737,842

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,806,968	\$ -	\$ -	\$ 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	5,821,553	429,367	128,220	6,122,700
Infrastructure	134,182,545	1,777,315	-	135,959,860
Subtotals	157,587,545	2,206,682	128,220	159,666,007
Less accumulated depreciation for:				
Improvements other than buildings	782,664	57,502	-	840,166
Buildings	8,859,987	414,304	-	9,274,291
Machinery and equipment	4,664,728	267,542	118,944	4,813,326
Infrastructure	66,030,603	3,633,942	-	69,664,545
Subtotals	80,337,982	4,373,290	118,944	84,592,328
Total capital assets, being depreciated, net	77,249,563	(2,166,608)	9,276	75,073,679
Governmental activities capital assets, net	\$ 89,056,531	\$ (2,166,608)	\$ 9,276	86,880,647
Less related long-term debt outstanding				-
Net investment in capital assets				<u>\$ 86,880,647</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 123,716	\$ -	\$ -	\$ 123,716
Construction in progress	30,250	3,677	-	33,927
Total capital assets, not being depreciated	153,966	3,677	-	157,643
Capital assets, being depreciated:				
Improvements other than buildings	3,008,777	-	-	3,008,777
Buildings	5,035,521	139,598	-	5,175,119
Machinery and equipment	15,126,454	979,901	697,314	15,409,041
Other capital assets	52,792	-	-	52,792
Subtotals	23,223,544	1,119,499	697,314	23,645,729
Less accumulated depreciation for:				
Improvements other than buildings	2,107,137	77,592	-	2,184,729
Buildings	2,999,978	161,485	-	3,161,463
Machinery and equipment	9,806,693	611,303	596,965	9,821,031
Other capital assets	37,124	2,181	-	39,305
Subtotals	14,950,932	852,561	596,965	15,206,528
Total capital assets, being depreciated, net	8,272,612	266,938	100,349	8,439,201
Business-type activities capital assets, net	\$ 8,426,578	\$ 270,615	\$ 100,349	8,596,844
Less related long-term debt outstanding				-
Net investment in capital assets				<u>\$ 8,596,844</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities		
General government		\$ 373,151
Public safety		222,640
Public works		3,633,942
Health and human services		45,935
Culture and recreation		97,622
Total depreciation expense - governmental activities		<u>\$ 4,373,290</u>
 Business-type activities		
Highway		\$ 695,305
Mar-Oco landfill		90,113
Recycling		67,143
Total depreciation expense - business-type activities		<u>\$ 852,561</u>

6. Interfund Transfers

Interfund transfers for the year ended December 31, 2013 were as follows:

	Transfer to:		
	General Fund	Capital Projects Fund	Totals
Transfers from:			
General fund	\$ -	\$ 3,000,000	\$ 3,000,000
Human services	400,000	-	400,000
County sales tax	1,333,602	-	1,333,602
Highway	530,400	-	530,400
Totals	<u>\$ 2,264,002</u>	<u>\$ 3,000,000</u>	<u>\$ 5,264,002</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, 2013:

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
Governmental activities:					
Post-employment health benefits payable	\$ 577,993	\$ 182,866	\$ 68,000	\$ 692,859	\$ -
Compensated absences	648,624	-	33,609	615,015	-
Governmental activities Long-term obligations	<u>\$ 1,226,617</u>	<u>\$ 182,866</u>	<u>\$ 101,609</u>	<u>\$ 1,307,874</u>	<u>\$ -</u>
Business-type activities:					
Compensated absences	\$ 175,438	\$ 39,213	\$ -	\$ 214,651	\$ -

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements
December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2013 was \$175,607,780 as follows:

Equalized valuation of the County	\$ 3,512,155,600
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	175,607,780
Net outstanding general obligation debt applicable to debt limitation	<u>-</u>
Legal Margin for New Debt	<u><u>\$ 175,607,780</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, 2013 follows:

	Landfill Closure Care	Landfill Postclosure Care
Total estimated costs	\$ 986,856	\$ 2,451,280
Percentage of storage capacity used as of December 31, 2013	78.89%	53.75%
Total estimated liability for costs as of December 31, 2013	<u>778,528</u>	<u>1,317,563</u>
Less closure costs paid	678,725	-
Liabilities as of December 31, 2013	<u><u>\$ 99,804</u></u>	<u><u>\$ 1,317,563</u></u>

The above net liabilities of \$99,804 and \$1,317,563 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 \$1,317,563 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, 2013 was \$737,842.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2013

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, 2013, fund balance was nonspendable as follows:

General Fund	
Nonspendable for delinquent property taxes	\$ 2,214,809
Nonspendable for inventories and prepaid items	6,605
	<u>\$ 2,221,414</u>
Special Revenue Fund	
Nonspendable for inventories and prepaid items	<u>\$ 13,034</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, 2013, fund balance assigned was as follows:

General Fund	
Assigned for:	
Land conservation	\$ 2,962
Forestry/parks	197,798
LWR/LIS	250,956
UW-Extension	34,859
Law enforcement	40,585
Safety/risk management	4,460
Register of deeds ssn redaction project	102,050
Information services	29,528
Property maintenance	2,000
	<u>\$ 665,198</u>
Special Revenue Funds	
Assigned for subsequent year's expenditures	<u>\$ 4,845,161</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 \$9,970,056 is in compliance with the above minimum fund balance amount.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2013

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 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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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 employees in the General category, 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:

	2013	
	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives & Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for County employees covered by the WRS for the year ended December 31, 2013 was \$12,656,102; the employer's total payroll was \$13,776,613. The total required contribution for the year ended December 31, 2013 was \$1,775,034, which consisted of \$1,075,457 or 8.50% of covered payroll from the employer, and \$699,577, or 5.53% of covered payroll from employees. Total contributions for the years ended December 31, 2012 and 2011 were \$1,536,027 and \$1,497,769, 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, 2013

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 205 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	\$ 194,156
Interest on net OPEB	17,340
Adjustment to annual required contribution	<u>(28,630)</u>
Annual OPEB cost (expense)	182,866
Contributions made	<u>68,000</u>
Change in net OPEB obligation	114,866
OPEB obligation - beginning of year	<u>577,993</u>
OPEB obligation - end of year	<u>\$ 692,859</u>

The annual required contribution for the current year was determined as part of the January 1, 2013 actuarial valuation using the unit credit method. The actuarial assumptions included a 3% 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, 2013 is 30 years, and the remaining amount is \$2,020,520.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2013

NOTE D - OTHER INFORMATION (Continued)

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 2013 and prior years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
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
12/31/2013	\$ 182,866	37.19%	\$ 692,859

Funded Status and Funding Progress - The funded status of the plan as of January 1, 2013, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 2,020,520
Value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,020,520</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, 2013 actuarial valuation, the unit credit method was used. The actuarial assumptions included a rate of 3.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 9.6% 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, 2013 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.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2013

NOTE D - OTHER INFORMATION (Continued)

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 2013 and 2014 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 2013 budget was .60%. The actual limit for the County for the 2014 budget was .79%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

5. Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

OCONTO COUNTY, WISCONSIN
 Schedule of Funding Progress
 Other Post-Employment Benefit Plan
 For the Year Ended December 31, 2013

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
January 1, 2013	-	2,020,520	0.00%	2,020,520	N/A	N/A

OCONTO COUNTY, WISCONSIN
 Schedule of Employer Contributions
 Other Post-Employment Benefit Plan
 For the Year Ended December 31, 2013

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 66,000	\$ 232,483	28.39%
2011	78,000	233,989	33.33%
2012	78,000	242,381	32.18%
2013	68,000	194,156	35.02%

