

OCONTO COUNTY, WISCONSIN
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2015

OCONTO COUNTY, WISCONSIN
December 31, 2015

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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, 2015, 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 auditors consider 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Human Services and County Roads and Bridges Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note D.6, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other post-employment benefits on pages 4 through 10 and 50 through 53 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the State of Wisconsin, are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards and the schedule of state financial assistance 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 2014 financial statements, and our report dated June 30, 2015, 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, 2014, 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 30, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants
Green Bay, Wisconsin
June 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oconto County, Wisconsin
Management's Discussion and Analysis
December 31, 2015

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, 2015.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources as of December 31, 2015 by \$121,121,070 (*net position*). Of this amount, \$16,312,031 (*unrestricted*) may be used to meet the County's ongoing obligations to citizens and creditors. Of the remainder, \$98,462,306 is net investment in capital assets, \$350,809 is restricted for unspent grant awards and advances, \$4,947,694 is restricted for pension benefits, \$8,660 is restricted for debt service and \$1,039,570 is restricted for capital projects.
- The County's total net position increased by \$3,871,416 from 2014. The increase consisted of a decrease in governmental activities of \$389,111 and a decrease in business-type activities of \$640,989 along with a new increase of \$4,901,516 due to Oconto County adopting GASB Statement Nos. 68 and 71. This requires new financial reporting requirements for governments that provide employees with pension benefits. The total cumulative effect of change in accounting principle is an increase of \$3,941,597 for governmental funds and \$959,919 increase in business-type activities.
- As of December 31, 2015, the County's governmental funds reported combined ending fund balances of \$24,531,817, an increase of \$4,820,875 from the prior year.
- As of December 31, 2015, the County's general fund unassigned fund balance was \$9,793,043, approximately 58% of the total 2015 general fund expenditures of \$16,912,056.
- At the end of 2015 the County had \$10,000,000 of general obligation debt outstanding. There is anticipated new debt borrowing in the amount of \$15,000,000 in General Obligation Promissory Notes in 2016. State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized value. The current debt limitation for the County is calculated at \$180,838,150. The County is well under its limitation.
- Delinquent property taxes (tax certificates & tax deeds) decreased by \$274,332, or 11.6% (compared to a 3.6% decrease last year), to \$2,077,189.
- The county's 2015 equalized value increased from the previous year by 1.7%, to \$3,616,763,000. This is the second increase after five years of consecutive decreases.
- The property tax mill rate decreased 3 cents per \$1,000 of equalized value for the year 2015 to \$5.196, compared to \$5.227 in 2014. The property tax levy increased to \$18,277,171 in 2015 from \$18,168,492, an increase of \$108,679, or less than 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 position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

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

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

The government-wide financial statements can be found on pages 11-13 of this report.

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

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

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

Oconto County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, human services fund, county roads and bridges fund, capital projects fund and debt service 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 14-22 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 23-25 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 26 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 27 of this report.

Other information: Required supplementary information relating to pension and other post employment benefits and the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. The required supplementary information and combining and individual fund statements and schedules can be found beginning on page 50 of this report.

Government-wide Financial Analysis

Net position: As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. In the case of the County, assets, and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$121,121,070 at the close of the year.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2015	2014	2015	2014	2015	2014
OCONTO COUNTY NET POSITION						
Current and other assets	\$ 51,089,111	\$ 43,583,901	\$ 3,461,548	\$ 4,877,989	\$ 54,550,659	\$ 48,461,890
Net pension asset.....	1,971,279	-	476,439	-	2,447,718	-
Capital assets	91,985,986	86,783,981	8,910,067	8,351,515	100,896,053	95,135,496
Total assets	145,046,376	130,367,882	12,848,054	13,229,504	157,894,430	143,597,386
Deferred outflows of resources.....	2,017,363	-	482,881	-	2,500,244	-
Long-term liabilities outstanding	11,691,942	1,493,124	208,075	1,789,427	11,900,017	3,282,551
Other liabilities	6,115,522	4,240,178	1,911,685	547,832	8,027,207	4,788,010
Total liabilities	17,807,464	5,733,302	2,119,760	2,337,259	19,927,224	8,070,561
Deferred inflows of resources.....	19,346,380	18,277,171	-	-	19,346,380	18,277,171
Net position:						
Investment in capital assets.....	89,552,239	86,783,981	8,910,067	8,351,515	98,462,306	95,135,496
Restricted for unspent grants.....	350,809	234,797	-	-	350,809	234,797
Restricted for debt.....	8,660	-	-	-	8,660	-
Restricted for jail facility.....	1,039,570	-	-	-	1,039,570	-
Restricted for pension benefits.....	3,988,374	-	959,320	-	4,947,694	-
Unrestricted	14,970,243	19,338,631	1,341,788	2,540,730	16,312,031	21,879,361
	\$ 109,909,895	\$ 106,357,409	\$ 11,211,175	\$ 10,892,245	\$ 121,121,070	\$ 117,249,654

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

The remaining balance of *unrestricted net position* of \$16,312,031 may be used to meet the County’s ongoing obligations to its citizens and creditors.

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

Change in net position. Governmental activities decreased the County's net position by \$389,111 and business-type activities decreased the County's net position by \$640,989 during the year, thus resulting in a net decrease of \$1,030,100 of the total net position of the County.

OCONTO COUNTY CHANGE IN NET POSITION PRIMARY GOVERNMENT	Governmental Activities		Business-type Activities		TOTALS	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services, fees, fines, costs ...	\$ 5,543,287	\$ 5,097,339	\$ 9,602,345	\$ 10,355,782	\$ 15,145,632	\$ 15,453,121
Operating grants and contributions	9,692,801	13,896,758	207,690	207,650	9,900,491	14,104,408
General revenues:						
Property taxes	18,277,172	18,168,492	-	-	18,277,172	18,168,492
Other taxes	2,334,038	2,319,305	-	-	2,334,038	2,319,305
Grants and contributions not restricted to specific programs	630,608	622,790	-	-	630,608	622,790
Interest and investment earnings	104,355	90,624	5,389	6,206	109,744	96,830
Other	76,589	6,174	68,000	-	144,589	6,174
Total revenues	36,658,850	40,201,482	9,883,424	10,569,638	46,542,274	50,771,120
Expenses:						
General government	5,997,463	5,752,760	-	-	5,997,463	5,752,760
Public safety	6,615,695	7,270,822	-	-	6,615,695	7,270,822
Public works	6,232,772	6,649,558	-	-	6,232,772	6,649,558
Health and human services	15,237,352	19,162,301	-	-	15,237,352	19,162,301
Culture and recreation	1,603,720	1,508,425	-	-	1,603,720	1,508,425
Development	1,812,002	1,982,327	-	-	1,812,002	1,982,327
Interest on long-term debt	298,957	-	-	-	298,957	-
Highway	-	-	8,599,441	9,285,564	8,599,441	9,285,564
MAR-OCO landfill	-	-	571,375	576,657	571,375	576,657
Recycling	-	-	603,597	621,083	603,597	621,083
Total expenses	37,797,961	42,326,193	9,774,413	10,483,304	47,572,374	52,809,497
Increase in net position before transfers ...	(1,139,111)	(2,124,711)	109,011	86,334	(1,030,100)	(2,038,377)
Transfers	750,000	495,557	(750,000)	(495,557)	-	-
Change in net position	(389,111)	(1,629,154)	(640,989)	(409,223)	(1,030,100)	(2,038,377)
Net position January 1, restated	110,299,006	107,986,564	11,852,164	11,301,468	122,151,170	119,288,032
Net position December 31	\$109,909,895	\$106,357,410	\$11,211,175	\$10,892,245	\$121,121,070	\$117,249,655

Governmental activities. Elements contributing to the \$389,111 decrease in governmental activities net position are mainly due to the reduction in continuing appropriations.

Business-type activities. Elements contributing to the \$640,989 decrease in business-type activities net position include:

- Highway business-type fund transferred \$750,000 to the general fund.
- Recycling operations resulted in a net loss of \$128,366.
- MAR-OCO Landfill operations resulted in a net loss of \$10,173.

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, 2015, the County's governmental funds reported a combined ending fund balance of \$24,531,817, an increase of \$4,820,875 from the prior year. Of that combined ending fund balance, \$9,793,043 (40%) 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 used for the following, such as, non-liquid delinquent taxes, long-term advances, and purchases of inventory and prepayments that benefit periods beyond the current year.

The General fund is the main operating fund of the County. At the end of the year, the unassigned fund balance of the general fund was \$9,793,043, while the total fund balance was \$12,133,316. 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 58% of total general fund expenditures, while the total fund balance represents 72% of general fund expenditures. In relation to general fund revenues, unassigned fund balance also represents 62% of total general fund revenues.

The fund balance of the County's general fund increased \$771,425, from \$11,361,891 to \$12,133,316 during the year. Key factors in this increase include:

- Actual expenditures exceeded actual revenues by \$1,146,710.
- Transfers in of \$1,918,135 (\$750,000 from the highway fund, and \$250,000 from Human Services fund, \$918,135 from the County Sales tax fund).

The Human Services fund had a balance of \$978,821 at the end of the year. This fund balance decreased \$92,379 during the year. This decrease was due to a transfer to the general fund of \$250,000. The tax levy for Human Services remained the same as 2014, amounting to \$5,000,000. Of the \$978,821 fund balance, \$493,754 is being applied to reduce the human service fund's 2016 property tax levy.

The County Roads and Bridges fund had a balance of \$1,429,882 at the end of the year. This fund balance increased \$265,390 during the year. The tax levy for the roads and bridge decreased to \$3,465,491 in 2015 from \$3,476,944 in 2014, excluding the local bridge aid levies. Of the county road and bridge \$1,429,882 fund balance, \$526,513 will be applied to reduce the fund's 2016 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 position of the County's proprietary funds are listed below:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Highway	\$2,744,185	\$2,364,937
MAR-OCO Landfill	(581,111)	(59,455)
Recycling	138,034	235,248

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

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget amounted to a \$1,111,877 increase in appropriations and can be briefly summarized in part as follows:

- \$503,742 additional expenditures for state aided recreation projects
- \$377,062 additional expenditures for conservation and development programs

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

For the year, actual revenues and other financing sources exceeded actual expenditures and other financing uses by \$771,425 thus increasing the general fund balance at the end of 2015 to \$12,133,316 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 \$100,896,054 (net of accumulated depreciation), an increase of \$5,760,558 from 2014. 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's Capital Assets						
OCONTO COUNTY CAPITAL ASSETS (net of depreciation)						
Asset	Government activities		Business-type activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 11,797,968	\$ 11,806,968	\$ 122,903	\$ 123,716	\$ 11,920,871	\$ 11,930,684
Buildings	6,005,761	6,419,299	1,751,727	1,866,130	7,757,488	8,285,429
Improvements other than buildings	521,149	578,651	1,254,253	736,832	1,775,402	1,315,483
Machinery and equipment	1,626,368	1,203,490	5,705,460	5,582,034	7,331,828	6,785,524
Infrastructure	63,067,849	64,905,877	-	-	63,067,849	64,905,877
Construction in progress	8,966,891	1,869,696	64,106	30,250	9,030,997	1,899,946
Other	-	-	11,619	12,553	11,619	12,553
Total	\$ 91,985,986	\$ 86,783,981	\$ 8,910,068	\$ 8,351,515	\$ 100,896,054	\$ 95,135,496

Additional information on the County’s capital assets can be found in Note C (5) on pages 38 - 39 of this report.

Long-term Debt: At the end of the year Oconto County had total debt outstanding of \$10,000,000. All of this debt is backed by the full faith and credit of the County.

Oconto County's Outstanding Debt						
General Obligation Debt						
Item	Governmental activities		Business-type activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation debt:						
Notes	\$10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000	\$ -

The County’s total general obligation debt increased to \$10,000,000 during the year. This is to fund the Law Enforcement Center.

State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized value. The current debt limitation for the County is calculated at \$180,838,150. With the actual County debt outstanding amount of \$10,000,000 the County is well under its limitation.

Additional information on Oconto County’s long-term debt can be found in Note C (7) on page 39 - 40 of this report.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the County is based on a mix of manufacturing, tourism, service industry, and farming activities which support our tax base.
- The unemployment rate (not seasonally adjusted) for Oconto County as of April 2015 was 5.1%, and compares with the statewide rate of 5.4% and a federal rate of 5.6%. Figures are provided by the Wisconsin Dept of Workforce Development.
- As discussed in Note D.8 there was new debt borrowing in the amount of \$15,000,000 in General Obligation Promissory Notes. The proceeds will be used for constructing a new Law Enforcement Center.