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, 2013

(with summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Revenues					
Taxes					
Property tax	\$ 9,737,058	\$ 9,737,058	\$ 9,737,058	\$ -	\$ 9,361,205
Forest crop tax (county share)	100	100	55	(45)	56
Managed forest lands	20,000	20,000	21,952	1,952	17,632
Interest on delinquent taxes	550,000	550,000	685,627	135,627	738,960
Payments in lieu of taxes	28,000	28,000	30,494	2,494	30,101
Real estate transfer fees (county share)	55,000	55,000	77,208	22,208	61,264
State sales tax retained	120	120	131	11	127
Total Taxes	10,390,278	10,390,278	10,552,525	162,247	10,209,345
Intergovernmental Grants and Aids					
Federal park patrol	9,500	9,500	8,853	(647)	5,950
Federal aid - sheriff	-	-	-	-	10,662
Federal asset forfeiture program	-	-	-	-	1,476
Federal EPA conservation project	60,000	87,314	87,314	-	160,746
State shared revenue	583,542	583,542	600,075	16,533	587,685
Exempted business computers	9,750	9,750	8,304	(1,446)	9,749
Environmental impact fee	-	-	-	-	11,479
Circuit court support	127,899	127,899	127,922	23	129,052
Guardian ad litem support	29,213	29,213	28,337	(876)	29,213
Interpreter fees	3,500	3,500	1,530	(1,970)	3,649
Victim witness program	28,766	28,766	27,050	(1,716)	25,099
Forest crop & MFL	18,000	18,000	23,403	5,403	22,893
IV-D child support program	164,051	164,051	419,779	255,728	346,342
Commission on aging	104,587	104,587	104,587	-	103,129
Veterans service officer grant	10,000	10,000	12,491	2,491	13,349
UW extension family nutrition	6,712	6,712	-	(6,712)	1,383
Land records	52,000	52,000	46,195	(5,805)	400
Land conservation	203,000	114,248	133,355	19,107	135,584
Wildlife damage	15,136	15,136	12,277	(2,859)	19,125
Coastal management project	-	-	-	-	37,500
Lake protection grant	50,000	24,203	56,006	31,803	-
Private sewage systems-Wisconsin fund	-	30,847	30,847	-	23,904
Snowmobile trails	143,724	179,183	179,183	-	193,546
ATV trails	169,970	60,653	60,653	-	136,903
Recreation trail aids	-	9,200	9,200	-	56,263
Recreation aids-state forestry loan	-	-	-	-	70,000
Conservation	2,600	52,439	122,750	70,311	-
Wildlife habitat management	2,183	2,168	2,168	-	2,184
Forest roads	11,562	11,539	11,539	-	11,562
Forestry sustainable grant	10,000	10,000	-	(10,000)	-
Forestry administration grant	51,003	51,003	48,729	(2,274)	50,182
ED grant	1,144	1,144	1,142	(2)	1,144
National forest Title III	9,366	9,366	8,634	(732)	9,859
National forest income	-	146,774	146,774	-	167,611
ATV patrol	32,000	32,000	29,462	(2,538)	27,517
Snowmobile patrol	15,000	15,000	12,537	(2,463)	13,837
Water patrol	4,000	4,000	5,941	1,941	3,140
Police training	7,520	7,520	7,520	-	7,340

(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, 2013

(with summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Revenues (Continued)					
Intergovernmental Grants and Aids (Continued)					
OJA grant	-	105,000	105,000	-	-
Tribal law enforcement	30,000	25,851	25,851	-	22,378
Cease program	-	1,617	1,617	-	6,068
Highway safety projects	20,000	20,000	-	(20,000)	17,075
Sheriff-DNA sample reimbursement	600	600	143	(457)	560
DOC sanctions program	30,000	30,000	65,148	35,148	48,489
Emergency government-SARA grant	11,430	11,430	11,025	(405)	11,430
Emergency government (EMPG)	42,526	42,526	41,442	(1,084)	42,526
Homeland security	50,888	-	-	-	-
Land records-local grant	300	300	300	-	-
Total Intergovernmental Grants and Aids	2,121,472	2,248,581	2,625,083	376,502	2,577,983
Licenses and Permits					
County clerk-marriage licenses	2,000	2,000	2,635	635	2,814
Conservation licenses-County share	300	300	304	4	262
LWR-LIS permits and fees	6,000	6,000	5,703	(297)	6,423
Zoning Fees and Permits					
Land use permits	68,000	68,000	73,635	5,635	76,078
Land divisions-zoning share	6,000	6,000	5,703	(297)	6,423
Rezone hearings	17,000	17,000	12,755	(4,245)	18,900
Board of adjust hearings	22,000	22,000	25,775	3,775	29,580
Private sewage permits	69,000	69,000	81,404	12,404	77,525
Ag waste	1,850	1,850	1,200	(650)	850
County forest permits	5,325	5,325	3,450	(1,875)	2,720
Total Licenses and Permits	197,475	197,475	212,564	15,089	221,575
Fines and Forfeits					
County ordinance fines and forfeits	100,000	100,000	76,323	(23,677)	89,225
County share-state fines and forfeits	90,000	90,000	96,701	6,701	88,602
Ag use value penalties	2,500	2,500	634	(1,866)	1,336
County recreation ordinance violation	1,000	1,000	-	(1,000)	95
Total Fines and Forfeits	193,500	193,500	173,658	(19,842)	179,258
Public Charges For Services					
Clerk of court fees	190,050	190,050	241,102	51,052	149,100
Family court commissioner charges	700	700	349	(351)	770
Family mediation fees	20,200	12,700	6,905	(5,795)	10,230
Register in probate fees	15,000	15,000	12,993	(2,007)	19,008
District attorney-copier and service fees	5,500	5,500	8,745	3,245	6,236
County clerk-copies/directories charges	15	15	40	25	38
Treasurer-sales to public	100	100	397	297	153
Child support agency fees	2,300	2,300	4,770	2,470	3,980
Corporation counsel charges	-	-	-	-	9
Register of deeds fees	225,000	225,000	228,124	3,124	236,240
ROD-redaction project	-	52,365	52,365	-	55,045
Data processing miscellaneous sales	-	-	-	-	2,637
UW extension sales	600	600	1,592	992	1,317

(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, 2013

(with summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Revenues (Continued)					
Public Charges For Services (Continued)					
District resource management	-	259	259	-	10,424
Parenting newsletter	-	560	560	-	600
4-H outreach	-	13,222	13,222	-	19,264
Agriculture program	-	6,120	6,120	-	4,943
Family resources center	-	467	467	-	497
WiFund application fees	1,000	1,000	500	(500)	700
Non-metallic mining fees	26,000	26,000	29,675	3,675	26,740
Non-metallic reclaim review fees	500	500	650	150	800
LWR-physical address fees	6,600	6,600	5,883	(717)	6,617
Sale of platbooks	5,000	24,214	24,214	-	7,398
Sale of real estate listings	4,700	4,700	7,872	3,172	9,139
Land records modernization	60,000	60,000	61,650	1,650	64,866
Public access fees (land records)	20,000	20,000	20,550	550	23,988
LIS credit card charges	1,700	1,700	2,587	887	-
Sale of GIS maps	3,000	3,000	1,224	(1,776)	2,256
SOLO fees	10,500	10,500	8,100	(2,400)	10,500
County parks-Chute Pond	104,775	104,776	101,443	(3,333)	98,953
County parks-North Shore	68,225	68,225	67,735	(490)	66,037
Boat landing fees	36,500	41,770	41,770	-	40,463
Shooting range fees	22,500	23,706	23,706	-	27,068
County forest (including timber sales)	322,000	322,000	489,269	167,269	320,035
Sheriff Fees					
Impound vehicles	1,000	1,000	950	(50)	1,185
Paper service	80,000	80,000	53,623	(26,377)	66,098
Restitution	500	500	4,738	4,238	285
SSA incentives	2,500	2,500	6,600	4,100	5,400
Moving and escort fees	500	500	-	(500)	-
Sale of accident reports	2,000	2,000	1,128	(872)	1,761
Law enforcement fees-special deputy	3,000	3,000	2,342	(658)	2,602
Inmate telephone commission	10,000	10,000	6,640	(3,360)	8,931
Board of prisoners-Huber	43,500	43,500	33,565	(9,935)	39,739
Board of Prisoners Charges					
Booking fees	5,500	5,500	4,726	(774)	4,632
Medical and miscellaneous	500	500	1,129	629	470
Prescription medical	400	400	731	331	647
Pay to stay	18,000	18,000	17,219	(781)	14,128
GPS bracelet	40,000	40,000	41,862	1,862	43,548
Juvenile housing-charges to parents	6,000	6,000	4,162	(1,838)	6,228
Total Public Charges For Services	1,365,865	1,457,049	1,644,253	187,204	1,421,705