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 2014 levy (collection in 2015) the County's increase in NNC was 1.234%. The state allowed minimum percentage was 0%. For the 2015 levy (collect in 2016) the county's increase is 1.34% 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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BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

OCONTO COUNTY, WISCONSIN
Statement of Net Position
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Primary Government				Component Unit
	Governmental Activities	Business-type Activities	Total		Commission on Aging
			2015	2014	
ASSETS					
Cash and investments	\$ 26,571,091	\$ 533,673	\$ 27,104,764	\$ 20,408,847	\$ 71,267
Receivables					
Taxes	22,344,663	-	22,344,663	21,457,205	-
Accounts	1,360,593	111,069	1,471,662	1,338,406	45,710
Loans	348,789	-	348,789	482,770	-
Due from other governments	291,418	281,524	572,942	2,195,715	-
Inventories and prepaid items	10,975	1,788,317	1,799,292	1,836,284	-
Restricted cash and investments	161,582	746,965	908,547	742,663	-
Capital assets					
Land	11,797,968	122,903	11,920,871	11,930,684	-
Construction in progress	8,966,891	64,105	9,030,996	1,899,946	-
Improvements other than buildings	1,476,319	3,740,603	5,216,922	4,485,096	-
Buildings	16,107,128	5,050,119	21,157,247	21,282,247	-
Machinery and equipment	6,622,126	15,988,694	22,610,820	21,742,944	21,439
Other capital assets	-	52,792	52,792	52,792	-
Infrastructure	140,023,707	-	140,023,707	138,222,026	-
Less: Accumulated depreciation	(93,008,153)	(16,109,149)	(109,117,302)	(104,480,239)	-
Net pension asset	1,971,279	476,439	2,447,718	-	-
TOTAL ASSETS	145,046,376	12,848,054	157,894,430	143,597,386	138,416
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	2,017,363	482,881	2,500,244	-	-
LIABILITIES					
Accounts payable	3,112,401	214,229	3,326,630	2,463,772	39,723
Accrued payroll liabilities	532,226	74,472	606,698	1,595,319	34,328
Accrued interest payable	16,438	-	16,438	-	-
Due to other governments	2,454,457	-	2,454,457	728,919	-
Unearned revenues	-	500	500	-	-
Long-term obligations					
Due within one year	750,000	-	750,000	-	-
Due in more than one year	10,941,942	208,075	11,150,017	1,764,024	-
Closure and post-closure care costs	-	1,622,484	1,622,484	1,518,527	-
TOTAL LIABILITIES	17,807,464	2,119,760	19,927,224	8,070,561	74,051
DEFERRED INFLOWS OF RESOURCES					
Property taxes	19,346,112	-	19,346,112	18,277,171	-
Deferred inflows related to pension	268	-	268	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	19,346,380	-	19,346,380	18,277,171	-
NET POSITION					
Net investment in capital assets	89,552,239	8,910,067	98,462,306	95,135,496	-
Restricted for					
Debt service	8,660	-	8,660	-	-
Unspent grant awards and advances	350,809	-	350,809	234,797	-
New jail facility	1,039,570	-	1,039,570	-	-
Pension benefits	3,988,374	959,320	4,947,694	-	-
Unrestricted	14,970,243	1,341,788	16,312,031	21,879,361	64,365
TOTAL NET POSITION	\$ 109,909,895	\$ 11,211,175	\$ 121,121,070	\$ 117,249,654	\$ 64,365

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, 2015
(With summarized financial information for the year ended December 31, 2014)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	\$ 5,997,463	\$ 1,011,921	\$ 242,495	\$ -
Public safety	6,615,695	481,037	213,191	-
Public works	6,232,772	5,485	987,865	-
Health and human services	15,237,352	2,800,134	7,372,299	-
Culture and recreation	1,603,720	238,503	334,697	-
Development	1,812,002	1,006,207	542,254	-
Interest on debt	298,957	-	-	-
Total Governmental Activities	37,797,961	5,543,287	9,692,801	-
Business-type Activities				
Highway	8,599,441	8,846,991	-	-
MAR-OCO Landfill	571,375	555,813	-	-
Recycling	603,597	199,541	207,690	-
Total Business-type Activities	9,774,413	9,602,345	207,690	-
Total primary government	\$ 47,572,374	\$ 15,145,632	\$ 9,900,491	\$ -
Component unit				
Commission on aging	\$ 660,345	\$ 151,850	\$ 512,384	\$ -

General revenues

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

Change in net position

Net position - January 1, as originally reported

Cumulative effect of change in accounting principle

Net position - January 1, restated

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			2014	Component Unit	
Governmental Activities	Business-type Activities	Total		Commission on Aging	
\$ (4,743,047)	\$ -	\$ (4,743,047)	\$ (4,407,013)	\$ -	
(5,921,467)	-	(5,921,467)	(6,654,512)	-	
(5,239,422)	-	(5,239,422)	(5,466,743)	-	
(5,064,919)	-	(5,064,919)	(5,397,188)	-	
(1,030,520)	-	(1,030,520)	(936,639)	-	
(263,541)	-	(263,541)	(470,002)	-	
(298,957)	-	(298,957)	-	-	
<u>(22,561,873)</u>	<u>-</u>	<u>(22,561,873)</u>	<u>(23,332,097)</u>	<u>-</u>	
-	247,550	247,550	255,815	-	
-	(15,562)	(15,562)	(65,394)	-	
-	(196,366)	(196,366)	(110,293)	-	
-	35,622	35,622	80,128	-	
<u>(22,561,873)</u>	<u>35,622</u>	<u>(22,526,251)</u>	<u>(23,251,969)</u>	<u>-</u>	
-	-	-	-	3,889	
18,277,172	-	18,277,172	18,168,492	-	
2,334,038	-	2,334,038	2,319,305	-	
630,608	-	630,608	622,790	-	
104,355	5,389	109,744	96,830	(615)	
50,000	68,000	118,000	-	-	
26,589	-	26,589	6,174	24,500	
750,000	(750,000)	-	-	-	
<u>22,172,762</u>	<u>(676,611)</u>	<u>21,496,151</u>	<u>21,213,591</u>	<u>23,885</u>	
<u>(389,111)</u>	<u>(640,989)</u>	<u>(1,030,100)</u>	<u>(2,038,378)</u>	<u>27,774</u>	
106,357,409	10,892,245	117,249,654	119,288,032	36,591	
3,941,597	959,919	4,901,516	-	-	
<u>110,299,006</u>	<u>11,852,164</u>	<u>122,151,170</u>	<u>119,288,032</u>	<u>36,591</u>	
<u>\$ 109,909,895</u>	<u>\$ 11,211,175</u>	<u>\$ 121,121,070</u>	<u>\$ 117,249,654</u>	<u>\$ 64,365</u>	

Fund Financial Statements

OCONTO COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

	General	Human Services	County Roads and Bridges	Capital Projects
ASSETS				
Cash and investments	\$ 11,372,930	\$ 2,812,109	\$ 1,429,882	\$ 8,223,552
Receivables				
Taxes	13,570,690	4,185,000	3,099,111	-
Accounts	782,427	518,315	-	-
Notes	-	-	-	-
Due from other governments	-	254,505	-	-
Inventories and prepaid items	9,256	1,719	-	-
Restricted cash and investments	-	-	-	-
TOTAL ASSETS	\$ 25,735,303	\$ 7,771,648	\$ 4,528,993	\$ 8,223,552
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,599,094	\$ 384,468	\$ -	\$ 433,982
Accrued payroll liabilities	441,800	90,426	-	-
Due to other governments	393,549	2,060,293	-	-
Total Liabilities	2,434,443	2,535,187	-	433,982
Deferred Inflows of Resources				
Property taxes	11,167,544	4,185,000	3,099,111	-
Loans receivable	-	-	-	-
Advance from state	-	72,640	-	-
Total Deferred Inflows of Resources	11,167,544	4,257,640	3,099,111	-
Fund Balances				
Nonspendable for				
Delinquent property taxes	1,612,545	-	-	-
Inventories and prepaid items	9,256	1,719	-	-
Restricted for				
Debt service	-	-	-	-
Unspent grant awards and advances	139,329	-	-	-
New jail facility	-	-	-	1,039,570
Committed for				
New jail facility	-	-	-	6,750,000
Assigned for				
Continuing appropriations	579,143	-	-	-
Special revenue funds	-	977,102	1,429,882	-
Unassigned, reported in				
General fund	9,793,043	-	-	-
Total Fund Balances	12,133,316	978,821	1,429,882	7,789,570
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 25,735,303	\$ 7,771,648	\$ 4,528,993	\$ 8,223,552

(Continued)

Debt Service	Other Governmental Funds	Total Governmental Funds	
		2015	2014
\$ 8,660	\$ 2,723,958	\$ 26,571,091	\$ 18,726,741
894,457	-	21,749,258	20,793,497
-	-	1,300,742	1,189,888
-	348,789	348,789	482,770
-	-	254,505	1,550,682
-	-	10,975	66,856
-	161,582	161,582	-
<u>\$ 903,117</u>	<u>\$ 3,235,829</u>	<u>\$ 50,398,442</u>	<u>\$ 42,810,434</u>

\$ -	\$ 694,857	\$ 3,112,401	\$ 2,146,807
-	-	532,226	1,364,452
-	615	2,454,457	728,919
-	695,472	6,099,084	4,240,178

894,457	-	19,346,112	18,277,171
-	348,789	348,789	482,770
-	-	72,640	99,373
<u>894,457</u>	<u>348,789</u>	<u>19,767,541</u>	<u>18,859,314</u>

-	-	1,612,545	2,039,837
-	-	10,975	66,856
8,660	-	8,660	-
-	211,480	350,809	234,797
-	-	1,039,570	-
-	-	6,750,000	3,136,764
-	-	579,143	721,642
-	1,980,088	4,387,072	5,211,870
-	-	9,793,043	8,299,176
<u>8,660</u>	<u>2,191,568</u>	<u>24,531,817</u>	<u>19,710,942</u>

<u>\$ 903,117</u>	<u>\$ 3,235,829</u>	<u>\$ 50,398,442</u>	<u>\$ 42,810,434</u>
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OCONTO COUNTY, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

Reconciliation to the Statement of Net Position

	2015	2014
Total Fund Balances from previous page	\$ 24,531,817	\$ 19,710,942
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.	91,985,986	86,783,981
The County's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Net pension asset	\$ 1,971,279	
Deferred outflows of resources	2,017,363	
Deferred inflows of resources	<u>(268)</u>	
	3,988,374	-
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and notes payable	\$ (10,000,000)	
Premium on debt payable	(223,317)	
Other post-employment benefit (OPEB) liability	(859,416)	
Compensated absences	(609,209)	
Accrued interest on long-term obligations	<u>(16,438)</u>	
	(11,708,380)	(1,493,124)
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.	1,112,098	1,355,610
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 11)	<u>1,112,098</u>	<u>1,355,610</u>
	<u>\$ 109,909,895</u>	<u>\$ 106,357,409</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, 2015
(With summarized financial information for the year ended December 31, 2014)

	General	Human Services	County Roads and Bridges	Capital Projects
Revenues				
Taxes	\$ 10,564,236	\$ 5,000,000	\$ 3,465,491	\$ -
Intergovernmental	2,470,659	6,936,009	987,865	-
Licenses and permits	259,245	-	-	-
Fines and forfeits	155,704	-	-	-
Public charges for services	1,768,594	2,022,583	-	-
Intergovernmental charges for services	242,532	-	-	-
Miscellaneous	304,376	731,652	-	-
Total Revenues	15,765,346	14,690,244	4,453,356	-
Expenditures				
Current				
General government	5,076,873	-	-	-
Public safety	6,700,530	-	-	-
Public works	206,182	-	4,187,966	-
Health and human services	688,632	14,532,623	-	-
Culture and recreation	1,587,377	-	-	-
Development	1,669,211	-	-	-
Debt service				
Interest and fiscal charges	-	-	-	-
Capital outlay	983,251	-	-	7,097,194
Total Expenditures	16,912,056	14,532,623	4,187,966	7,097,194
Excess of Revenues Over (Under)				
Expenditures	(1,146,710)	157,621	265,390	(7,097,194)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	10,000,000
Premium received	-	-	-	-
Transfers in	1,918,135	-	-	1,750,000
Transfers out	-	(250,000)	-	-
Total Other Financing Sources (Uses)	1,918,135	(250,000)	-	11,750,000
Net Change in Fund Balances	771,425	(92,379)	265,390	4,652,806
Fund Balances - January 1	11,361,891	1,071,200	1,164,492	3,136,764
Fund Balances - December 31	\$ 12,133,316	\$ 978,821	\$ 1,429,882	\$ 7,789,570

(Continued)

Debt Service	Other Governmental Funds	Total Governmental Funds	
		2015	2014
\$ -	\$ 1,738,808	\$ 20,768,535	\$ 20,646,102
-	-	10,394,533	14,505,078
-	11,003	270,248	233,184
-	36,246	191,950	174,131
-	-	3,791,177	3,403,892
-	-	242,532	183,261
8,660	209,821	1,254,509	1,245,365
<u>8,660</u>	<u>1,995,878</u>	<u>36,913,484</u>	<u>40,391,013</u>
-	-	5,076,873	5,021,552
-	46,921	6,747,451	6,766,130
-	-	4,394,148	5,260,121
-	9,950	15,231,205	19,059,466
-	-	1,587,377	1,421,631
-	46,697	1,715,908	1,853,954
294,377	-	294,377	-
-	-	8,080,445	2,723,605
<u>294,377</u>	<u>103,568</u>	<u>43,127,784</u>	<u>42,106,459</u>
<u>(285,717)</u>	<u>1,892,310</u>	<u>(6,214,300)</u>	<u>(1,715,446)</u>
-	50,000	50,000	-
-	-	10,000,000	-
235,175	-	235,175	-
59,202	-	3,727,337	3,481,204
-	(2,727,337)	(2,977,337)	(2,985,647)
<u>294,377</u>	<u>(2,677,337)</u>	<u>11,035,175</u>	<u>495,557</u>
8,660	(785,027)	4,820,875	(1,219,889)
-	2,976,595	19,710,942	20,930,831
<u>\$ 8,660</u>	<u>\$ 2,191,568</u>	<u>\$ 24,531,817</u>	<u>\$ 19,710,942</u>

OCONTO COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	2015	2014
<u>Reconciliation to the Statement of Activities</u>		
Net Change in Fund Balances from previous page	\$ 4,820,875	\$ (1,219,889)
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	\$ 9,611,087	
Depreciation expense reported in the statement of activities	<u>(4,391,785)</u>	
Amount by which capital outlays are less than depreciation	5,219,302	(91,899)
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.		
Loss on disposition reported on the statement of activities		
Net book value of assets disposed of	(17,297)	(4,767)
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 decreased by:		
	(243,512)	(127,350)
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) decreased by:		
	24,499	(185,250)
Change in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan		
	46,777	-
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items, detailed as follows:		
Issuance of general obligation debt	\$ (10,000,000)	
Net change in premiums on debt issued	<u>(223,317)</u>	
Net adjustment	(10,223,317)	-
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.		
	<u>(16,438)</u>	-
Statement of Activities (see pages 12 and 13)	<u>\$ (389,111)</u>	<u>\$ (1,629,155)</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,725,401	\$ 10,725,401	\$ 10,564,236	\$ (161,165)
Intergovernmental	1,895,857	2,277,618	2,470,659	193,041
Licenses and permits	213,450	213,450	259,245	45,795
Fines and forfeits	187,000	187,000	155,704	(31,296)
Public charges for services	1,324,490	1,345,458	1,768,594	423,136
Intergovernmental charges for services	192,406	193,369	242,532	49,163
Miscellaneous	278,491	302,620	304,376	1,756
Total Revenues	14,817,095	15,244,916	15,765,346	520,430
Expenditures				
Current				
General government	5,644,064	5,659,293	5,076,873	582,420
Public safety	6,905,244	7,040,462	6,700,530	339,932
Public works	212,360	212,360	206,182	6,178
Health and human services	723,216	723,916	688,632	35,284
Culture and recreation	1,310,074	1,813,816	1,587,377	226,439
Development	1,429,394	1,806,456	1,669,211	137,245
Capital outlay	995,000	1,074,926	983,251	91,675
Total Expenditures	17,219,352	18,331,229	16,912,056	1,419,173
Excess of Revenues Over (Under) Expenditures	(2,402,257)	(3,086,313)	(1,146,710)	1,939,603
Other Financing Sources				
Transfers in	1,918,135	1,918,135	1,918,135	-
Net Change in Fund Balance	(484,122)	(1,168,178)	771,425	1,939,603
Fund Balance - January 1	11,361,891	11,361,891	11,361,891	-
Fund Balance - December 31	\$ 10,877,769	\$ 10,193,713	\$ 12,133,316	\$ 1,939,603