(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, 2013

(with summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Revenues (Continued)					
Intergovernmental Charges For Services					
Charges to Other Local Governments					
Election supplies to local governments	20,000	20,000	21,090	1,090	21,065
Technology svcs charges to local govt's	3,000	3,000	10,875	7,875	3,170
LIS charges to municipalities-postage	16,004	17,203	17,203	-	18,338
LWR-LCC NRDA project	-	12,001	12,001	-	21,298
Juvenile detention-other governments	88,500	88,500	56,850	(31,650)	112,161
Board of prisoners-other governments	45,000	45,000	27,342	(17,658)	32,276
Board of prisoners-municipal bookings	1,000	1,000	1,771	771	1,100
Radio reimbursement-local governments	-	-	-	-	21,000
Surveyor charges	6,000	6,000	3,749	(2,251)	4,845
Charges To County Departments					
Clerk of courts charge-child support	27,854	27,854	27,831	(23)	27,751
Corporation counsel charge-child support	12,671	12,671	13,974	1,303	10,476
Technical service charges to depts	40,000	40,000	41,020	1,020	39,870
Recreational officer charges to forestry	23,400	23,400	21,400	(2,000)	21,400
Sheriff microwave rent to highway	2,400	2,400	-	(2,400)	2,400
Indirect costs allocations	-	-	-	-	61,457
Total Intergovernmental Charges	285,829	299,029	255,106	(43,923)	398,607
Miscellaneous					
Interest					
General investments	136,000	136,000	91,392	(44,608)	133,765
HRA/S125 interest allocation	2,375	2,375	-	(2,375)	-
Property Sales					
Sale of law enforcement squads	20,000	20,000	24,346	4,346	18,083
Sale of law enforcement items	-	-	5,219	5,219	9,650
Tax dedeed property proceeds	67,100	67,100	71,267	4,167	86,283
Sale of forestry land	-	-	-	-	13,800
Insurance premium refunds/dividends	40,960	40,960	71,482	30,522	72,578
Insurance recoveries-law enforcement	-	-	-	-	33,489
Miscellaneous					
Safety/risk management	-	10,025	10,025	-	10,014
Other	-	-	6,359	6,359	4,972
Donations					
Veterans service drivers mileage	-	1,500	5,187	3,687	4,511
K-9	-	19,549	19,549	-	13,537
Recreation enforcement	1,000	4,200	3,200	(1,000)	500
Total Miscellaneous	267,435	301,709	308,026	6,317	401,182
Total Revenues	14,821,854	15,087,621	15,771,215	683,594	15,409,655
Other Financing Sources					
Transfers In					
County sales tax	806,000	874,602	1,333,602	459,000	1,615,410
Highway	530,400	530,400	530,400	-	313,987
Human services	400,000	400,000	400,000	-	400,000
Total Financing Services	1,736,400	1,805,002	2,264,002	459,000	2,329,397
Total Revenues and Other Financing Sources	\$ 16,558,254	\$ 16,892,623	\$ 18,035,217	\$ 1,142,594	\$ 17,739,052

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, 2013

(with summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Expenditures					
General Government					
Legislative					
County board & committees	\$ 197,800	\$ 197,800	\$ 169,575	\$ 28,225	\$ 182,365
Judicial					
Clerk of courts	539,941	586,941	620,866	(33,925)	520,404
Circuit court branch I & II	164,772	164,772	160,334	4,438	161,397
Register In probate	153,891	153,891	152,980	911	163,406
Family court commissioner	143,818	143,818	138,583	5,235	137,886
Mediation	35,077	27,577	26,493	1,084	32,298
Law library	3,800	3,800	4,040	(240)	3,282
Medical examiner	94,492	94,492	88,784	5,708	87,584
Legal					
District attorney	195,282	195,282	194,695	587	190,977
Victim witness program	57,532	57,532	58,141	(609)	57,075
Corporation counsel	92,080	142,080	140,674	1,406	86,758
General Administration					
Administrative-coordinator	198,313	253,313	225,893	27,420	180,003
County clerk	205,577	205,577	193,659	11,918	179,179
Elections	49,868	49,868	31,564	18,304	105,946
Labor negotiations	12,000	12,000	11,209	791	11,140
HRA administration	13,000	13,000	12,883	117	12,703
S125 administration	1,300	1,300	652	648	775
County wellness program	-	13,452	8,991	4,461	9,459
Technology information services	717,744	717,744	662,073	55,671	701,035
T/S-county van	5,000	8,108	2,115	5,993	14,952
T/S VOIP	-	19,060	(4,475)	23,535	(2,783)
Platbooks	5,000	77,629	20,903	56,726	4,814
Financial Administration					
Accounting					
Finance department	209,061	209,061	210,342	(1,281)	198,724
Independent auditing	48,640	48,640	48,640	-	48,160
Special accounting & reporting	15,910	15,910	15,910	-	6,410
Charges to depts for audit	(16,605)	(16,605)	(16,790)	185	(16,605)
Treasury					
County treasurer	186,196	186,196	174,586	11,610	169,376
Assessment of Property					
Property tax listing	179,600	178,045	174,977	3,068	182,047
Assessor of incomes	480	480	169	311	-
Tax deeds	63,900	19,654	20,651	(997)	15,202
Risk and Property Management					
Safety/risk manager	32,416	34,216	35,558	(1,342)	28,634
General Buildings and Plant					
Courthouse property & maintenance	728,620	733,632	642,551	91,081	661,039

(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, 2013

(with summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Expenditures (Continued)					
General Government (Continued)					
Property Records and Control					
Register of deeds	279,638	279,638	234,682	44,956	235,518
Register of deeds-redaction project	-	125,872	23,823	102,049	45,604
County surveyor	202,963	212,726	205,068	7,658	193,282
Physical address program	33,268	33,268	29,642	3,626	31,105
Land records modernization	100,500	336,277	139,486	196,791	71,501
Uncollectable Taxes and Assessments					
Uncollectable personal property taxes	10,000	10,000	937	9,063	672
Non-Departmental Insurance					
Property and liability insurance	353,000	334,770	320,943	13,827	332,822
Workers compensation insurance	330,000	330,000	328,669	1,331	309,925
Charges to departments-P&L insurance	(250,000)	(250,000)	(240,635)	(9,365)	(234,943)
Charges to departments-workers comp	(300,000)	(300,000)	(320,896)	20,896	(293,696)
Unemployment compensation	10,000	10,000	7,848	2,152	2,665
Other General Government					
Contingent fund	250,000	153,000	-	153,000	-
Other general	1,777	1,777	219	1,558	132
Total General Government	5,355,651	5,825,593	4,957,012	868,581	4,828,229
Public Safety					
Law Enforcement					
Sheriff	3,096,095	3,112,525	3,119,011	(6,486)	3,201,592
K-9 program	-	61,472	20,888	40,584	3,371
Cease program	-	11,002	437	10,565	857
Federal asset forfeiture program	-	1,258	-	1,258	-
Tribal enforcement	30,000	25,851	21,196	4,655	23,785
Watercraft patrol enforcement	1,000	1,000	2,195	(1,195)	1,567
ATV patrol enforcement	2,500	2,500	2,009	491	2,266
Snowmobile patrol enforcement	2,000	2,000	3,679	(1,679)	556
Highway safety project grants	25,000	25,000	-	25,000	4,654
Nicolet forest patrol	9,500	9,500	5,557	3,943	5,950
Recreation enforcement	133,480	133,480	136,127	(2,647)	136,714
Telecommunications/911 dispatch	850,097	850,097	864,659	(14,562)	876,904
OJA grant project	-	105,000	105,000	-	-
Highway safety commission	900	900	-	900	-
Correction and Detentions					
County jail	1,988,898	1,988,898	2,137,046	(148,148)	1,899,626
Juvenile detention	403,584	403,584	168,860	234,724	396,586
Other Public Safety					
EMS council	1,000	1,000	1,000	-	111
Emergency government	84,288	84,288	79,192	5,096	65,396
Emergency government-SARA	21,116	21,116	20,806	310	22,253
Emergency government-Homeland Security	50,888	-	-	-	-
Total Public Safety	6,700,346	6,840,471	6,687,662	152,809	6,642,188

(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, 2013

(with summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Expenditures (Continued)					
Public Works					
Transportation					
Airport	20,966	20,966	20,966	-	17,558
Sanitation					
Private sewage system regulation	182,700	182,700	187,063	(4,363)	179,688
Total Public Works	203,666	203,666	208,029	(4,363)	197,246
Health and Human Services					
Aging					
Commission on aging	139,594	139,594	139,594	-	136,845
Senior citizens center	3,275	3,275	3,275	-	3,275
Veterans					
Veterans service officer	131,318	132,518	123,365	9,153	124,168
Veterans relief	3,000	3,300	3,205	95	957
Care of veterans graves	1,560	1,560	1,560	-	1,560
Other					
Child support agency	396,007	396,007	405,112	(9,105)	445,605
Total Health and Human Services	674,754	676,254	676,111	143	712,410
Culture and Recreation					
Culture					
Libraries	503,993	503,993	501,028	2,965	371,594
Historical society	9,991	9,991	9,991	-	9,991
Recreation					
County parks	287,867	287,868	285,351	2,517	273,104
Machickanee shooting range	22,500	82,698	6,036	76,662	8,574
County boat landings	36,500	130,652	13,724	116,928	37,594
County snowmobile trails	143,724	279,020	240,193	38,827	144,646
County ATV trails	169,970	156,530	83,397	73,133	56,312
County fair	10,400	10,400	10,400	-	9,400
Education					
UW-extension program	286,994	286,994	275,434	11,560	278,930
Extension homemakers	600	600	600	-	600
Parenting newsletter	-	5,420	1,619	3,801	123
UW-X family resource center	-	5,741	872	4,869	827
UW-X district resource management	-	14,760	736	14,024	1,620
4-H outreach	-	22,330	13,894	8,436	14,768
UW-X AG newsletter	-	9,677	5,947	3,730	8,198
Total Culture and Recreation	1,472,539	1,806,674	1,449,222	357,452	1,216,281

(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, 2013

(with summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Expenditures (Continued)					
Development					
Resource Conservation					
County forestry	317,528	317,528	333,057	(15,529)	310,667
Forest roads	11,562	48,128	12,230	35,898	2,371
National forest pass-through payments	-	146,774	146,774	-	167,611
Conservation projects	2,600	11,800	9,200	2,600	-
Wildlife habitat management	2,183	5,370	260	5,110	10,000
County forest land acquisition	-	4,389	180	4,209	143,781
County dams	1,620	51,459	51,952	(493)	1,185
Title III	9,366	9,366	-	9,366	20,960
S/A county forestry	10,000	10,000	-	10,000	-
Land conservation	408,342	323,770	318,761	5,009	288,274
Wildlife damage program	15,136	15,136	7,528	7,608	15,424
LWR coastal management	60,000	102,410	60,705	41,705	178,523
LWR AIS project	50,000	26,403	49,030	(22,627)	43,346
LWR administration	19,160	19,160	14,962	4,198	18,238
Planning and Zoning					
Bay Lake Regional Planning Commission	17,468	17,468	17,468	-	17,091
Zoning	244,552	244,552	237,696	6,856	235,765
Board of adjustments	18,133	18,133	12,409	5,724	15,186
Land use planning	66,984	66,984	66,667	317	65,564
Private sewage systems-Wisconsin fund	-	30,847	30,847	-	23,904
Salvage yard cleanup	550	550	-	550	-
Farmland preservation project	-	-	3,406	(3,406)	-
Economic Development					
Oconto County EDC	277,022	277,022	277,022	-	122,532
Total Development	1,532,206	1,747,249	1,650,154	97,095	1,680,422
Capital Outlay					
General Public Buildings and Other					
General Government					
Courthouse	250,000	210,535	210,535	-	356,976
Computer hardware and software	160,000	284,255	284,255	-	33,770
Law Enforcement					
Radio & communication system	26,000	13,356	13,356	-	324,942
Vehicles and squads	160,000	161,083	161,083	-	151,155
Other					
Forestry projects and outlay	185,000	174,007	174,007	-	411,581
County board	25,000	31,367	31,367	-	56,893
Total Capital Outlay	806,000	874,603	874,603	-	1,335,317
Other Financing Uses					
Transfers out					
Capital Projects	-	3,000,000	3,000,000	-	-
Total Expenditures and Other Financing Uses	\$ 16,745,162	\$ 20,974,510	\$ 19,502,793	\$ 1,471,717	\$ 16,612,093

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, 2013

(With summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2012 Actual
	Original	Final			
Revenues					
Taxes					
Taxes - property tax levy	\$ 3,222,541	\$ 3,222,541	\$ 3,222,541	\$ -	\$ 3,222,541
Special purpose levy - local bridge	28,213	28,213	28,213	-	63,705
Total Taxes	3,250,754	3,250,754	3,250,754	-	3,286,246
Intergovernmental					
State transportation aids	1,018,410	1,018,410	1,014,629	(3,781)	1,018,410
State STP projects	-	-	53,057	53,057	2,362
State LRIP	6,180	6,180	300	(5,880)	6,148
State local bridge	11,035	11,035	19,259	8,224	27,021
State CHIP	75,000	75,000	72,759	(2,241)	76,215
Total Intergovernmental	1,110,625	1,110,625	1,160,004	49,379	1,130,156
Total Revenues	4,361,379	4,361,379	4,410,758	49,379	4,416,402
Expenditures					
Public Works					
CTHS admin	441,635	441,635	385,793	55,842	442,996
Maintenance	1,486,286	1,486,286	1,426,843	59,443	1,595,999
Snow removal	850,565	850,565	1,080,975	(230,410)	597,792
Hot mix maintenance	1,260,440	1,260,440	1,265,536	(5,096)	1,141,575
Gravel maintenance	127,386	127,386	51,163	76,223	47,985
STP road improvement	-	-	-	-	10,325
STP before/after (county)	10,000	10,000	4,155	5,845	-
CHIP program	250,000	250,000	102,874	147,126	163,564
Safer bridge program	51,470	51,470	51,164	306	69,685
Co aid bridges	28,213	28,213	35,613	(7,400)	57,040
Total Expenditures	4,505,995	4,505,995	4,404,116	101,879	4,126,961
Net Change in Fund Balance	(144,616)	(144,616)	6,642	151,258	289,441
Fund Balance - January 1	1,553,541	1,553,541	1,553,541	-	1,264,100
Fund Balance - December 31	\$ 1,408,925	\$ 1,408,925	\$ 1,560,183	\$ 151,258	\$ 1,553,541

OCONTO COUNTY, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2013

(With summarized financial information as of December 31, 2012)

	Jail Assessment	County Sales Tax	State Grant Loan Fund	Tri-County Loan Fund
ASSETS				
Cash and investments	\$ 86,370	\$ 1,254,855	\$ 173,727	\$ 29,650
Receivables				
Accounts	-	-	-	-
Notes	-	-	95,316	37,284
TOTAL ASSETS	\$ 86,370	\$ 1,254,855	\$ 269,043	\$ 66,934
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred Inflow of Resources				
Loans receivable	-	-	95,316	37,284
Fund Balances				
Assigned for				
Special revenue funds	86,370	1,254,855	173,727	29,650
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 86,370	\$ 1,254,855	\$ 269,043	\$ 66,934

County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	Total Nonmajor Governmental Funds	
					2013	2012
\$ 522,135	\$ 684,430	\$ 19,934	\$ 6,514	\$ 10,919	\$ 2,788,534	\$ 2,526,802
289	-	-	-	1,500	1,789	1,500
433,677	-	-	-	-	566,277	551,467
<u>\$ 956,101</u>	<u>\$ 684,430</u>	<u>\$ 19,934</u>	<u>\$ 6,514</u>	<u>\$ 12,419</u>	<u>\$ 3,356,600</u>	<u>\$ 3,079,769</u>
\$ -	\$ 666,323	\$ 744	\$ -	\$ -	\$ 667,067	\$ 633,512
433,677	-	-	-	-	566,277	551,467
522,424	18,107	19,190	6,514	12,419	2,123,256	1,894,790
<u>\$ 956,101</u>	<u>\$ 684,430</u>	<u>\$ 19,934</u>	<u>\$ 6,514</u>	<u>\$ 12,419</u>	<u>\$ 3,356,600</u>	<u>\$ 3,079,769</u>

OCONTO COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013
(With summarized financial information for the year ended December 31, 2012)

	Jail Assessment	County Sales Tax	State Grant Loan Fund	Tri-County Loan Fund
Revenues				
Taxes	\$ -	\$ 1,575,993	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	35,442	-	-	-
Public charges for services	-	-	-	-
Miscellaneous	-	-	5,567	6,383
Total Revenues	<u>35,442</u>	<u>1,575,993</u>	<u>5,567</u>	<u>6,383</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	36,716	-	-	-
Health and human services	-	-	-	-
Culture and recreation	-	-	-	-
Development	-	-	102,591	2,000
Total Expenditures	<u>36,716</u>	<u>-</u>	<u>102,591</u>	<u>2,000</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(1,274)</u>	<u>1,575,993</u>	<u>(97,024)</u>	<u>4,383</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(1,333,602)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,333,602)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,274)	242,391	(97,024)	4,383
Fund Balances - January 1	<u>87,644</u>	<u>1,012,464</u>	<u>270,751</u>	<u>25,267</u>
Fund Balances - December 31	<u>\$ 86,370</u>	<u>\$ 1,254,855</u>	<u>\$ 173,727</u>	<u>\$ 29,650</u>