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -
Intergovernmental	10,649,735	6,750,209	6,936,009	185,800
Public charges for services	1,652,900	2,022,577	2,022,583	6
Miscellaneous	-	731,652	731,652	-
Total Revenues	17,302,635	14,504,438	14,690,244	185,806
Expenditures				
Current				
Health and human services	17,466,202	14,658,216	14,532,623	125,593
Excess of Revenues Over (Under) Expenditures	(163,567)	(153,778)	157,621	311,399
Other Financing Uses				
Transfers out	(250,000)	(250,000)	(250,000)	-
Net Change in Fund Balance	(413,567)	(403,778)	(92,379)	311,399
Fund Balance - January 1	1,071,200	1,071,200	1,071,200	-
Fund Balance - December 31	\$ 657,633	\$ 667,422	\$ 978,821	\$ 311,399

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,465,491	\$ 3,465,491	\$ 3,465,491	\$ -
Intergovernmental	1,004,476	1,004,476	987,865	(16,611)
Total Revenues	<u>4,469,967</u>	<u>4,469,967</u>	<u>4,453,356</u>	<u>(16,611)</u>
Expenditures				
Current				
Public works	<u>4,803,615</u>	<u>4,803,615</u>	<u>4,187,966</u>	<u>615,649</u>
Net Change in Fund Balance	(333,648)	(333,648)	265,390	599,038
Fund Balance - January 1	<u>1,164,492</u>	<u>1,164,492</u>	<u>1,164,492</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 830,844</u>	<u>\$ 830,844</u>	<u>\$ 1,429,882</u>	<u>\$ 599,038</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, 2015

(With summarized financial information as of December 31, 2014)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2015	2014
	ASSETS				
Current Assets					
Cash and investments	\$ 87,931	\$ 313,396	\$ 132,346	\$ 533,673	\$ 1,682,106
Accounts receivable	63,163	47,906	-	111,069	81,076
Due from other governments	281,524	-	-	281,524	602,716
Inventories and prepaid items	1,788,317	-	-	1,788,317	1,769,428
Total Current Assets	2,220,935	361,302	132,346	2,714,583	4,135,326
Noncurrent Assets					
Restricted cash and investments	-	746,965	-	746,965	742,663
Land	52,202	62,514	8,187	122,903	123,716
Improvements other than buildings	355,077	3,345,888	39,638	3,740,603	3,008,777
Buildings	4,482,879	17,468	549,772	5,050,119	5,175,119
Machinery and equipment	14,723,196	398,270	867,228	15,988,694	15,597,004
Other capital assets	52,792	-	-	52,792	52,792
Construction in progress	18,000	46,105	-	64,105	30,250
Less accumulated depreciation	(12,606,671)	(2,363,452)	(1,139,026)	(16,109,149)	(15,636,143)
Total Capital Assets	7,077,475	1,506,793	325,799	8,910,067	8,351,515
Net Pension Asset	451,181	-	25,258	476,439	-
Total Noncurrent Assets	7,528,656	2,253,758	351,057	10,133,471	9,094,178
TOTAL ASSETS	9,749,591	2,615,060	483,403	12,848,054	13,229,504
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows- pensions	457,511	-	25,370	482,881	-
LIABILITIES					
Current Liabilities					
Accounts payable	140,665	33,266	40,298	214,229	316,965
Accrued payroll liabilities	67,930	1,900	4,642	74,472	230,867
Unearned revenue	500	-	-	500	-
Total Current Liabilities	209,095	35,166	44,940	289,201	547,832
Noncurrent Liabilities					
Compensated absences payable	176,347	31,728	-	208,075	270,900
Landfill closure care costs	-	194,123	-	194,123	146,301
Landfill post closure care costs	-	1,428,361	-	1,428,361	1,372,226
Total Noncurrent Liabilities	176,347	1,654,212	-	1,830,559	1,789,427
TOTAL LIABILITIES	385,442	1,689,378	44,940	2,119,760	2,337,259
NET POSITION					
Net investment in capital assets	7,077,475	1,506,793	325,799	8,910,067	8,351,515
Restricted for pensions	908,692	-	50,628	959,320	-
Unrestricted (deficit)	2,744,185	(581,111)	138,034	2,301,108	2,540,730
TOTAL NET POSITION	\$ 9,821,660	\$ 925,682	\$ 463,833	\$ 11,211,175	\$ 10,892,245

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, 2015
(With summarized financial information for the year ended December 31, 2014)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2015	2014
Operating Revenues					
Intergovernmental charges for services	\$ 8,841,808	\$ 179,941	\$ 25,759	\$ 9,047,508	\$ 9,731,085
Public charges for services	5,183	375,872	32,769	413,824	367,206
Sale of recyclable materials	-	-	141,013	141,013	256,211
Total Operating Revenues	8,846,991	555,813	199,541	9,602,345	10,354,502
Operating Expenses					
Operation and maintenance	7,789,102	468,270	567,835	8,825,207	9,597,733
Depreciation	743,607	103,105	35,762	882,474	885,571
Total Operating Expenses	8,532,709	571,375	603,597	9,707,681	10,483,304
Operating Income (Loss)	314,282	(15,562)	(404,056)	(105,336)	(128,802)
Nonoperating Revenues (Expenses)					
State aid	-	-	207,690	207,690	207,650
Interest income	-	5,389	-	5,389	6,206
Gain (loss) on sale of equipment	(66,732)	-	68,000	1,268	1,280
Total Nonoperating Revenues (Expenses)	(66,732)	5,389	275,690	214,347	215,136
Net Income (Loss) Before Transfers	247,550	(10,173)	(128,366)	109,011	86,334
Transfers in	-	-	-	-	34,843
Transfers out	(750,000)	-	-	(750,000)	(530,400)
	(750,000)	-	-	(750,000)	(495,557)
Change in Net Position	(502,450)	(10,173)	(128,366)	(640,989)	(409,223)
Net Position - January 1, as originally reported	9,414,904	935,855	541,486	10,892,245	11,301,468
Cumulative effect of change in accounting principle	909,206	-	50,713	959,919	-
Net Position - January 1, restated	10,324,110	935,855	592,199	11,852,164	11,301,468
Net Position - December 31	\$ 9,821,660	\$ 925,682	\$ 463,833	\$ 11,211,175	\$ 10,892,245

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, 2015

(With summarized financial information for the year ended December 31, 2014)

	Major Funds		Nonmajor Fund	Total	
	Highway	MAR-OCO Landfill	Recycling	2015	2014
Cash Flows from Operating Activities					
Cash received from user charges	\$ 5,183	\$ 547,595	\$ 173,782	\$ 726,560	\$ 611,360
Cash received from other government payments	9,141,669	-	25,759	9,167,428	9,553,889
Cash payments to employees	(4,589,156)	(111,228)	(238,423)	(4,938,807)	(3,294,462)
Cash payments to suppliers	(3,545,273)	(243,844)	(333,573)	(4,122,690)	(6,528,180)
Net Cash Provided (Used) by Operating Activities	1,012,423	192,523	(372,455)	832,491	342,607
Cash Flows from Noncapital Financing Activities					
Transfer from general fund	-	-	-	-	34,843
Transfer to general fund	(750,000)	-	-	(750,000)	(530,400)
State aid	-	-	207,690	207,690	207,650
Net Cash Provided (Used) by Noncapital Financing Activities	(750,000)	-	207,690	(542,310)	(287,907)
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(837,847)	(614,588)	(56,136)	(1,508,571)	(640,243)
Sale of equipment	-	-	68,813	68,813	1,280
Net Cash Provided (Used) by Capital and Related Financing Activities	(837,847)	(614,588)	12,677	(1,439,758)	(638,963)
Cash Flows from Investing Activities					
Interest income	-	5,446	-	5,446	6,300
Net Decrease in Cash and Cash Equivalents	(575,424)	(416,619)	(152,088)	(1,144,131)	(577,963)
Cash and Cash Equivalents - January 1	663,355	1,476,980	284,434	2,424,769	3,002,732
Cash and Cash Equivalents - December 31	\$ 87,931	\$ 1,060,361	\$ 132,346	\$ 1,280,638	\$ 2,424,769
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 314,282	\$ (15,562)	\$ (404,056)	\$ (105,336)	\$ (128,802)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities					
Depreciation	743,607	103,105	35,762	882,474	885,571
Net pension asset and related deferred outflows	514	-	85	599	
Changes in assets and liabilities					
Accounts receivable	(21,831)	(8,219)	-	(30,050)	(12,058)
Due from other governments	321,192	-	-	321,192	(52,276)
Inventories and prepaid items	(18,889)	-	-	(18,889)	(404,385)
Accounts payable	(119,763)	13,241	3,787	(102,735)	47,335
Accrued payroll liabilities	(148,687)	325	(8,033)	(156,395)	(25,269)
Unearned revenues	500	-	-	500	(124,920)
Landfill closure care	-	103,957	-	103,957	101,161
Compensated absences payable	(58,502)	(4,324)	-	(62,826)	56,250
Net Cash Provided (Used) by Operating Activities	\$ 1,012,423	\$ 192,523	\$ (372,455)	\$ 832,491	\$ 342,607
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, 2015

(With summarized financial information as of December 31, 2014)

	Agency Funds	
	2015	2014
ASSETS		
Cash and cash equivalents	<u>\$ 464,023</u>	<u>\$ 508,342</u>
LIABILITIES		
Due to county departments	<u>\$ 464,023</u>	<u>\$ 508,342</u>

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

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

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

BLENDED 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, 2015

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, capital projects 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.

DEBT SERVICE FUND

This fund accounts for repayment of debt proceeds used to fund the new jail facility.

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.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MAR-OCO LANDFILL FUND

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

Additionally, the government reports the following fund 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, 2015

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.

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.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 has one item that qualifies for reporting in this category in the government-wide statement of net position. The item is related to the County's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

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 two items that qualify for reporting in this category in the government-wide statement of net position. The first is property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second is related to the County's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. 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, 2015

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. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

k. 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, 2015

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, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- 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, 2014, from which the summarized information was derived.

NOTE B - STEWARDSHIP AND COMPLIANCE

Budgets and Budgetary Accounting

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

1. During July and August, departments and agencies develop their budget requests for the next year, have the requests approved by their governing committee or board and submit them to the County Finance Department in early September. The Finance Committee holds hearings to review each request for appropriation and subsequently forwards a Finance Committee recommended budget to the County Board for final approval. The operating budget includes proposed expenditures and the means of financing them. A notice of public hearing is published at least 15 days prior to a scheduled public hearing on the recommended budget. Following the public hearing, which is the last Thursday of October, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget except for approved transfers of resources between funds. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

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, 2015.

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 \$28,548,601 on December 31, 2015 as summarized below:

Petty cash and cash on hand	\$ 1,425
Deposits with financial institutions	26,891,470
Deposit with Marinette County for landfill	1,060,361
Investments	
Wisconsin local government investment pool	595,345
	\$ 28,548,601

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Primary government	
Cash and investments	\$ 27,104,764
Restricted cash and investments	908,547
Component unit	
Cash and investments	71,267
Fiduciary Fund Statement of Net Position	
Agency funds	
	464,023
	\$ 28,548,601

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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.

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, 2015, \$24,756,848 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits of which all were collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name.

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 yearend for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Wisconsin local government investment pool	\$ 595,345	\$ -	\$ -	\$ -	\$ 595,345

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, 2015

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	\$ 595,345	\$ 595,345	\$ -	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$595,345 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, 2015, 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, 2015, 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, 2015 for collection in 2016 are for the following:

County apportionment	<u>\$ 19,346,112</u>
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The above County apportionment of \$19,346,112 is for financing 2016 operations and will be transferred in 2016 from deferred inflows of resources to current revenues of the County's governmental funds.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2015

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, 2015, the County's general fund showed an investment of \$2,077,189 in delinquent taxes as follows:

Tax certificates	\$ 1,817,538
Tax deeds	259,651
Total	<u>\$ 2,077,189</u>

An aging of the total delinquent taxes of \$2,077,189 on December 31, 2015 follows:

Year Acquired	Tax Certificates
Prior to 2011	\$ 15,425
2011	154,716
2012	292,687
2013	509,025
2014	845,685
	<u>1,817,538</u>
Tax Deeds	259,651
	<u>\$ 2,077,189</u>

Of the total of \$2,077,189 for delinquent taxes, \$464,644 was collected by the County within 60 days after December 31, 2015. The remaining unpaid balance of \$1,612,545 is recorded as nonspendable fund balance for the general fund.