County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	Total Nonmajor Governmental Funds	
					2013	2012
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,575,993	\$ 1,635,148
-	-	-	-	-	-	206,000
-	-	13,303	-	-	13,303	14,975
-	-	-	-	-	35,442	38,477
-	-	-	-	-	-	792
111,262	398	-	5,037	19,756	148,403	140,930
111,262	398	13,303	5,037	19,756	1,773,141	2,036,322
-	34	-	-	-	34	-
-	-	-	-	28,271	64,987	86,100
-	-	1,111	18,000	-	19,111	26,954
-	-	-	-	-	-	157,749
22,350	-	-	-	-	126,941	221,309
22,350	34	1,111	18,000	28,271	211,073	492,112
88,912	364	12,192	(12,963)	(8,515)	1,562,068	1,544,210
-	-	-	-	-	-	74,195
-	-	-	-	-	(1,333,602)	(1,689,605)
-	-	-	-	-	(1,333,602)	(1,615,410)
88,912	364	12,192	(12,963)	(8,515)	228,466	(71,200)
433,512	17,743	6,998	19,477	20,934	1,894,790	1,965,990
\$ 522,424	\$ 18,107	\$ 19,190	\$ 6,514	\$ 12,419	\$ 2,123,256	\$ 1,894,790

OCONTO COUNTY, WISCONSIN
Jail Assessment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeits				
Jail assessment surcharge	\$ -	\$ -	\$ 35,442	\$ 35,442
Expenditures				
Public safety				
Jail maintenance and improvements	-	-	36,716	(36,716)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,274)	<u>\$ (1,274)</u>
Fund Balance - January 1			<u>87,644</u>	
Fund Balance - December 31			<u>\$ 86,370</u>	

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
County sales tax collections	\$ 1,500,000	\$ 1,500,000	\$ 1,575,993	\$ 75,993
Other Financing Sources (Uses)				
Transfers to general fund	(806,000)	(806,000)	(1,333,602)	(527,602)
Net Change in Fund Balance	<u>\$ 694,000</u>	<u>\$ 694,000</u>	242,391	<u>\$ (451,609)</u>
Fund Balance - January 1			<u>1,012,464</u>	
Fund Balance - December 31			<u>\$ 1,254,855</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, 2013

	Budgeted Amounts		Actual				Variance with Final Budget Positive (Negative)
			State Grant Loan Fund	Tri-County Loan Fund	County Revolving Loan Fund	Total 2013	
	Original	Final					
Revenues							
Miscellaneous							
Loan repayments							
Principal	\$ -	\$ -	\$ 4,650	\$ 5,123	\$ 95,385	\$ 105,158	\$ 105,158
Interest	-	-	687	1,234	12,124	14,045	14,045
Service fees and interest	-	-	230	26	3,753	4,009	4,009
Total Revenues	-	-	5,567	6,383	111,262	123,212	123,212
Expenditures							
Development							
Disbursement of development loans	-	-	100,000	-	20,000	120,000	(120,000)
Administration	-	-	2,591	2,000	2,350	6,941	(6,941)
Total Expenditures	-	-	102,591	2,000	22,350	126,941	(126,941)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(97,024)	4,383	88,912	(3,729)	<u>\$ (3,729)</u>
Fund Balances - January 1			270,751	25,267	433,512	729,530	
Fund Balances - December 31			<u>\$ 173,727</u>	<u>\$ 29,650</u>	<u>\$ 522,424</u>	<u>\$ 725,801</u>	

OCONTO COUNTY, WISCONSIN

Dog License Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits				
Dog licenses	\$ -	\$ -	\$ 13,303	\$ 13,303
Total Revenues	<u>-</u>	<u>-</u>	<u>13,303</u>	<u>13,303</u>
Expenditures				
Health and human services				
Dog licensing costs	-	-	1,111	(1,111)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,111</u>	<u>(1,111)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>12,192</u>	<u>\$ 12,192</u>
Fund Balance - January 1			<u>6,998</u>	
Fund Balance - December 31			<u>\$ 19,190</u>	

OCONTO COUNTY, WISCONSIN
Commission on Aging Transportation 85.21 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous				
Other	\$ -	\$ -	\$ 5,029	\$ 5,029
Interest	-	-	8	8
Total Revenues	<u>-</u>	<u>-</u>	<u>5,037</u>	<u>5,037</u>
Expenditures				
Health and human services				
Aging transportation	-	-	18,000	(18,000)
Total Expenditures	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>(18,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(12,963)</u>	<u>\$ (12,963)</u>
Fund Balance - January 1			<u>19,477</u>	
Fund Balance - December 31			<u>\$ 6,514</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous				
Jail canteen sales	\$ -	\$ -	\$ 19,756	\$ 19,756
Total Revenues	-	-	19,756	19,756
Expenditures				
Public safety				
Jail canteen purchases	-	-	28,271	(28,271)
Total Expenditures	-	-	28,271	(28,271)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(8,515)	<u>\$ (8,515)</u>
Fund Balance - January 1			<u>20,934</u>	
Fund Balance - December 31			<u>\$ 12,419</u>	

OCONTO COUNTY, WISCONSIN
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Highway Enterprise Fund
For the Year Ended December 31, 2013
(With summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2012 Actual
	Original	Final			
Revenues					
Intergovernmental Charges for Services					
State					
Administration	\$ 185,445	\$ 185,445	\$ 203,479	\$ 18,034	\$ 205,899
Maintenance	710,400	710,400	799,895	89,495	640,595
Snow/ice control	483,900	483,900	789,722	305,822	425,936
State unclassified maintenance	4,800	4,800	31,679	26,879	118,449
State roadside special maintenance	73,500	73,500	110,718	37,218	144,893
State other	26,200	26,200	89,759	63,559	91,410
State insurance claims	-	-	35,876	35,876	55,406
State records and reports	-	-	132,366	132,366	114,785
State 1% small tools	-	-	1,626	1,626	12,339
Total State	1,484,245	1,484,245	2,195,120	710,875	1,809,712
Other local governments	1,863,947	1,863,947	2,757,732	893,785	2,359,077
Local (county) departments	168,510	168,510	57,790	(110,720)	44,977
Local CTHS transportation payments	4,539,588	4,539,588	4,368,502	(171,086)	4,069,922
Total Other Local Governments	6,572,045	6,572,045	7,184,024	611,979	6,473,976
Total Intergovernmental Charges for Services	8,056,290	8,056,290	9,379,144	1,322,854	8,283,688
Miscellaneous Revenues					
Licenses and permits	-	-	3,340	3,340	4,950
Total Operating Revenues	8,056,290	8,056,290	9,382,484	1,326,194	8,288,638

(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, 2013
(With summarized financial information for year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2012 Actual
	Original	Final			
Expenses					
Highway Administration					
Highway administration	441,635	441,635	395,805	45,830	433,998
Supervision	170,445	170,445	147,632	22,813	163,643
Radio expense	10,550	10,550	10,687	(137)	14,236
General public liability	23,000	23,000	21,880	1,120	20,083
Alcohol and drug testing	1,886	1,886	2,105	(219)	1,990
Safety meeting	26,370	26,370	39,779	(13,409)	29,297
State administration	15,000	15,000	15,068	(68)	16,113
Total Highway Administration	688,886	688,886	632,956	55,930	679,360
Highway Maintenance and Construction					
County Trunk Highway System					
Transportation cost pool	-	-	(121,345)	121,345	191,435
Routine maintenance	1,486,286	1,486,286	1,612,244	(125,958)	1,712,891
Snow/ice control	850,565	850,565	1,080,975	(230,410)	597,792
Hot mix and seal coating	1,260,440	1,260,440	1,265,536	(5,096)	1,141,577
Gravel maintenance	127,386	127,386	51,163	76,223	47,985
STP road construction	-	-	-	-	10,325
STP other	1,000	1,000	4,155	(3,155)	-
CHIP	250,000	250,000	102,874	147,126	163,564
Safer bridge program	51,470	51,470	51,164	306	69,685
Total Highway Maintenance and Construction	4,027,147	4,027,147	4,046,766	(19,619)	3,935,254
State Trunk Highway System					
Maintenance	710,400	710,400	786,199	(75,799)	637,304
Snow and ice control	483,900	483,900	767,067	(283,167)	404,176
State miscellaneous charges	-	-	31,227	(31,227)	122,601
State bridge maintenance	4,800	4,800	-	4,800	1,300
STHS roadside maintenance	73,500	73,500	111,078	(37,578)	146,567
State signage and traffic control	26,200	26,200	15,174	11,026	5,187
State insurance accident reports	-	-	35,832	(35,832)	56,001
Total State Trunk Highway System	1,298,800	1,298,800	1,746,577	(447,777)	1,373,136
Local government-road maintenance	1,560,679	1,560,679	1,520,476	40,203	1,947,433
Local government-snow and ice control	303,268	303,268	745,125	(441,857)	359,073
Local government-bridge maintenance	-	-	84,163	(84,163)	32,160
Total Local Governments	1,863,947	1,863,947	2,349,764	(485,817)	2,338,666
Local Departments	168,510	168,510	133,366	35,144	120,360
Total Local Governments and Departments	2,032,457	2,032,457	2,483,130	(450,673)	2,459,026
Total Operating Expenses	8,047,290	8,047,290	8,909,429	(862,139)	8,446,776
Operating Income (Loss)	\$ 9,000	\$ 9,000	\$ 473,055	\$ 464,055	\$ (158,138)

OCONTO COUNTY, WISCONSIN

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

Recycling Enterprise Fund

For the Year Ended December 31, 2013

(With comparative amounts for the year ended December 31, 2012)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2012 Actual
	Original	Final			
Operating Revenues					
Intergovernmental Charges for Services					
Waste tires disposal	\$ 20,000	\$ 20,000	\$ 14,922	\$ (5,078)	\$ 21,045
Freon disposal	6,000	6,000	1,635	(4,365)	6,299
Materials buy-back	1,000	1,000	226	(774)	612
Total Intergovernmental Charges	<u>27,000</u>	<u>27,000</u>	<u>16,783</u>	<u>(10,217)</u>	<u>27,956</u>
Public Charges for Services					
Tipping fees	200	200	-	(200)	180
Custom bailing	-	-	-	-	8,713
Electronics disposal	12,000	12,000	13,599	1,599	21,357
Total Public Charges for Services	<u>12,200</u>	<u>12,200</u>	<u>13,599</u>	<u>1,399</u>	<u>30,250</u>
Miscellaneous					
Sales of recyclable materials	317,200	317,200	253,466	(63,734)	306,156
Total Revenues	<u>356,400</u>	<u>356,400</u>	<u>283,848</u>	<u>(72,552)</u>	<u>364,362</u>
Operating Expenses					
Public Works					
Personnel	245,443	245,443	246,068	(625)	242,710
Consulting and professional svcs	16,000	16,000	21,390	(5,390)	23,671
Utility services	17,600	17,600	14,989	2,611	14,884
Purchased repairs and maintenance	16,500	16,500	31,650	(15,150)	40,592
Purchased services-other	170,000	170,000	201,173	(31,173)	194,305
Electronics disposal	10,000	10,000	11,050	(1,050)	21,900
Office supplies	7,000	7,000	4,811	2,189	6,168
Subscriptions and dues	2,800	2,800	1,250	1,550	2,792
Employee travel and training	6,700	6,700	3,311	3,389	5,531
Operating supplies and expenses	12,810	12,810	17,058	(4,248)	14,963
Repair and maintenance supplies	7,000	7,000	8,942	(1,942)	8,635
Insurance	6,500	6,500	5,793	707	5,955
Depreciation	94,500	94,500	67,143	27,357	90,927
Capital	12,000	12,000	969	11,031	-
Cost allocations	2,000	2,000	-	2,000	8,160
Other	86,500	86,500	17,883	68,617	54,708
Total Operating Expenses	<u>713,353</u>	<u>713,353</u>	<u>653,480</u>	<u>59,873</u>	<u>735,901</u>
Operating Income (Loss)	<u>(356,953)</u>	<u>(356,953)</u>	<u>(369,632)</u>	<u>(12,679)</u>	<u>(371,539)</u>
Nonoperating Revenues (Expenses)					
State aid recycling program	208,000	208,000	207,720	(280)	207,620
Insurance recoveries	-	-	2,245	2,245	-
Sale of equipment	300	300	12,841	12,541	24,830
Total Nonoperating Revenues (Expenses)	<u>208,300</u>	<u>208,300</u>	<u>222,806</u>	<u>14,506</u>	<u>232,450</u>
Change in Net Position	<u>\$ (148,653)</u>	<u>\$ (148,653)</u>	<u>\$ (146,826)</u>	<u>\$ 1,827</u>	<u>\$ (139,089)</u>

OCONTO COUNTY, WISCONSIN
 Agency Funds
 Combining Statement of Net Position
 December 31, 2013

	Clerk of Courts	Jail Inmate	Total 2013
Assets			
Cash	\$ 330,533	\$ 13,793	\$ 344,326
Liabilities			
Due to others			
Deposits	\$ 330,533	\$ 13,677	\$ 344,210
Other liabilities	-	116	116
Total Liabilities	\$ 330,533	\$ 13,793	\$ 344,326

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Board
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, 2013, and the related notes to the financial statements, which collectively comprise Oconto County's basic financial statements, and have issued our report thereon dated June 23, 2014.

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 2013-001 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 Findings

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
June 23, 2014

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES

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 State of Wisconsin 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, 2013. 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 State of Wisconsin. 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, 2013.

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 the 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 2013-002 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
June 23, 2014

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards
For the Year Ended December 31, 2013

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/13	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/13	Total Revenues	
U.S. DEPARTMENT OF AGRICULTURE							
Special Supplement Food Program for Women, Infants and Children	WI Department of Health Services	10.557	\$ (25,632)	\$ 156,463	\$ 941	\$ 131,772	\$ 131,772
State Administrative Matching Grants for Food Stamp Program	WI Department of Health Services	10.561	(25,779)	100,289	16,954	91,464	91,464
State Administrative Matching Grants for Food Stamp Program	Brown County, Wisconsin	10.561	(44,514)	101,355	52,864	109,705	109,705
Total State Administrative Matching Grants for Food Stamp Program			(70,293)	201,644	69,818	201,169	201,169
Schools & Road Grants to States - National Forest Income	WI Department of Natural Resources	10.665	-	155,408	-	155,408	155,408
Total U.S. Department of Agriculture			(95,925)	513,515	70,759	488,349	488,349
U.S. DEPARTMENT OF COMMERCE							
Economic Adjustment Assistance	Direct Program	11.307	-	68,934	-	68,934	68,934
U.S. DEPARTMENT OF JUSTICE							
ARRA - Byrne Recovery Act	WI Department of Administration	16.803	-	105,000	-	105,000	105,000
CEASE	WI Department of Justice	N/A	-	1,617	-	1,617	1,617
Total U.S. Department of Justice			-	106,617	-	106,617	106,617
U.S. DEPARTMENT OF TRANSPORTATION							
ARRA - Highway Planning and Construction	WI Department of Transportation	20.205	(810)	7,273	1,368	7,831	7,831
State and Community Highway Safety Child Passenger Safety Car Seat Grant	WI Department of Transportation	20.600	-	4,000	-	4,000	4,000
Total U.S. Department of Transportation			(810)	11,273	1,368	11,831	11,831
ENVIRONMENTAL PROTECTION AGENCY							
State Indoor Radon Grants	WI Department of Health Services	66.032	(1,561)	1,561	-	-	-
Great Lakes Restoration Initiative	WI Department of Natural Resources	66.469	-	24,203	31,803	56,006	56,006
Great Lakes Restoration Initiative	Direct Program	66.469	(5,616)	86,974	5,956	87,314	87,314
Total Environmental Protection Agency			(7,177)	112,738	37,759	143,320	143,320
U.S. DEPARTMENT OF EDUCATION							
Early Intervention Services (IDEA) Cluster Grants for Infants and Toddlers with Disabilities	WI Department of Health Services	84.181	-	26,251	-	26,251	26,251