4. Restricted Assets

Restricted assets on December 31, 2015 totaled \$908,547 consisting of cash and investments held for the following purposes:

Special Revenue Fund	
State Grant Loan Fund	\$ 161,582
Enterprise Fund	
MAR-OCO Joint Landfill	
Long-term care deposits	746,965
Total Restricted Assets	<u>\$ 908,547</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,806,968	\$ -	\$ 9,000	\$ 11,797,968
Construction in progress	1,869,696	7,097,195	-	8,966,891
Total capital assets, not being depreciated	<u>13,676,664</u>	<u>7,097,195</u>	<u>9,000</u>	<u>20,764,859</u>
Capital assets, being depreciated:				
Improvements other than buildings	1,476,319	-	-	1,476,319
Buildings	16,107,128	-	-	16,107,128
Machinery and equipment	6,145,940	712,211	236,025	6,622,126
Infrastructure	138,222,026	1,801,681	-	140,023,707
Subtotals	<u>161,951,413</u>	<u>2,513,892</u>	<u>236,025</u>	<u>164,229,280</u>
Less accumulated depreciation for:				
Improvements other than buildings	897,668	57,502	-	955,170
Buildings	9,687,829	413,538	-	10,101,367
Machinery and equipment	4,942,450	281,036	227,728	4,995,758
Infrastructure	73,316,149	3,639,709	-	76,955,858
Subtotals	<u>88,844,096</u>	<u>4,391,785</u>	<u>227,728</u>	<u>93,008,153</u>
Total capital assets, being depreciated, net	<u>73,107,317</u>	<u>(1,877,893)</u>	<u>8,297</u>	<u>71,221,127</u>
Governmental activities capital assets, net	<u>\$ 86,783,981</u>	<u>\$ 5,219,302</u>	<u>\$ 17,297</u>	<u>91,985,986</u>
Less related long-term debt outstanding (\$10,223,317 outstanding less \$7,789,570 remaining)				<u>2,433,747</u>
Net investment in capital assets				<u>\$ 89,552,239</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 123,716	\$ -	\$ 813	\$ 122,903
Construction in progress	30,250	33,855	-	64,105
Total capital assets, not being depreciated	<u>153,966</u>	<u>33,855</u>	<u>813</u>	<u>187,008</u>
Capital assets, being depreciated:				
Improvements other than buildings	3,008,777	606,826	(125,000)	3,740,603
Buildings	5,175,119	-	125,000	5,050,119
Machinery and equipment	15,597,004	867,890	476,200	15,988,694
Other capital assets	52,792	-	-	52,792
Subtotals	<u>23,833,692</u>	<u>1,474,716</u>	<u>476,200</u>	<u>24,832,208</u>
Less accumulated depreciation for:				
Improvements other than buildings	2,271,945	89,405	-	2,361,350
Buildings	3,308,989	114,403	-	3,423,392
Machinery and equipment	10,014,970	677,732	409,468	10,283,234
Other capital assets	40,239	934	-	41,173
Subtotals	<u>15,636,143</u>	<u>882,474</u>	<u>409,468</u>	<u>16,109,149</u>
Total capital assets, being depreciated, net	<u>8,197,549</u>	<u>592,242</u>	<u>66,732</u>	<u>8,723,059</u>
Business-type activities capital assets, net	<u>\$ 8,351,515</u>	<u>\$ 626,097</u>	<u>\$ 67,545</u>	<u>8,910,067</u>
Less related long-term debt outstanding				<u>-</u>
Net investment in capital assets				<u>\$ 8,910,067</u>

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities	
General government	\$ 376,694
Public safety	233,001
Public works	3,639,709
Health and human services	35,657
Culture and recreation	106,724
Total depreciation expense - governmental activities	<u>\$ 4,391,785</u>
Business-type activities	
Highway	\$ 743,607
Mar-Oco landfill	103,105
Recycling	35,762
Total depreciation expense - business-type activities	<u>\$ 882,474</u>

6. Interfund Transfers

Interfund transfers for the year ended December 31, 2015 were as follows:

	Transfer to:			
	General Fund	Capital Projects	Debt Service	Totals
Transfers from:				
Human services	\$ 250,000	\$ -	\$ -	\$ 250,000
County sales tax	918,135	1,750,000	59,202	2,727,337
Highway	750,000	-	-	750,000
Totals	<u>\$ 1,918,135</u>	<u>\$ 1,750,000</u>	<u>\$ 59,202</u>	<u>\$ 3,727,337</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, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
Governmental activities:					
General Obligation Debt					
Notes	\$ -	\$10,000,000	\$ -	\$10,000,000	\$ 750,000
Premium on general obligation debt	-	235,175	11,858	223,317	-
Post-employment health benefits payable	822,432	74,984	38,000	859,416	-
Compensated absences	670,692	-	61,483	609,209	-
Governmental activities Long-term obligations	<u>\$ 1,493,124</u>	<u>\$10,310,159</u>	<u>\$ 111,341</u>	<u>\$11,691,942</u>	<u>\$ 750,000</u>
Business-type activities:					
Compensated absences	\$ 270,900	\$ -	\$ 62,825	\$ 208,075	\$ -

Total interest paid during the year on long-term debt totaled \$94,677.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

General Obligation Debt

General obligation debt current outstanding is detailed as follows:

Notes

\$10,000,000 general obligation notes issued 7/2/15; \$750,000 to \$2,500,000
due annually through 2025; interest 2.00% to 3.00%

\$ 10,000,000

A

Annual principal and interest maturities of the outstanding general obligation debt of \$10,000,000 on December 31, 2015 are detailed below:

Year Ended December 31,	Governmental Funds	
	Principal	Interest
2016	\$ 750,000	\$ 221,250
2017	750,000	206,250
2018	750,000	191,250
2019	750,000	176,250
2020	750,000	161,250
2021-2025	6,250,000	488,125
	<u>\$ 10,000,000</u>	<u>\$ 1,444,375</u>

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2015 was \$170,846,810 as follows:

Equalized valuation of the County	\$ 3,616,763,000
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	180,838,150
Total outstanding general obligation debt applicable to debt limitation	\$ 10,000,000
Less: Amounts available for financing general obligation debt Debt service fund	<u>8,660</u>
Net outstanding general obligation debt applicable to debt limitation	9,991,340
Legal Margin for New Debt	<u>\$ 170,846,810</u>

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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, 2015 follows:

	Landfill Closure Care	Landfill Postclosure Care
Total estimated costs	\$ 986,856	\$ 2,451,280
Percentage of storage capacity used as of December 31, 2015	88.44735%	58.27%
Total estimated liability for costs as of December 31, 2015	872,848	1,428,361
Less closure costs paid	678,725	-
Liabilities as of December 31, 2015	<u>\$ 194,123</u>	<u>\$ 1,428,361</u>

The above net liabilities of \$194,123 and \$1,428,361 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 \$1,428,361 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, 2015 was \$746,965.

9. Pension Plan

a. Plan Description

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

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, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

b. Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8%	3%
2007	3.0%	10%
2008	6.6%	0%
2009	(2.1)%	(42)%
2010	(1.3)%	22%
2011	(1.2)%	11%
2012	(7.0)%	(7)%
2013	(9.6)%	9%
2014	4.7%	25%

c. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$970,605 in contributions from the County.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

d. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the County reported an asset of \$2,447,718 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the County's proportion was 0.09965168%, which was a decrease of 0.00006939% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$960,473.

At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 354,843	\$ -
Net differences between projected and actual earnings on pension plan investments	1,185,303	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	268
Employer contributions subsequent to the measurement date	960,098	-
Total	\$ 2,500,244	\$ 268

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

The \$960,098 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflow of Resources	Deferred Inflows of Resources
2015	\$ 351,134	\$ 61
2016	351,134	61
2017	351,134	61
2018	351,134	61
2019	135,610	24
	\$ 1,540,146	\$ 268

e. Actuarial Assumption

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Asset:	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. The 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
County's proportionate share of the net pension asset (liability)	\$ (6,905,434)	\$ 2,447,718	\$ 9,834,459

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

f. Payable to the WRS

At December 31, 2015 the County reported a payable of \$219,540 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

10. Fund Equity

In the fund financial statements, portions of governmental fund balances are nonspendable and not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2015, fund balance was nonspendable as follows:

General Fund	
Nonspendable for delinquent property taxes	\$ 1,612,545
Nonspendable for inventories and prepaid items	9,256
	<u>\$ 1,621,801</u>
 Special Revenue Fund	
Nonspendable for inventories and prepaid items	\$ 1,719
	<u>1,719</u>

Also in the fund financial statements, portions of governmental fund balances have been committed or assigned to represent tentative management plans that are subject to change. At December 31, 2015, fund balance assigned was as follows:

Capital Projects Fund	
Restricted for:	
New jail facility	\$ 1,039,570
Committed for:	
New jail facility	6,750,000
	<u>\$ 7,789,570</u>
 General Fund	
Assigned for:	
Land conservation	\$ (18,922)
Forestry/parks	129,131
LWR/LIS	235,588
UW-Extension	52,709
Law enforcement	49,938
Safety/risk management	1,679
Register of deeds ssn redaction project	104,930
Information services	24,090
	<u>\$ 579,143</u>
 Special Revenue Funds	
Assigned for subsequent year's expenditures	\$ 4,387,072
	<u>4,387,072</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 \$9,793,043 is in compliance with the above minimum fund balance amount.

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION

1. 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 243 active and 10 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	\$ 91,049
Interest on net OPEB	24,673
Adjustment to annual required contribution	(40,738)
Annual OPEB cost (expense)	<u>74,984</u>
Contributions made	<u>38,000</u>
Change in net OPEB obligation	36,984
OPEB obligation - beginning of year	822,432
OPEB obligation - end of year	<u><u>\$ 859,416</u></u>

The annual required contribution for the current year was determined as part of the January 1, 2015 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, 2015 is 30 years, and the remaining amount is \$872,804.

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 2015 and prior years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	\$ 182,866	37.19%	\$ 692,859
12/31/2014	187,573	30.92%	822,432
12/31/2015	74,984	50.68%	859,416

OCONTO COUNTY, WISCONSIN
Notes to Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

Funded Status and Funding Progress - The funded status of the plan as of January 1, 2015, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	872,804
Value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	872,804
 Funded ratio (actuarial value of plan assets/AAL)		 0%

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, 2015 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 -2.5% for medical and -2.5% for dental in 2015, followed by 6.6 for medical and 5.0 for dental in 2016, reduced by decrements to an ultimate rate of 4.4% for medical and dental in 2086. The UAAL is being amortized as a level dollar amount of projected payrolls on an open basis. The remaining amortization period at December 31, 2015 was 30 years.

2. 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.

3. 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 2015 and 2016 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 2015 budget was .76%. The actual limit for the County for the 2016 budget was 1.00%. 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.

4. 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 Uniform Guidance and the *State Single Audit Guidelines* 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.

OCONTO COUNTY, WISCONSIN

Notes to Financial Statements

December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

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.

5. Subsequent Event

On February 4, 2016, the County issued \$15,000,000 in general obligation promissory notes with principal payments ranging from \$375,000 to \$6,550,000 from 2016 to 2025 at interest rates of 2.000% to 3.103%.

6. Cumulative Effect of Change in Accounting Principles

The County has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The cumulative effect of this change is summarized below:

	Governmental Activities	Business-type Activities			Total
		Highway	Recycling	Total	
Net Pension Asset	\$ 3,166,249	\$ 724,683	\$ 40,569	\$ 765,252	\$ 3,931,501
Deferred Outflows of Resources	775,348	184,523	10,144	194,667	970,015
Total Cumulative Effect of Change in Accounting Principle	<u>\$ 3,941,597</u>	<u>\$ 909,206</u>	<u>\$ 50,713</u>	<u>\$ 959,919</u>	<u>\$ 4,901,516</u>

7. Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2015, the GASB issued two new standards addressing accounting and financial reporting for post-employment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. The County will, after adoption of GASB No. 75, recognize on the face of the financial statements its net OPEB liability. GASB No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB No. 75 is effective one year later. The County is currently evaluating the impact these standards will have on the financial statements when adopted.

8. Subsequent Events

On February 4, 2016, the County issued General Obligation Notes in the amount of \$15,000,000 with the interest rate ranging from 2.00% to 3.10% over 10 years. The proceeds of the notes will be used for the new jail project accounted for in the capital projects fund.

REQUIRED SUPPLEMENTARY INFORMATION

OCONTO COUNTY, WISCONSIN
Schedule of Funding Progress
Other Post-Employment Benefit Plan
For the Year Ended December 31, 2015

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
January 1, 2015	-	872,804	0.00%	872,804	N/A	N/A

See Notes to Required Supplementary Information.

OCONTO COUNTY, WISCONSIN
Schedule of Employer Contributions
Other Post-Employment Benefit Plan
For the Year Ended December 31, 2015

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2012	\$ 78,000	\$ 242,381	32.18%
2013	68,000	194,156	35.02%
2014	58,000	201,106	28.84%
2015	38,000	91,049	41.74%

See Notes to Required Supplementary Information.

OCONTO COUNTY, WISCONSIN
 Schedule of Proportionate Share of the Net Pension Asset
 Wisconsin Retirement System
 Last 10 Fiscal Years*

	2015
Proportion of the net pension asset	.09965168%
Proportionate share of the net pension asset	\$ 2,447,718
Covered-employee payroll	\$ 13,033,210
Plan fiduciary net position as a percentage of the total pension asset	102.74%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

OCONTO COUNTY, WISCONSIN
Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Contractually required contributions	\$ 970,605
Contributions in relation to the contractually required contributions	\$ 970,605
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 13,033,210
Contributions as a percentage of covered-employee payroll	7.45%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

OCONTO COUNTY, WISCONSIN
Notes to Required Supplementary Information
December 31, 2015

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available.

NOTE B - WISCONSIN RETIREMENT SYSTEM

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

NOTE C - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 45

The County implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the fiscal year ended December 31, 2012. Information for prior years is not available.

SUPPLEMENTARY INFORMATION

OCONTO COUNTY, WISCONSIN
Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual
General Fund
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Revenues					
Taxes					
Property tax	\$ 9,811,681	\$ 9,811,681	\$ 9,811,681	\$ -	\$ 9,691,548
Forest crop tax (county share)	100	100	78	(22)	63
Managed forest lands	22,000	22,000	28,334	6,334	31,567
Interest on delinquent taxes	790,500	790,500	604,006	(186,494)	690,043
Payments in lieu of taxes	31,000	31,000	30,985	(15)	30,700
Real estate transfer fees (county share)	70,000	70,000	89,022	19,022	82,255
State sales tax retained	120	120	130	10	126
Total Taxes	10,725,401	10,725,401	10,564,236	(161,165)	10,526,302
Intergovernmental Grants and Aids					
Federal park patrol	5,000	6,998	6,998	-	7,021
US Marshall ICAC	-	-	-	-	1,327
Federal Reimbursement	-	-	1,284	1,284	2,198
Federal EPA conservation project	-	48,155	48,155	-	153,026
State shared revenue	619,719	619,719	622,510	2,791	614,130
Exempted business computers	8,000	8,000	8,098	98	8,660
Circuit court support	127,914	127,914	141,646	13,732	127,930
Guardian ad litem support	28,505	28,505	31,422	2,917	28,505
Interpreter fees	2,000	2,000	3,626	1,626	998
Victim witness program	32,154	32,154	34,020	1,866	32,910
Forest crop & MFL	23,000	23,000	23,947	947	23,608
IV-D child support program	244,498	244,498	351,877	107,379	390,982
Commission on aging	97,063	97,063	97,063	-	106,135
Veterans service officer grant	10,000	10,000	15,802	5,802	10,000
UW extension family nutrition	4,547	4,547	3,764	(783)	2,719
Land records	7,000	7,000	30,588	23,588	-
Land conservation	188,360	339,238	343,552	4,314	192,529
Wildlife damage	18,449	15,858	15,859	1	1,459
Lake protection grant	-	4,071	4,071	-	43,189
Farmland Preservation	-	15,000	15,000	-	15,000
Private sewage systems-Wisconsin fund	37,542	39,369	39,369	-	21,103
Snowmobile trails	105,250	215,100	215,100	-	254,774
ATV trails	58,420	10,869	40,143	29,274	89,959
Recreation trail aids	-	75,690	75,690	-	-
Conservation	2,600	2,728	2,728	-	78,282
Wildlife habitat management	2,066	2,062	2,062	-	2,066
Forest roads	11,559	11,573	11,573	-	11,559
Forestry sustainable grant	-	-	-	-	11,000
Forestry administration grant	53,537	53,537	50,191	(3,346)	50,348
ED grant	1,143	1,143	1,159	16	1,143
National forest Title III	-	7,536	7,536	-	8,007
National forest income	-	-	-	-	231,004
ATV patrol	32,000	32,000	11,576	(20,424)	29,317
Snowmobile patrol	15,000	15,000	9,844	(5,156)	12,073
Water patrol	3,000	3,000	-	(3,000)	-
Police training	6,700	6,700	6,240	(460)	6,880

(Continued)

OCONTO COUNTY, WISCONSIN

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

General Fund

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Revenues (Continued)					
Intergovernmental Grants and Aids (Continued)					
OJA grant	-	-	-	-	134
Tribal law enforcement	25,000	23,760	23,760	-	24,381
Sheriff-DNA sample reimbursement	600	600	690	90	460
DOC sanctions program	45,000	45,000	53,937	8,937	46,269
Emergency government-SARA grant	11,704	11,704	12,993	1,289	11,704
Emergency government (EMPG)	43,000	43,000	43,259	259	43,203
Homeland security	24,527	24,527	44,527	20,000	-
Itern grant	-	18,000	18,000	-	-
Land records-local grant	1,000	1,000	1,000	-	8,069
Total Intergovernmental Grants and Aids	1,895,857	2,277,618	2,470,659	193,041	2,704,061
Licenses and Permits					
County clerk-marriage licenses	2,500	2,500	2,750	250	2,972
County Clerk Domestic partner fees	-	-	35	35	35
Conservation licenses-County share	300	300	201	(99)	251
LWR-LIS permits and fees	6,500	6,500	9,308	2,808	7,188
Zoning Fees and Permits					
Land use permits	74,000	74,000	77,452	3,452	68,608
Land divisions-zoning share	7,000	7,000	9,308	2,308	7,188
Rezone hearings	18,500	18,500	22,925	4,425	16,275
Board of adjust hearings	24,000	24,000	35,950	11,950	27,150
Private sewage permits	75,000	75,000	96,465	21,465	87,445
Ag waste	1,850	1,850	2,300	450	1,500
County forest permits	3,800	3,800	2,551	(1,249)	2,695
Total Licenses and Permits	213,450	213,450	259,245	45,795	221,307
Fines and Forfeits					
County ordinance fines and forfeits	95,000	95,000	70,383	(24,617)	63,721
County share-state fines and forfeits	90,000	90,000	83,807	(6,193)	75,773
Ag use value penalties	2,000	2,000	1,514	(486)	1,937
Total Fines and Forfeits	187,000	187,000	155,704	(31,296)	141,431
Public Charges For Services					
Clerk of court fees	180,000	180,000	197,199	17,199	197,829
Family court commissioner charges	700	700	292	(408)	397
Volunteers in probation	-	-	-	-	75
Family mediation fees	6,700	6,700	8,130	1,430	8,105
Register in probate fees	16,000	16,000	9,384	(6,616)	22,327
District attorney-copier and service fees	5,500	5,500	6,295	795	6,242
County clerk-copies/directories charges	15	15	10	(5)	29
Treasurer-sales to public	400	400	1,060	660	652
LWR copy fees	0	50	100	50	-
Child support agency fees	3,100	3,100	4,120	1,020	2,689
Register of deeds fees	200,000	200,255	207,110	6,855	187,738
ROD-redaction project	-	-	-	-	41,025
Data processing miscellaneous sales	-	-	-	-	1,800
UW extension sales	800	800	109	(691)	1,585

(Continued)

OCONTO COUNTY, WISCONSIN

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

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Revenues (Continued)					
Public Charges For Services (Continued)					
Parenting newsletter	-	500	500	-	500
4-H outreach	-	10,066	10,066	-	10,044
Agriculture program	-	18,074	18,074	-	15,800
Family resources center	-	686	686	-	730
WiFund application fees	1,000	1,000	1,500	500	700
Non-metallic mining fees	26,200	26,200	29,665	3,465	26,155
Non-metallic reclaim review fees	500	500	500	-	500
LWR-physical address fees	5,300	5,300	5,707	407	5,717
Sale of platbooks	5,200	9,639	9,639	(0)	10,798
Sale of real estate listings	7,750	7,750	7,533	(217)	8,742
Land records modernization	55,000	55,000	51,780	(3,220)	47,748
Public access fees (land records)	18,000	18,000	17,260	(740)	16,218
LIS credit card charges	2,400	2,400	1,590	(810)	1,757
Sale of GIS maps	1,000	1,000	3,121	2,121	872
SOLO fees	9,000	9,000	12,900	3,900	25
County parks-Chute Pond	118,000	118,000	129,754	11,754	110,457
County parks-North Shore	68,225	68,225	67,741	(484)	65,862
Boat landing fees	36,500	40,024	40,024	(0)	39,748
Shooting range fees	17,500	873	873	(0)	6,682
County forest (including timber sales)	385,950	385,950	765,902	379,952	504,082
Sheriff Fees					
Impound vehicles	1,000	1,000	1,601	601	355
Paper service	44,000	44,000	32,763	(11,237)	40,675
Restitution	1,000	1,000	768	(232)	1,171
SSA incentives	6,000	6,000	10,000	4,000	6,817
Moving and escort fees	500	500	-	(500)	-
Sale of accident reports	1,200	1,200	1,421	221	1,241
Law enforcement fees-special deputy	2,800	2,800	1,730	(1,070)	3,634
Inmate telephone commission	5,000	5,000	4,999	(1)	8,091
Board of prisoners-Huber	30,000	30,000	32,911	2,911	29,937
Board of Prisoners Charges					
Booking fees	5,000	5,000	5,581	581	4,178
Medical and miscellaneous	750	750	690	(60)	282
Prescription medical	500	500	260	(240)	175
Pay to stay	25,000	25,000	29,985	4,985	17,982
GPS bracelet	26,000	26,000	33,216	7,216	16,555
Transport fees	-	-	150	150	-
Juvenile housing-charges to parents	5,000	5,000	3,895	(1,105)	2,995
Total Public Charges For Services	1,324,490	1,345,458	1,768,594	423,136	1,477,718

(Continued)

OCONTO COUNTY, WISCONSIN

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

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Revenues (Continued)					
Intergovernmental Charges For Services					
Charges to Other Local Governments					
Election supplies to local governments	21,000	21,000	22,476	1,476	17,746
Technology svcs charges to local gov't's	3,000	3,000	10,015	7,015	4,584
LIS charges to municipalities-postage	17,200	17,200	19,008	1,808	17,060
LWR-LCC NRDA project	-	-	50,849	50,849	14,610
Juvenile detention-other governments	-	963	963	-	-
Board of prisoners-other governments	40,000	40,000	17,382	(22,618)	22,660
Board of prisoners-municipal bookings	1,400	1,400	921	(479)	1,408
Surveyor charges	2,000	2,000	1,214	(786)	1,397
Charges To County Departments					
Clerk of courts charge-child support	28,149	28,149	28,127	(22)	27,159
Corporation counsel charge-child support	-	-	10,369	10,369	12,157
Technical service charges to depts	15,857	15,857	15,798	(59)	40,680
Recreational officer charges to forestry	40,000	40,000	41,610	1,610	21,400
Sheriff microwave rent to highway	21,400	21,400	21,400	-	2,400
Indirect costs allocations	2,400	2,400	2,400	-	-
Total Intergovernmental Charges	192,406	193,369	242,532	49,163	183,261
Miscellaneous					
Interest					
General investments	140,000	140,000	93,791	(46,209)	89,765
HRA/S125 interest allocation	2,375	2,375	-	(2,375)	-
Property Sales					
Sale of law enforcement squads	22,000	22,000	20,472	(1,528)	23,431
Sale of law enforcement items	-	1,000	1,000	-	3,900
Tax deeded property proceeds	65,600	65,600	63,616	(1,984)	216,993
Insurance premium refunds/dividends	48,516	48,516	69,711	21,195	61,253
Insurance recoveries-law enforcement	-	1,084	1,084	-	7,581
Miscellaneous					
Safety/risk management	-	10,366	10,366	-	10,771
Other	-	1,515	32,410	30,895	29,274
Donations					
Veterans service drivers mileage	-	700	1,462	762	1,952
K-9	-	-	1,000	1,000	9,215
Recreation enforcement	-	9,464	9,464	-	-
Total Miscellaneous	278,491	302,620	304,376	1,756	454,135
Total Revenues	14,817,095	15,244,916	15,765,346	520,430	15,708,215
Other Financing Sources					
Transfers In					
County sales tax	918,135	918,135	918,135	-	886,842
Highway	750,000	750,000	750,000	-	530,400
Human services	250,000	250,000	250,000	-	-
Total Other Financing Sources	1,918,135	1,918,135	1,918,135	-	1,417,242
Total Revenues and Other Financing Sources	\$ 16,735,230	\$ 17,163,051	\$ 17,683,481	\$ 520,430	\$ 17,125,457

(Continued)

OCONTO COUNTY, WISCONSIN

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

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Expenditures					
General Government					
Legislative					
County board & committees	\$ 194,794	\$ 194,794	\$ 166,514	\$ 28,280	\$ 173,477
Judicial					
Clerk of courts	538,498	569,623	573,664	(4,041)	584,619
Circuit court branch I & II	150,385	150,385	140,625	9,760	155,250
Register In probate	156,338	158,873	146,239	12,634	148,914
Family court commissioner	153,288	153,288	152,109	1,179	143,113
Mediation	28,664	28,664	27,889	775	26,995
Law library	3,500	3,500	3,819	(319)	2,970
Medical examiner	100,717	100,717	98,382	2,335	89,994
Legal					
District attorney	188,347	192,777	195,604	(2,827)	187,235
Victim witness program	60,667	61,034	61,213	(179)	60,979
Corporation counsel	166,411	166,411	160,152	6,259	162,232
General Administration					
Administrative-coordinator	191,917	216,917	210,540	6,377	180,032
County clerk	194,872	194,872	190,976	3,896	193,641
Elections	41,030	41,030	23,052	17,978	66,115
Labor negotiations	2,500	2,500	2,746	(246)	2,761
HRA administration	13,000	13,000	14,965	(1,965)	13,781
S125 administration	1,300	1,300	400	900	618
County wellness program	-	14,673	12,994	1,679	10,924
Technology information services	703,672	712,027	682,952	29,075	662,399
T/S-county van	-	8,316	(4,650)	12,966	(2,323)
T/S VOIP	-	18,044	6,918	11,126	5,491
Platbooks	5,200	52,269	19,940	32,329	3,373
Financial Administration					
Accounting					
Finance department	215,840	215,840	198,216	17,624	212,860
Independent auditing	33,015	33,015	32,815	200	49,610
Special accounting & reporting	6,410	16,410	16,410	-	6,410
Charges to depts for audit	-	-	(958)	958	(17,090)
Treasury					
County treasurer	182,544	182,544	171,184	11,360	175,167
Assessment of Property					
Property tax listing	183,915	183,915	176,834	7,081	181,699
Assessor of incomes	400	400	91	309	95
Tax deeds	18,300	24,700	29,331	(4,631)	21,221
Risk and Property Management					
Safety/risk manager	34,764	28,702	29,857	(1,155)	31,650
General Buildings and Plant					
Courthouse property & maintenance	1,001,548	730,136	643,800	86,336	686,673

(Continued)