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2013

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/13	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/13	Total Revenues	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Preventive Health (Title III-D)	GWAAR*	93.043	-	2,681	1,100	3,781	3,781
Aging Cluster							
Grants for Supportive Services and Senior Centers (Title III-B)	GWAAR*	93.044	(4,388)	46,608	3,558	45,778	45,778
Nutrition Services (Title III-C)							
Congregate Meal Program (Title III-C-1)	GWAAR*	93.045	(2,416)	57,241	3,820	58,645	58,645
Home Delivered Meals (Title III-C-2)	GWAAR*		(94)	22,930	2,531	25,367	25,367
Subtotal - Nutrition Services (Title III-C)			(2,510)	80,171	6,351	84,012	84,012
Nutrition Services Incentive Program (NSIP)							
Congregate Meal Program (Title III-C-1)	GWAAR*	93.053	(1,104)	13,444	-	12,340	12,340
Home Delivered Meals (Title III-C-2)	GWAAR*		(1,149)	15,378	-	14,229	14,229
Subtotal - Nutrition Services Incentive Program (NSIP)			(2,253)	28,822	-	26,569	26,569
Total Aging Cluster			(9,151)	155,601	9,909	156,359	156,359
National Family Caregiver Support (Title III-E)	GWAAR*	93.052	(6,057)	20,937	4,815	19,695	19,695
Public Health Emergency Preparedness	WI Department of Health Services	93.069	(15,005)	15,575	-	570	570
Public Health Emergency Preparedness (PHEP)							
Aligned Cooperative Agreements	WI Department of Health Services	93.074	-	52,925	(2,473)	50,452	50,452
Immunization Cluster							
Immunization Grants	WI Department of Health Services	93.268	-	10,057	-	10,057	10,057
Family Preservation and Support Services	WI Department of Children and Families	93.556	-	42,827	-	42,827	42,827
Temporary Assistance for Needy Families (TANF)	WI Department of Health Services	93.558	-	65,531	-	65,531	65,531
Temporary Assistance for Needy Families (TANF)	WI Department of Children and Families	93.558	(22,114)	136,458	28,187	142,531	142,531
Temporary Assistance for Needy Families (TANF)	Brown County, Wisconsin	93.558	(1,439)	3,143	1,466	3,170	3,170
Total Temporary Assistance for Needy Families (TANF)			(23,553)	205,132	29,653	211,232	211,232

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2013

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/13	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/13	Total Revenues	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)							
Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(85,152)	383,958	89,292	388,098	388,098
Low Income Home Energy Assistance	WI Department of Administration	93.568	(12,627)	44,770	17,079	49,222	49,222
Child Care Development Fund	WI Department of Children and Families	93.596	880	64,034	10,173	75,087	75,087
Chafee Education and Training Vouchers	WI Department of Children and Families	93.599	(595)	1,124	594	1,123	1,123
Child Welfare Services	WI Department of Children and Families	93.645	-	17,970	-	17,970	17,970
Child Welfare Services	WI Department of Corrections	93.645	(415)	3,002	815	3,402	3,402
Total Child Welfare Services			(415)	20,972	815	21,372	21,372
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(37)	111,492	19	111,474	111,474
Foster Care (Title IV-E)	WI Department of Corrections	93.658	(665)	4,546	1,222	5,103	5,103
Total Foster Care (Title IV-E)			(702)	116,038	1,241	116,577	116,577
Social Services Block Grant	WI Department of Health Services	93.667	-	114,294	-	114,294	114,294
Social Services Block Grant	WI Department of Children and Families	93.667	-	49,184	-	49,184	49,184
Social Services Block Grant	GWAAR*	93.667	(139)	4,219	225	4,305	4,305
Social Services Block Grant	Shawano County, Wisconsin	93.667	-	129	32	161	161
Total Social Services Block Grant			(139)	167,826	257	167,944	167,944
Youth Independent Living	WI Department of Children and Families	93.674	(9,391)	17,769	8,827	17,205	17,205
State Children's Insurance Program	Brown County, Wisconsin	93.767	(8,330)	18,609	9,485	19,764	19,764
Medical Assistance Program	WI Department of Health Services	93.778	(1,305,928)	5,508,277	1,061,277	5,263,626	5,263,626
Medical Assistance Program	Brown County, Wisconsin	93.778	(61,730)	139,093	70,896	148,259	148,259
Total Medical Assistance Program			(1,367,658)	5,647,370	1,132,173	5,411,885	5,411,885
Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations	WI Department of Health Services	93.779	(20,496)	34,382	65,334	79,220	79,220
Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations	GWAAR*	93.779	(3,061)	5,811	1,750	4,500	4,500
Total Centers for Medicare and Medicaid Services Research, Demonstrations & Evaluations			(23,557)	40,193	67,084	83,720	83,720

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2013

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/13	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/13	Total Revenues	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)							
Block Grants for Community Mental Health Services	WI Department of Health Services	93.958	(15)	13,368	-	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	-	4,309	-	4,309	4,309
Maternal and Child Health Services Block Grant	WI Department of Health Services	93.994	(5,313)	18,505	708	13,900	13,900
Total U.S. Department of Health and Human Services			<u>(1,566,780)</u>	<u>7,113,546</u>	<u>1,380,732</u>	<u>6,927,498</u>	<u>6,927,498</u>
U.S. DEPARTMENT OF HOMELAND SECURITY							
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	(21,263)	41,984	20,721	41,442	41,442
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ (1,691,955)</u>	<u>\$ 7,994,858</u>	<u>\$ 1,511,339</u>	<u>\$ 7,814,242</u>	<u>\$ 7,814,242</u>

* 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, 2013

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/13	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/13	Total Revenues	
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION							
Soil and Water Resource Management Program							
Basic Annual Staffing Grants	Direct Program	115.15	\$ (19,244)	\$ 129,539	\$ 16,812	\$ 127,107	\$ 127,107
LWRM Plan Implementation	Direct Program	115.40	(20,000)	20,000	6,248	6,248	6,248
Total Department of Agriculture, Trade and Consumer Protection			<u>(39,244)</u>	<u>149,539</u>	<u>23,060</u>	<u>133,355</u>	<u>133,355</u>
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES							
Private Sewage System Replacement and Rehabilitation Program							
	Direct Program	165.202	-	30,847	-	30,847	30,847
DEPARTMENT OF NATURAL RESOURCES							
Stewardship Acquisition and Development of Parks	Direct Program	370.512	-	9,200	-	9,200	9,200
Municipal Dam Grant	Direct Program	370.532	-	122,750	-	122,750	122,750
Boating Enforcement Aids	Direct Program	370.550	-	5,944	-	5,944	5,944
All-Terrain Vehicle Enforcement Aids	Direct Program	370.551	-	29,462	-	29,462	29,462
Snowmobile Enforcement Aids	Direct Program	370.552	-	12,537	-	12,537	12,537
Wildlife Damage Abatement and Claims	Direct Program	370.553	-	6,587	5,690	12,277	12,277
Recreation Aids - Fish, Wildlife & Forestry	Direct Program	370.564	-	2,168	-	2,168	2,168
Forest Croplands & Managed Forest Land Aids	Direct Program	370.566	-	23,403	-	23,403	23,403
Urban & Community Forestry	Direct Program	370.572	-	49,871	-	49,871	49,871
Recreational Aids - Snowmobile Trail and Area Aid		370.574 &					
S - 4119	Direct Program	370.575	-	126,558	-	126,558	126,558
S - 4187	Direct Program		-	52,625	-	52,625	52,625
All-Terrain Vehicle (ATV) Program		370.576 &					
ATV 2267	Direct Program	370.577	-	31,428	-	31,428	31,428
ATV 3071	Direct Program		-	25,200	-	25,200	25,200
UTV 14001	Direct Program		-	4,025	-	4,025	4,025
Environmental Aids - Municipal & County Recycling	Direct Program	370.665	-	207,720	-	207,720	207,720
Total Department of Natural Resources			<u>-</u>	<u>709,478</u>	<u>5,690</u>	<u>715,168</u>	<u>715,168</u>
DEPARTMENT OF TRANSPORTATION							
Elderly and Handicapped Transportation Aids	Direct Program	395.101	-	104,587	-	104,587	104,587