OCONTO COUNTY, WISCONSIN

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

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Expenditures (Continued)					
General Government (Continued)					
Property Records and Control					
Register of deeds	230,471	230,520	227,306	3,214	227,147
Register of deeds-redaction project	-	104,930	-	104,930	39,405
County surveyor	204,731	214,680	192,729	21,951	191,021
Physical address program	32,076	32,076	30,525	1,551	29,475
Land records modernization	98,725	300,186	141,841	158,345	119,118
Uncollectable Taxes and Assessments					
Uncollectable personal property taxes	10,000	10,000	151	9,849	129
Non-Departmental Insurance					
Property and liability insurance	360,400	330,400	312,589	17,811	295,745
Workers compensation insurance	450,000	450,000	434,791	15,209	391,552
Charges to departments-P&L insurance	(250,000)	(250,000)	(242,145)	(7,855)	(243,205)
Charges to departments-workers comp	(420,000)	(420,000)	(396,060)	(23,940)	(395,244)
Unemployment compensation	5,000	5,000	640	4,360	9,576
Retirement payouts	100,000	180,000	187,538	(7,538)	135,638
Other General Government					
Contingent fund	250,000	-	-	-	-
Other general	825	825	2,345	(1,520)	244
Total General Government	5,644,064	5,659,293	5,076,873	582,420	5,021,486
Public Safety					
Law Enforcement					
Sheriff	3,122,683	3,163,272	3,119,415	43,857	3,174,190
K-9 program	-	53,485	3,547	49,938	5,778
Cease program	-	9,090	-	9,090	-
Federal asset forfeiture program	-	2,734	-	2,734	-
Tribal enforcement	25,000	23,760	24,585	(825)	24,415
Watercraft patrol enforcement	1,000	1,000	2,908	(1,908)	741
ATV patrol enforcement	2,500	2,500	1,882	618	98
Snowmobile patrol enforcement	2,000	2,000	4,428	(2,428)	518
Nicolet forest patrol	5,000	6,998	6,546	452	7,893
Recreation enforcement	136,892	136,892	137,392	(500)	137,945
Telecommunications/911 dispatch	911,423	911,423	863,853	47,570	856,758
Highway safety commission	900	900	235	665	1,406
Correction and Detentions					
County jail	2,566,190	2,566,190	2,394,820	171,370	2,399,541
Other Public Safety					
EMS council	1,000	1,000	356	644	125
Ifem	-	22,500	22,500	-	-
Emergency government	84,165	90,227	82,280	7,947	53,069
Emergency government-SARA	21,964	21,964	21,487	477	21,259
Emergency government-Homeland Security	24,527	24,527	14,296	10,231	30,231
Total Public Safety	6,905,244	7,040,462	6,700,530	339,932	6,713,967

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual
General Fund
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Expenditures (Continued)					
Public Works					
Transportation					
Airport	25,431	25,431	22,931	2,500	25,431
Sanitation					
Private sewage system regulation	186,929	186,929	183,251	3,678.00	184,324
Total Public Works	212,360	212,360	206,182	6,178	209,755
Health and Human Services					
Aging					
Commission on aging	133,070	133,070	131,566	1,504	142,452
Senior citizens center	3,275	3,275	3,275	-	3,275
Veterans					
Veterans service officer	132,665	132,665	121,133	11,532	121,273
Veterans relief	3,700	4,400	1,376	3,024	881
Care of veterans graves	1,560	1,560	1,560	-	1,560
Other					
Child support agency	448,946	448,946	429,722	19,224	436,745
Total Health and Human Services	723,216	723,916	688,632	35,284	706,186
Culture and Recreation					
Culture					
Libraries	484,374	484,374	482,602	1,772	495,939
Historical society	10,000	10,000	10,000	-	10,000
Recreation					
County parks	297,118	293,758	290,339	3,419	279,805
Machickanee shooting range	17,500	77,686	2,606	75,080	6,531
County boat landings	36,500	70,717	20,126	50,591	15,641
County snowmobile trails	105,250	287,982	234,574	53,408	221,503
County ATV trails	58,420	52,527	86,471	(33,944)	80,290
Recreational Aid Projects	-	129,024	141,524	(12,500)	-
State Recreational Aid Projects	-	33,190	23,990	9,200	9,200
County fair	10,400	10,400	10,400	-	10,400
Education					
UW-extension program	289,912	289,912	263,145	26,767	273,961
Extension homemakers	600	600	600	-	600
Parenting newsletter	-	2,813	388	2,425	2,137
UW-X family resource center	-	5,397	880	4,517	888
UW-X district resource management	-	12,713	-	12,713	1,310
4-H outreach	-	19,194	11,436	7,758	9,352
UW-X AG newsletter	-	33,529	8,296	25,233	4,074
Total Culture and Recreation	1,310,074	1,813,816	1,587,377	226,439	1,421,631

(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, 2015

(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Expenditures (Continued)					
Development					
Resource Conservation					
County forestry	310,559	310,048	322,728	(12,680)	337,133
Forest roads	11,559	51,307	6,477	44,830	8,559
National forest pass-through payments				-	231,004
Conservation projects	2,600	31,746	29,018	2,728	30
Wildlife habitat management	2,066	4,873	-	4,873	2,211
County forest land acquisition	-	3,459	-	3,459	750
County dams	1,620	1,620	1,367	253	2,563
Title III	-	25,336	-	25,336	-
S/A county forestry				-	11,000
Land conservation	384,884	546,959	501,845	45,114	379,152
Wildlife damage program	18,449	15,858	2,778	13,080	9,379
LWR coastal management	-	110,248	124,208	(13,960)	132,640
LWR AIS project	-	4,071	14	4,057	40,603
LWR administration	19,910	21,357	21,357	-	18,099
Planning and Zoning					
Bay Lake Regional Planning Commission	18,643	18,643	18,643	-	17,727
Zoning	256,024	256,024	240,138	15,886	239,458
Board of adjustments	17,685	17,685	14,764	2,921	14,023
Land use planning	70,331	70,331	69,618	713	54,802
Private sewage systems-Wisconsin fund	-	39,369	38,919	450	21,103
Salvage yard cleanup	500	500	-	500	147
Lake protection	37,542	-	-	-	-
Farmland preservation project	-	-	315	(315)	15,000
Economic Development					
Oconto County EDC	277,022	277,022	277,022	-	277,022
Total Development	1,429,394	1,806,456	1,669,211	137,245	1,812,405
Capital Outlay					
General Public Buildings and Other					
General Government					
Courthouse	275,000	276,513	229,195	47,318	186,695
Computer hardware and software	160,000	233,546	231,998	1,548	167,167
Law Enforcement					
Radio & communication system	-	-	-	-	200,461
Vehicles and squads	170,000	170,000	170,144	(144)	160,960
Emergency government vehicle	30,000	30,000	29,778	222	-
Other					
Forestry projects and outlay	160,000	164,867	231,562	(66,695)	136,684
County board	200,000	200,000	90,574	109,426	-
Total Capital Outlay	995,000	1,074,926	983,251	91,675	851,967
Other Financing Uses					
Transfers out					
Capital Projects	-	-	-	-	2,098,805
Total Expenditures and Other Financing Uses	\$ 17,219,352	\$ 18,331,229	\$ 16,912,056	\$ 1,419,173	\$ 18,836,202

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, 2015

(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual
	Original	Final			
Revenues					
Taxes					
Taxes - property tax levy	\$ 3,399,681	\$ 3,399,681	\$ 3,399,681	\$ -	\$ 3,402,688
Special purpose levy - local bridge	65,810	65,810	65,810	-	74,256
Total Taxes	3,465,491	3,465,491	3,465,491	-	3,476,944
Intergovernmental					
State transportation aids	975,762	975,762	973,145	(2,617)	958,866
State STP projects	-	-	-	-	3,199
State LRIP	6,414	6,414	6,237	(177)	12,594
State local bridge	22,300	22,300	8,283	(14,017)	58,911
State CHIP	-	-	200	200	144,161
Total Intergovernmental	1,004,476	1,004,476	987,865	(16,611)	1,177,731
Total Revenues	4,469,967	4,469,967	4,453,356	(16,611)	4,654,675
Expenditures					
Public Works					
CTHS admin	435,184	435,184	420,253	14,931	411,992
Maintenance	1,476,988	1,476,988	1,438,067	38,921	1,705,483
Snow removal	916,748	916,748	454,957	461,791	1,100,995
Hot mix maintenance	1,500,000	1,500,000	1,436,474	63,526	1,262,532
Gravel maintenance	115,785	115,785	104,510	11,275	62,845
STP before/after (county)	30,000	30,000	3,746	26,254	-
CHIP program	170,000	170,000	247,938	(77,938)	265,043
Safer bridge program	93,100	93,100	13,658	79,442	195,263
Co aid bridges	65,810	65,810	68,363	(2,553)	46,213
Total Expenditures	4,803,615	4,803,615	4,187,966	615,649	5,050,366
Net Change in Fund Balance	(333,648)	(333,648)	265,390	599,038	(395,691)
Fund Balance - January 1	1,164,492	1,164,492	1,164,492	-	1,560,183
Fund Balance - December 31	\$ 830,844	\$ 830,844	\$ 1,429,882	\$ 599,038	\$ 1,164,492

OCONTO COUNTY, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

	Jail Assessment	County Sales Tax	State Grant Loan Fund	Tri-County Loan Fund
ASSETS				
Cash and investments	\$ 88,647	\$ 1,022,340	\$ 49,898	\$ 40,440
Receivables				
Accounts	-	-	-	-
Notes	-	-	56,808	26,490
Restricted cash and investments	-	-	161,582	-
TOTAL ASSETS	\$ 88,647	\$ 1,022,340	\$ 268,288	\$ 66,930
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflow of Resources				
Loans receivable	-	-	56,808	26,490
Fund Balances				
Restricted for				
Unspent grant awards and advances	-	-	211,480	-
Assigned for				
Special revenue funds	88,647	1,022,340	-	40,440
Total Fund Balances	88,647	1,022,340	211,480	40,440
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 88,647	\$ 1,022,340	\$ 268,288	\$ 66,930

County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	Total Nonmajor Governmental Funds	
					2015	2014
\$ 755,024	\$ 713,602	\$ 20,094	\$ 17,548	\$ 16,365	\$ 2,723,958	\$ 3,645,174
-	-	-	-	-	-	1,500
265,491	-	-	-	-	348,789	482,770
-	-	-	-	-	161,582	-
<u>\$ 1,020,515</u>	<u>\$ 713,602</u>	<u>\$ 20,094</u>	<u>\$ 17,548</u>	<u>\$ 17,865</u>	<u>\$ 3,235,829</u>	<u>\$ 4,129,444</u>
\$ -	\$ 694,857	\$ -	\$ -	\$ -	\$ 694,857	\$ 669,415
-	-	615	-	-	615	664
-	694,857	615	-	-	695,472	670,079
265,491	-	-	-	-	348,789	482,770
-	-	-	-	-	211,480	-
755,024	18,745	19,479	17,548	17,865	1,980,088	2,976,595
<u>755,024</u>	<u>18,745</u>	<u>19,479</u>	<u>17,548</u>	<u>17,865</u>	<u>2,191,568</u>	<u>2,976,595</u>
<u>\$ 1,020,515</u>	<u>\$ 713,602</u>	<u>\$ 20,094</u>	<u>\$ 17,548</u>	<u>\$ 17,865</u>	<u>\$ 3,235,829</u>	<u>\$ 4,129,444</u>

OCONTO COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Jail Assessment	County Sales Tax	State Grant Loan Fund	Tri-County Loan Fund
Revenues				
Taxes	\$ -	\$ 1,738,808	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeits	36,246	-	-	-
Miscellaneous	-	-	23,690	6,413
Total Revenues	36,246	1,738,808	23,690	6,413
Expenditures				
Current				
General government	-	-	-	-
Public safety	33,033	-	-	-
Health and human services	-	-	-	-
Development	-	-	3,517	-
Total Expenditures	33,033	-	3,517	-
Excess of Revenues Over (Under)				
Expenditures	3,213	1,738,808	20,173	6,413
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers out	-	(2,727,337)	-	-
Total Other Financing Sources (Uses)	-	(2,727,337)	-	-
Net Change in Fund Balances	3,213	(988,529)	20,173	6,413
Fund Balances - January 1	85,434	2,010,869	191,307	34,027
Fund Balances - December 31	\$ 88,647	\$ 1,022,340	\$ 211,480	\$ 40,440

County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	Total Nonmajor Governmental Funds	
					2015	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,738,808	\$ 1,642,856
-	-	11,003	-	-	11,003	11,877
-	-	-	-	-	36,246	32,700
156,883	355	-	3,705	18,775	209,821	159,167
156,883	355	11,003	3,705	18,775	1,995,878	1,846,600
-	-	-	-	-	-	66
-	-	-	-	13,888	46,921	52,163
-	-	9,950	-	-	9,950	12,641
43,180	-	-	-	-	46,697	41,549
43,180	-	9,950	-	13,888	103,568	106,419
113,703	355	1,053	3,705	4,887	1,892,310	1,740,181
50,000	-	-	-	-	50,000	-
-	-	-	-	-	(2,727,337)	(886,842)
50,000	-	-	-	-	(2,677,337)	(886,842)
163,703	355	1,053	3,705	4,887	(785,027)	853,339
591,321	18,390	18,426	13,843	12,978	2,976,595	2,123,256
\$ 755,024	\$ 18,745	\$ 19,479	\$ 17,548	\$ 17,865	\$ 2,191,568	\$ 2,976,595

OCONTO COUNTY, WISCONSIN
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Jail Assessment Fund
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeits				
Jail assessment surcharge	\$ -	\$ -	\$ 36,246	\$ 36,246
Expenditures				
Public safety				
Jail maintenance and improvements	-	-	33,033	(33,033)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,213	<u>\$ 3,213</u>
Fund Balance - January 1			<u>85,434</u>	
Fund Balance - December 31			<u>\$ 88,647</u>	

OCONTO COUNTY, WISCONSIN

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

County Sales Tax Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
County sales tax collections	\$ 1,600,000	\$ 1,600,000	\$ 1,738,807	\$ 138,807
Other Financing Sources (Uses)				
Transfers to debt service fund	-	-	(59,202)	(59,202)
Transfers to law enforcement project	-	(1,750,000)	(1,750,000)	-
Transfers to general fund	(918,134)	(918,134)	(918,134)	-
Total Other Financing Sources (Uses)	<u>(918,134)</u>	<u>(2,668,134)</u>	<u>(2,727,336)</u>	<u>(59,202)</u>
Net Change in Fund Balance	<u>\$ 681,866</u>	<u>\$ (1,068,134)</u>	(988,529)	<u>\$ 79,605</u>
Fund Balance - January 1			<u>2,010,869</u>	
Fund Balance - December 31			<u>\$ 1,022,340</u>	