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2013

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/2013	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/13	Total Revenues	
DEPARTMENT OF CORRECTIONS							
Community Intervention Program	Direct Program	410.302	-	-	5,630	5,630	5,630
Community Youth and Family Aids	Direct Program	410.313	(40,454)	292,724	79,418	331,688	331,688
Total Department of Corrections			(40,454)	292,724	85,048	337,318	337,318
DEPARTMENT OF HEALTH SERVICES							
Fraud	Brown County, Wisconsin	435.60	-	2,009	-	2,009	2,009
FSET Admin GPR/Fed Base	Direct Program	435.231	(4,567)	24,161	-	19,594	19,594
IM Available Allocation-State	Brown County, Wisconsin	435.283	-	215,792	-	215,792	215,792
IM Available Allocation-State Supplemental	Brown County, Wisconsin	435.292	-	3,052	395	3,447	3,447
IM Available Allocation-Federal Supplemental	Brown County, Wisconsin	435.293	-	26	3	29	29
IM Available Allocation-State ACA	Brown County, Wisconsin	435.297	-	3,828	16,172	20,000	20,000
IM Available Allocation-Federal ACA	Brown County, Wisconsin	435.298	-	32	136	168	168
Community Options Program	Direct Program	435.367	(56,040)	415,782	42,489	402,231	402,231
Medical Assistance Program Benefits							
COP W Program	Direct Program	435.338	(13,098)	148,901	(13,441)	122,362	122,362
CIP II Program	Direct Program	435.348	(24,843)	398,266	(8,412)	365,011	365,011
CIP II Community Relocation	Direct Program	435.369	(4,657)	61,766	7,607	64,716	64,716
CIP II Diversions	Direct Program	435.375	45,203	78,426	(51,462)	72,167	72,167
ICFMR	Direct Program	435.407	(1,547)	65,014	-	63,467	63,467
FC Transition CIP 1B	Direct Program	435.410	(17,820)	23,866	(6,046)	-	-
CIP 1B MFP	Direct Program	435.475	-	-	16,684	16,684	16,684
Medical Assistance Program Benefits (Continued)							
CIP II MFP	Direct Program	435.478	(5,106)	8,680	132	3,706	3,706
Brain Injury Waiver Program	Direct Program	435.506	-	107,065	-	107,065	107,065
CIP 1B Program	Direct Program	435.564	(16,597)	254,391	55,314	293,108	293,108
CIP 1A Program	Direct Program	435.580	-	267,513	-	267,513	267,513
TPA CLTS DD Autism GPR	Direct Program	435.802	-	121,484	-	121,484	121,484
TPA CLTS DD Other GPR	Direct Program	435.805	-	20,999	-	20,999	20,999
TPA CLTS MH Autism GPR	Direct Program	435.808	-	15,284	-	15,284	15,284
TPA CLTS MH Other GPR	Direct Program	435.811	-	1,053	-	1,053	1,053
TPA CLTS PD Other GPR	Direct Program	435.817	-	4,232	-	4,232	4,232
CLTS MH Autism CWA Admin GPR	Direct Program	435.838	(1,010)	1,010	-	-	-
CLTS MH Other CWA Admin GPR	Direct Program	435.841	(226)	226	-	-	-
CLTS PD Other CWA Admin GPR	Direct Program	435.944	(391)	391	-	-	-

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2013

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/13	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/13	Total Revenues	
DEPARTMENT OF HEALTH SERVICES (Continued)							
Certified Mental Health Program	Direct Program	435.517	-	-	19,554	19,554	19,554
Grants for Infants and Toddlers with Disabilities	Direct Program	435.550	-	25,763	-	25,763	25,763
State Funded-Basic County Allocation	Direct Program	435.561	-	675,670	-	675,670	675,670
Family Support Program	Direct Program	435.577	(5,549)	41,510	5,765	41,726	41,726
State Funded-State/County Match	Direct Program	435.681	-	93,895	-	93,895	93,895
CST Counties 2015	Direct Program	435.81030	(48,469)	48,469	-	-	-
WIC Farmers' Market Nutrition Program	Direct Program	435.154720	(1,061)	1,061	1,061	1,061	1,061
WWWP - GPR	Direct Program	435.157000	(14,023)	25,205	7,605	18,787	18,787
Lead Poisoning	Direct Program	435.157720	-	3,568	-	3,568	3,568
Maternal & Child Health Svc. Block Grant	Direct Program	435.159320	(390)	1,192	43	845	845
Aging and Disability Resource Center	Shawano County, Wisconsin	435.560100	-	20,946	5,246	26,192	26,192
Elderly Benefit Specialist Program	GWAAR*	435.560320	(2,354)	28,215	2,354	28,215	28,215
State Pharmaceutical Assistance Program	GWAAR*	435.560327	(2,200)	4,479	1,950	4,229	4,229
State Senior Community Services	GWAAR*	435.560330	(916)	6,762	1,848	7,694	7,694
Home Delivered Meals (Title III-C-1)	GWAAR*	435.560350	(4,021)	61,494	4,005	61,478	61,478
Home Delivered Meals (Title III-C-2)	GWAAR*	435.560360	(10)	3,337	369	3,696	3,696
Alzheimer's	GWAAR*	435.560381	(3,454)	15,231	1,300	13,077	13,077
Elder Abuse	GWAAR*	435.560490	(7,101)	24,193	2,501	19,593	19,593
Total Department of Health Services			(190,247)	3,324,239	113,172	3,247,164	3,247,164
DEPARTMENT OF CHILDREN AND FAMILIES							
Wisconsin Works (W-2) Agencies	Direct Program	437.215	(9,813)	9,813	-	-	-
AW DOJ Fingerprint Background	Direct Program	437.3324	(101)	419	50	368	368
State Funded-Basic County Allocation	Direct Program	437.3561	-	177,788	-	177,788	177,788
State Funded-State/County Match	Direct Program	437.3681	-	31,337	-	31,337	62,674
Child Support	Direct Program	437.7502	-	30,968	-	30,968	30,968
Total Department of Children and Families			(9,914)	250,325	50	240,461	271,798
DEPARTMENT OF JUSTICE							
County Law Enforcement Services	Direct Program	455.226	-	25,851	-	25,851	25,851
Victim and Witness Assistance Program		455.503, 455.532					
Program Cluster	Direct Program	& 455.539	-	27,050	-	27,050	27,050
Total Department of Justice			-	52,901	-	52,901	52,901

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2013

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/13	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/13	Total Revenues	
DEPARTMENT OF MILITARY AFFAIRS							
Emergency Planning Grant Program FFY13	Direct Program	465.337	(5,715)	11,228	5,512	11,025	11,025
DEPARTMENT OF ADMINISTRATION							
Land Information Grants 2013	Direct Program	505.116	-	300	-	300	300
Public Benefits 2012-13	Direct Program	505.371	(19,248)	32,933	-	13,685	13,685
2013-14	Direct Program		-	2,302	9,963	12,265	12,265
Total Department of Administration			(19,248)	35,535	9,963	26,250	26,250
TOTAL STATE PROGRAMS			\$ (304,822)	\$ 4,961,403	\$ 242,495	\$ 4,899,076	\$ 4,930,413

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, 2013

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 State of Wisconsin.

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 2013 financial statements. Accrued revenue at year-end consists of program expenditures scheduled for reimbursement to the County in the succeeding year while deferred inflows 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, 2013

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, 2013	\$	37,284
Cash balance at December 31, 2013		29,650
Administrative expenditures for year ended December 31, 2013		2,000
Total Expenditures for CFDA #11.307	\$	<u>68,934</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 FoodShare 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 (CORe) 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 DCF, DHS and DWD programs agree with the expenditures reported on the April 1, 2014 CARS for the Human Services Department and the December 2013 CORe for Child Support and Human Service departments, with adjustments for accrued revenue at year-end.

OCONTO COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2013

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 <i>State Single Audit Guidelines</i> ?	Yes
Identification of major federal and state programs:	

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

State ID Number	Name of State Program
370.532	Municipal Dam Grant
435.283	IM Available Allocation-State
435.292	IM Available Allocation-State Supplemental
435.293	IM Available Allocation-Federal Supplemental
435.297	IM Available Allocation-State ACA
435.298	IM Available Allocation-Federal ACA
	<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
435.475	CIP 1B MFP
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
N/A	Wisconsin Medicaid Cost Reporting
435.561	State Funded-Basic County Allocation
437.3561	State Funded-Basic County Allocation
437.7502	State Funded - Child Support

Audit threshold used to determine between Type A and Type B programs:	
Federal	\$300,000
State	\$100,000
Auditee qualified as low-risk auditee	Yes

OCONTO COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 2013

Section II - Basic Financial Statement Findings

Finding No.	Control Deficiencies
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2013-001 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 assist in the preparation of 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. 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, 2013

Section III - Federal Award Findings and Questioned Costs

Finding No.	Internal Control Deficiency
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2013-002 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 assist in the preparation of 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. 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, 2013

Section IV - Other Issues

Does the auditors' report or 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

June 23, 2014

OCONTO COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2013

Prior Year Audit Findings

The findings noted in the 2012 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 2012-01 and 2012-02 outweigh the benefits to be received. Management reviews the financial report and the single audit report.

Corrective Action Plan

2013-001 Preparation of Annual Financial Report

The County will continue to review the entire annual financial report for accuracy prior to issuance.

2013-002 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.

STATE FINANCIAL REPORT FORM



INDEPENDENT AUDITORS' REPORT ON STATE FINANCIAL REPORT FORM

To the County Board
Oconto County, Wisconsin

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

In connection with our audit of the basic financial statements of Oconto County, Wisconsin for the year ended December 31, 2013, we have also examined the 2013 Financial Report Form A required to be submitted to the Wisconsin Department of Revenue (WDR) by Wisconsin Administration Rule, Tax 16. The 2013 Financial Report Form A has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion the 2013 Financial Report Form A is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Certified Public Accountants
Green Bay, Wisconsin
June 23, 2014