OCONTO COUNTY, WISCONSIN

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

Revolving Loan Funds

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual				Variance with Final Budget Positive (Negative)
			State Grant Loan Fund	Tri-County Loan Fund	County Revolving Loan Fund	Total 2015	
	Original	Final					
Revenues							
Miscellaneous							
Loan repayments							
Principal	\$ -	\$ -	\$ 21,050	\$ 5,461	\$ 147,122	\$ 173,633	\$ 173,633
Interest	-	-	2,079	896	8,849	11,824	11,824
Real estate sales	-	-	-	-	50,000	50,000	50,000
Service fees and interest	-	-	561	56	912	1,529	1,529
Total Revenues	-	-	23,690	6,413	206,883	236,986	236,986
Expenditures							
Development							
Disbursement of development loans	-	-	-	-	39,650	39,650	(39,650)
Administration	-	-	3,517	-	3,530	7,047	(7,047)
Total Expenditures	-	-	3,517	-	43,180	46,697	(46,697)
Net Change in Fund Balances	\$ -	\$ -	20,173	6,413	163,703	190,289	\$ 190,289
Fund Balances - January 1			191,307	34,027	591,321	816,655	
Fund Balances - December 31			\$ 211,480	\$ 40,440	\$ 755,024	\$ 1,006,944	

OCONTO COUNTY, WISCONSIN
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Dog License Fund
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits				
Dog licenses	\$ -	\$ -	\$ 11,003	\$ 11,003
Expenditures				
Health and human services				
Dog licensing costs	-	-	9,950	(9,950)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,053	<u>\$ 1,053</u>
Fund Balance - January 1			<u>18,426</u>	
Fund Balance - December 31			<u>\$ 19,479</u>	

OCONTO COUNTY, WISCONSIN
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Commission on Aging Transportation 85.21 Fund
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous				
Other	\$ -	\$ -	\$ 3,685	\$ 3,685
Interest	-	-	20	20
Total Revenues	-	-	3,705	3,705
Expenditures				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,705	<u>\$ 3,705</u>
Fund Balance - January 1			<u>13,843</u>	
Fund Balance - December 31			<u>\$ 17,548</u>	

OCONTO COUNTY, WISCONSIN
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Jail Canteen Fund
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous				
Jail canteen sales	\$ -	\$ -	\$ 18,775	\$ 18,775
Expenditures				
Public safety				
Jail canteen purchases	-	-	13,888	(13,888)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	4,887	<u>\$ 4,887</u>
Fund Balance - January 1			<u>12,978</u>	
Fund Balance - December 31			<u>\$ 17,865</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, 2015

(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2014 Actual
	Original	Final			
Revenues					
Intergovernmental Charges for Services					
State					
Administration	\$ 196,960	\$ 196,960	\$ 180,145	\$ (16,815)	\$ 169,305
Maintenance	848,400	848,400	930,223	81,823	571,061
Snow/ice control	483,900	483,900	414,686	(69,214)	785,152
State unclassified maintenance	8,800	8,800	95,655	86,855	12,194
State roadside special maintenance	73,500	73,500	369,523	296,023	130,342
State other	35,900	35,900	91,013	55,113	80,998
State insurance claims	-	-	37,762	37,762	69,918
State records and reports	-	-	94,907	94,907	110,440
State 1% small tools	-	-	10,772	10,772	4,848
Total State	1,647,460	1,647,460	2,224,686	577,226	1,934,258
Other local governments	1,863,947	1,863,947	2,332,085	468,138	2,501,855
Local (county) departments	168,510	168,510	165,433	(3,077)	94,081
Local CTHS transportation payments	4,813,081	4,813,081	4,119,604	(693,477)	5,004,154
Total Other Local Governments	6,845,538	6,845,538	6,617,122	(228,416)	7,600,090
Total Intergovernmental Charges for Services	8,492,998	8,492,998	8,841,808	348,810	9,534,348
Public Charges for Services					
Licenses and permits	-	-	5,183	5,183	7,031
Total Operating Revenues	8,492,998	8,492,998	8,846,991	353,993	9,541,379

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Highway Enterprise Fund (Continued)
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2014 Actual
	Original	Final			
Expenses					
Highway Administration					
Highway administration	435,184	435,184	428,130	7,054	422,107
Supervision	175,011	175,011	148,035	26,976	125,700
Radio expense	15,700	15,700	17,955	(2,255)	13,758
General public liability	23,000	23,000	20,034	2,966	20,034
Alcohol and drug testing	2,600	2,600	2,644	(44)	2,308
Safety meeting	40,103	40,103	39,141	962	35,074
State administration	15,822	15,822	13,198	2,624	14,171
Total Highway Administration	707,420	707,420	669,136	38,284	633,152
Highway Maintenance and Construction					
County Trunk Highway System					
Transportation cost pools	-	-	(311,518)	311,518	(51)
Routine maintenance	1,476,988	1,476,988	1,620,340	(143,352)	1,922,884
Snow/ice control	916,748	916,748	454,957	461,791	1,100,996
Hot mix and seal coating	1,500,000	1,500,000	1,436,474	63,526	1,262,532
Gravel maintenance	115,785	115,785	104,510	11,275	62,845
STP other	30,000	30,000	1,873	28,127	-
CHIP	170,000	170,000	247,938	(77,938)	264,954
Safer bridge program	93,100	93,100	13,658	79,442	195,263
Total Highway Maintenance and Construction	4,302,621	4,302,621	3,568,233	734,388	4,809,423
State Trunk Highway System					
Maintenance	848,400	848,400	671,574	176,826	530,544
Snow and ice control	483,900	483,900	416,614	67,286	795,457
State miscellaneous charges	-	-	524,427	(524,427)	41,663
State bridge maintenance	8,800	8,800	34,459	(25,659)	14,528
STHS roadside maintenance	73,500	73,500	92,584	(19,084)	85,220
State signage and traffic control	35,900	35,900	19,588	16,312	26,791
State insurance accident reports	-	-	37,706	(37,706)	70,301
Total State Trunk Highway System	1,450,500	1,450,500	1,796,953	(346,453)	1,564,504
Local Governments					
Local government-road maintenance	1,560,679	1,560,679	1,696,670	(135,991)	1,260,499
Local government-snow and ice control	303,268	303,268	249,224	54,044	684,129
Local government-bridge maintenance	-	-	69,966	(69,966)	126,217
Total Local Governments	1,863,947	1,863,947	2,015,861	(151,914)	2,070,845
Local Departments	168,510	168,510	482,527	(314,017)	207,640
Total Local Governments and Departments	2,032,457	2,032,457	2,498,388	(465,931)	2,278,485
Total Operating Expenses	8,492,998	8,492,998	8,532,709	(39,711)	9,285,564
Operating Income	\$ -	\$ -	\$ 314,282	\$ 314,282	\$ 255,815

OCONTO COUNTY, WISCONSIN
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Recycling Enterprise Fund
For the Year Ended December 31, 2015
(With comparative amounts for the year ended December 31, 2014)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2014 Actual
	Original	Final			
Operating Revenues					
Intergovernmental Charges for Services					
Waste tires disposal	\$ 16,000	\$ 16,000	\$ 21,286	\$ 5,286	\$ 16,047
Freon disposal	6,000	6,000	4,473	(1,527)	6,762
Total Intergovernmental Charges	22,000	22,000	25,759	3,759	22,809
Public Charges for Services					
Tipping fees	100	100	415	315	-
Custom bailing	1,000	1,000	15,947	14,947	3,629
Electronics disposal	15,000	15,000	16,407	1,407	19,211
Total Public Charges for Services	16,100	16,100	32,769	16,669	22,840
Miscellaneous					
Sales of recyclable materials	255,150	255,150	141,013	(114,137)	256,211
Total Revenues	293,250	293,250	199,541	(93,709)	301,860
Operating Expenses					
Public Works					
Personnel	245,239	245,239	230,475	14,764	241,335
Consulting and professional svcs	19,870	26,370	23,469	2,901	12,513
Utility services	15,600	15,600	15,528	72	17,035
Purchased repairs and maintenance	17,000	17,000	21,567	(4,567)	21,019
Purchased services-other	185,000	185,000	210,400	(25,400)	195,751
Electronics disposal	12,000	12,000	13,050	(1,050)	22,152
Office supplies	6,880	6,880	5,110	1,770	5,283
Subscriptions and dues	2,500	2,500	1,551	949	1,450
Employee travel and training	4,900	4,900	3,992	908	3,044
Operating supplies and expenses	10,450	10,450	12,467	(2,017)	11,301
Repair and maintenance supplies	8,500	8,500	3,957	4,543	9,199
Insurance	6,100	6,100	5,887	213	5,887
Depreciation	103,000	103,000	35,763	67,237	47,933
Other	37,000	37,000	20,382	16,618	27,181
Total Operating Expenses	674,039	680,539	603,597	76,942	621,083
Operating Income (Loss)	(380,789)	(387,289)	(404,056)	(16,767)	(319,223)
Nonoperating Revenues (Expenses)					
State aid recycling program	207,700	207,700	207,690	(10)	207,650
Sale of equipment	-	-	68,000	68,000	1,280
Total Nonoperating Revenues (Expenses)	207,700	207,700	275,690	67,990	208,930
Change in Net Position	\$ (173,089)	\$ (179,589)	\$ (128,366)	\$ 51,223	\$ (110,293)

OCONTO COUNTY, WISCONSIN
Agency Funds
Combining Statement of Net Position
December 31, 2015

	Clerk of Courts	Jail Inmate	Total 2015
Assets			
Cash	\$ 449,118	\$ 14,905	\$ 464,023
Liabilities			
Due to others			
Deposits	\$ 449,118	\$ 13,405	\$ 462,523
Other liabilities	-	1,500	1,500
Total Liabilities	\$ 449,118	\$ 14,905	\$ 464,023

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC 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, 2015, and the related notes to the financial statements, which collectively comprise the Oconto County's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 2 dated June 30, 2016.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oconto County, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Oconto County, Wisconsin's Response to Finding

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

Purpose of this Report

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



Certified Public Accountants
June 30, 2016

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 THE UNIFORM GUIDANCE 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) 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, 2015. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the State of Wisconsin. Those standards, Uniform Guidance 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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and the *State Single Audit Guidelines* which is described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

Oconto County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Oconto County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance 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 2014-002 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 the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose



Certified Public Accountants
Green Bay, Wisconsin
June 30, 2016

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards
For the Year Ended December 31, 2015

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures	Subrecipient Payments
			(Accrued) Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/15	Total Revenues		
<u>U.S. DEPARTMENT OF AGRICULTURE</u>								
Special Supplement Food Program for Women, Infants and Children	WI Department of Health Services	10.557	\$ (15,285)	\$ 138,574	\$ 16,921	\$ 140,210	\$ 140,210	\$ -
SNAP Cluster								
State Administrative Matching Grants for the Supplemental Nutrition Program	WI Department of Health Services	10.561	(24,303)	47,073	-	22,770	22,770	-
State Administrative Matching Grants for the Supplemental Nutrition Program	Brown County, Wisconsin	10.561	(44,966)	193,394	37,820	186,248	186,248	-
Total SNAP Cluster			(69,269)	240,467	37,820	209,018	209,018	-
Forest Service Schools and Roads Cluster								
Schools & Road Grants to States - National Forest Income	WI Department of Natural Resources	10.665	-	7,536	-	7,536	7,536	-
Total U.S. Department of Agriculture			(84,554)	386,577	54,741	356,764	356,764	-
<u>U.S. DEPARTMENT OF COMMERCE</u>								
Economic Adjustment Assistance	Direct Program	11.307	-	66,930	-	66,930	66,930	-
<u>U.S. DEPARTMENT OF JUSTICE</u>								
Bulletproof Vest Grant Program	Direct Program	16.607	-	1,284	-	1,284	1,284	-
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>								
Highway Planning and Construction Cluster								
Highway Planning and Construction	WI Department of Transportation	20.205	(5,845)	8,983	-	3,138	3,138	-
Recreational Trails Program	WI Department of Natural Resources	20.219	-	23,990	-	23,990	23,990	-
Total Highway Planning and Construction Cluster			(5,845)	32,973	-	27,128	27,128	-
<u>ENVIRONMENTAL PROTECTION AGENCY</u>								
Great Lakes Restoration Initiative	Direct Program	66.469	-	48,155	-	48,155	48,155	-
Great Lakes Restoration Initiative	WI Department of Natural Resources	66.469	-	4,071	-	4,071	4,071	-
Total Environmental Protection Agency			-	52,226	-	52,226	52,226	-
<u>U.S. DEPARTMENT OF EDUCATION</u>								
Grants for Infants and Toddlers with Disabilities	WI Department of Health Services	84.181	-	26,532	-	26,532	26,532	-

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2015

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures	Subrecipient Payments
			(Accrued) Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/15	Total Revenues		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Preventive Health (Title III-D)	GWAAR*	93.043	(418)	2,795	1,214	3,591	3,591	-
Aging Cluster								
Grants for Supportive Services and Senior Centers (Title III-B)	GWAAR*	93.044	(7,287)	48,862	3,086	44,661	44,661	-
Nutrition Services (Title III-C)								
Congregate Meal Program (Title III-C-1)	GWAAR*	93.045	-	5,942	-	5,942	5,942	-
Home Delivered Meals (Title III-C-2)	GWAAR*		-	67,879	6,144	74,023	74,023	-
Subtotal - Nutrition Services (Title III-C)			-	73,821	6,144	79,965	79,965	-
Nutrition Services Incentive Program (NSIP)								
Congregate Meal Program (Title III-C-1)	GWAAR*	93.053	-	-	8,000	8,000	8,000	-
Home Delivered Meals (Title III-C-2)	GWAAR*		-	21,000	697	21,697	21,697	-
Subtotal - Nutrition Services Incentive Program (NSIP)			-	21,000	8,697	29,697	29,697	-
Total Aging Cluster			(7,287)	143,683	17,927	154,323	154,323	-
National Family Caregiver Support (Title III-E)	GWAAR*	93.052	(1,686)	18,233	1,684	18,231	18,231	-
Environmental Public Health and Emergency Response								
Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	WI Department of Health Services	93.070	-	1,600	496	2,096	2,096	-
	WI Department of Health Services	93.074	-	60,411	(4,150)	56,261	56,261	-
Immunization Cluster								
Immunization Grants	WI Department of Health Services	93.268	-	9,539	-	9,539	9,539	-
Family Preservation and Support Services	WI Department of Children and Families	93.556	-	42,827	-	42,827	42,827	-
National Public Health Improvement Initiative								
TANF Cluster								
Temporary Assistance for Needy Families (TANF)	WI Department of Health Services	93.558	-	62,162	-	62,162	62,162	-
Temporary Assistance for Needy Families (TANF)	WI Department of Children and Families	93.558	(34,729)	162,986	28,313	156,570	156,570	-
Temporary Assistance for Needy Families (TANF)	Brown County, Wisconsin	93.558	(1,197)	-	1,197	-	-	-
Total TANF Cluster			(35,926)	225,148	29,510	218,732	218,732	-

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2015

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures	Subrecipient Payments
			(Accrued) Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/15	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	(93,984)	339,918	62,634	308,568	308,568	-
Low Income Home Energy Assistance	WI Department of Administration	93.568	(9,150)	51,616	9,105	51,571	51,571	-
CCDF Cluster								
Child Care Development Fund	WI Department of Children and Families	93.596	(14,873)	97,829	-	82,956	82,956	-
Chafee Education and Training Vouchers	WI Department of Children and Families	93.599	(320)	356	947	983	983	-
Child Welfare Services	WI Department of Children and Families	93.645	-	18,451	-	18,451	18,451	-
Child Welfare Services	WI Department of Corrections	93.645	918	3,109	(811)	3,216	3,216	-
Total Child Welfare Services			918	21,560	(811)	21,667	21,667	-
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(28)	114,721	-	114,693	114,693	-
Foster Care (Title IV-E)	WI Department of Corrections	93.658	1,286	5,426	(1,351)	5,361	5,361	-
Total Foster Care (Title IV-E)			1,258	120,147	(1,351)	120,054	120,054	-
Social Services Block Grant	WI Department of Health Services	93.667	-	114,500	-	114,500	114,500	-
Social Services Block Grant	WI Department of Children and Families	93.667	-	50,501	-	50,501	50,501	-
Social Services Block Grant	Shawano County, Wisconsin	93.667	-	101	-	101	101	-
Total Social Services Block Grant			-	165,102	-	165,102	165,102	-
Youth Independent Living	WI Department of Children and Families	93.674	(6,009)	17,714	3,699	15,404	15,404	-
State Children's Insurance Program	Brown County, Wisconsin	93.767	(7,984)	26,289	4,725	23,030	23,030	-
Medicaid Cluster								
Medical Assistance Program	WI Department of Health Services	93.778	(681,734)	3,207,953	(15,182)	2,511,037	2,511,037	-
Medical Assistance Program	Brown County, Wisconsin	93.778	(63,673)	232,385	46,400	215,112	215,112	-
Total Medicaid Cluster			(745,407)	3,440,338	31,218	2,726,149	2,726,149	-
Centers for Medicare and Medicaid Services								
Research, Demonstrations & Evaluations	WI Department of Health Services	93.779	736	(736)	-	-	-	-
Centers for Medicare and Medicaid Services								
Research, Demonstrations & Evaluations	GWAAR*	93.779	(1,500)	3,000	2,075	3,575	3,575	-
Total Centers for Medicare and Medicaid Services			(764)	2,264	2,075	3,575	3,575	-

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of Federal Awards (Continued)
For the Year Ended December 31, 2015

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures	Subrecipient Payments
			(Accrued) Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/15	Total Revenues		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)								
Money Follows the Person Rebalancing								
Demonstration	WI Department of Health Services	93.791	22,305	(13,993)	4,577	12,889	12,889	-
Block Grants for Community Mental Health Services	WI Department of Health Services	93.958	4,097	33,359	5,530	42,986	42,986	28,812
Block Grants for Prevention and Treatment of Substance Abuse	WI Department of Health Services	93.959	-	49,993	(208)	49,785	49,785	-
Maternal and Child Health Services Block Grant	WI Department of Health Services	93.994	(4,265)	10,943	8,922	15,600	15,600	-
Total U.S. Department of Health and Human Services			(901,855)	4,870,031	177,743	4,145,919	4,145,919	28,812
U.S. DEPARTMENT OF HOMELAND SECURITY								
Hazard Mitigation Grant	WI Department of Military Affairs	97.039	-	38,166	-	38,166	38,166	-
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	(21,602)	43,232	21,630	43,260	43,260	-
Homeland Security Grant Program	WI Department of Administration	97.067	-	18,000	-	18,000	18,000	-
Total U.S. Department of Homeland Security			(21,602)	99,398	21,630	99,426	99,426	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ (1,013,856)	\$ 5,535,951	\$ 254,114	\$ 4,776,209	\$ 4,776,209	\$ 28,812

* 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, 2015

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/15	Total Revenues	
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION							
Soil and Water Resource Management Program							
Basic Annual Staffing Grants	Direct Program	115.15	\$ (25,100)	\$ 144,167	\$ 16,107	\$ 135,174	\$ 135,174
LWRM Plan Implementation	Direct Program	115.40	-	23,050	35,328	58,378	58,378
Total Department of Agriculture, Trade and Consumer Protection			<u>(25,100)</u>	<u>167,217</u>	<u>51,435</u>	<u>193,552</u>	<u>193,552</u>
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES							
Private Sewage System Replacement and Rehabilitation Program							
	Direct Program	165.202	-	39,369	-	39,369	39,369
DEPARTMENT OF NATURAL RESOURCES							
Stewardship Acquisition and Development of Parks							
All-Terrain Vehicle Enforcement Aids	Direct Program	370.512	-	9,200	-	9,200	9,200
Snowmobile Enforcement Aids	Direct Program	370.551	-	11,576	-	11,576	11,576
Wildlife Damage Abatement and Claims	Direct Program	370.552	-	9,844	-	9,844	9,844
Recreation Aids - Fish, Wildlife & Forestry	Direct Program	370.553	-	15,858	-	15,858	15,858
Forest Croplands & Managed Forest Land Aids	Direct Program	370.564	-	2,062	-	2,062	2,062
Urban & Community Forestry	Direct Program	370.566	-	23,947	-	23,947	23,947
Recreational Aids - Boating Facilities	Direct Program	370.572	-	51,350	-	51,350	51,350
RBF-1501		370.573	-	42,500	-	42,500	42,500
Recreational Aids - Snowmobile Trail and Area Aid							
S - 4184	Direct Program	370.574 & 370.575	-	783	-	783	783
S - 4239	Direct Program		(26,138)	26,138	-	-	-
S - 4312	Direct Program		-	161,692	-	161,692	161,692
S - 4406	Direct Program		-	52,625	-	52,625	52,625
All-Terrain Vehicle (ATV) Program							
ATV 3005	Direct Program	370.576 & 370.577	-	3,813	-	3,813	3,813
ATV 3211	Direct Program		(5,992)	-	5,992	-	-
All-Terrain Vehicle (ATV) Program (Continued)							
ATV 3231	Direct Program		-	1,698	-	1,698	1,698
ATV 3219	Direct Program		-	4,050	1,350	5,400	5,400
ATV 3142	Direct Program		-	24,300	-	24,300	24,300
UTV 14001	Direct Program		-	807	-	807	807
UTV 15016	Direct Program		-	4,125	-	4,125	4,125
Targeted Runoff Management	Direct Program	370.602	-	145,000	5,000	150,000	150,000
Environmental Aids - Municipal & County Recycling							
	Direct Program	370.665	-	207,689	-	207,689	207,689
Total Department of Natural Resources			<u>(32,130)</u>	<u>799,057</u>	<u>12,342</u>	<u>779,269</u>	<u>779,269</u>
DEPARTMENT OF TRANSPORTATION							
Elderly and Handicapped Transportation Aids							
	Direct Program	395.101	-	97,063	-	97,063	97,063

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2015

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/2015	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/15	Total Revenues	
DEPARTMENT OF CORRECTIONS							
Community Intervention Program	Direct Program	410.302	-	6,780	-	6,780	6,780
Community Youth and Family Aids	Direct Program	410.313	89,626	347,071	(87,911)	348,786	348,786
Total Department of Corrections			89,626	353,851	(87,911)	355,566	355,566
DEPARTMENT OF HEALTH SERVICES							
Fraud	Brown County, Wisconsin	435.60	-	2,919	-	2,919	2,919
FSET Admin GPR/Fed Base	Direct Program	435.231	-	4,899	-	4,899	4,899
IM Available Allocation-State	Brown County, Wisconsin	435.283	-	117,614	-	117,614	117,614
IM Available Allocation-State	Brown County, Wisconsin	435.284	-	1,626	393	2,019	2,019
IM Available Allocation-State Supplemental	Brown County, Wisconsin	435.292	-	6,564	-	6,564	6,564
IM Available Allocation-Federal Supplemental	Brown County, Wisconsin	435.293	-	41	-	41	41
IM Available Allocation-State ACA	Brown County, Wisconsin	435.297	(17,500)	52,607	15,000	50,107	50,107
IM Available Allocation-Federal ACA	Brown County, Wisconsin	435.298	(147)	365	93	311	311
Adult Protective Services	Direct Program	435.312	-	-	511	511	511
Community Options Program	Direct Program	435.367	(213,679)	545,472	12,731	344,524	344,524
Medical Assistance Program Benefits							
COP W Program	Direct Program	435.338	(11,579)	155,040	(54,520)	88,941	88,941
CIP II Program	Direct Program	435.348	(79,700)	484,257	(175,489)	229,068	229,068
CIP II Community Relocation	Direct Program	435.369	(911)	48,472	(22,127)	25,434	25,434
CIP II Diversions	Direct Program	435.375	47,123	105,886	(113,263)	39,746	39,746
ICFMR	Direct Program	435.407	(97,501)	200,874	(37,023)	66,350	66,350
FC Transition CIP 1B	Direct Program	435.410	(13,178)	24,685	(11,507)	-	-
CIP 1B MFP	Direct Program	435.475	(14,405)	14,405	-	-	-
CIP II MFP	Direct Program	435.478	(2,393)	4,583	1,208	3,398	3,398
CIP 1B Program	Direct Program	435.564	(109,544)	488,119	(265,468)	113,107	113,107
CIP 1A Program	Direct Program	435.580	-	255,373	(141,199)	114,174	114,174
CLTS Other GPR	Direct Program	435.871	-	45,952	-	45,952	45,952
CLTS Autism GPR	Direct Program	435.874	-	117,200	-	117,200	117,200
Other CWA Admin GPR	Direct Program	435.877	-	4,139	-	4,139	4,139
Autism CWA Admin GPR	Direct Program	435.880	-	10,092	-	10,092	10,092
CLTS PF BCA Matched	Direct Program	435.883	-	(51)	-	(51)	(51)

(Continued)

OCONTO COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2015

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/15	Total Revenues	
DEPARTMENT OF HEALTH SERVICES (Continued)							
Coordinated Services County	Direct Program	435.515	-	49,598	(10,069)	39,529	39,529
Certified Mental Health Program	Direct Program	435.517	-	-	19,554	19,554	19,554
Non-Resident - 997	Direct Program	435.531	(1,249)	1,249	-	-	-
Grants for Infants and Toddlers with Disabilities	Direct Program	435.550	-	25,482	-	25,482	25,482
State Funded-Basic County Allocation	Direct Program	435.561	-	670,230	-	670,230	670,230
Family Support Program	Direct Program	435.577	473	20,482	5,648	26,603	26,603
State Funded-State/County Match	Direct Program	435.681	-	92,950	-	92,950	92,950
MA COP LTS Expansion	Direct Program	435.1425	(3,801)	3,801	-	-	-
CST Counties 2014	Direct Program	435.81099	24,710	(24,710)	-	-	-
CST Counties 2015	Direct Program	435.810300	-	48,469	-	48,469	48,469
WIC Farmers' Market Nutrition Program	Direct Program	435.154720	(1,061)	2,122	-	1,061	1,061
WWWP - GPR	Direct Program	435.157000	(13,773)	13,773	-	-	-
WWWP	Direct Program	435.157010	-	8,101	-	8,101	8,101
Lead Poisoning	Direct Program	435.157720	-	698	2,870	3,568	3,568
Maternal & Child Health Svc. Block Grant	Direct Program	435.159320	(259)	353	497	591	591
Aging and Disability Resource Center	Shawano County, Wisconsin	435.560100	-	28,797	-	28,797	28,797
Elderly Benefit Specialist Program	GWAAR*	435.560320	(2,354)	28,217	2,352	28,215	28,215
State Pharmaceutical Assistance Program	GWAAR*	435.560327	(1,000)	4,479	1,750	5,229	5,229
State Senior Community Services	GWAAR*	435.560330	-	5,847	1,847	7,694	7,694
Home Delivered Meals (Title III-C-1)	GWAAR*	435.560350	-	66,962	-	66,962	66,962
Home Delivered Meals (Title III-C-2)	GWAAR*	435.560360	-	5,205	-	5,205	5,205
Alzheimer's	GWAAR*	435.560381	(3,909)	16,986	-	13,077	13,077
Elder Abuse	GWAAR*	435.560490	(2,602)	16,222	5,973	19,593	19,593
Total Department of Health Services			(518,239)	3,776,446	(760,238)	2,497,969	2,497,969
DEPARTMENT OF CHILDREN AND FAMILIES							
CW non PS Survey Reimbursement	Direct Program	437.1010	-	250	-	250	250
AW DOJ Fingerprint Background	Direct Program	437.3324	(76)	415	-	339	339
State Funded-Basic County Allocation	Direct Program	437.3561	-	182,548	-	182,548	182,548
State Funded-State/County Match	Direct Program	437.3681	-	32,012	-	32,012	64,024
Child Support	Direct Program	437.7502	-	39,883	-	39,883	39,883
Total Department of Children and Families			(76)	255,108	-	255,032	287,044
DEPARTMENT OF JUSTICE							
County Law Enforcement Services	Direct Program	455.226	-	23,760	-	23,760	23,760
Law Enforcement Training Fund	Direct Program	455.231	-	6,240	-	6,240	6,240
Victim and Witness Assistance Program	Direct Program	455.503, 455.532	-	34,020	-	34,020	34,020
Program Cluster	Direct Program	& 455.539	-	34,020	-	34,020	34,020
Total Department of Justice			-	64,020	-	64,020	64,020

* Greater Wisconsin Agency on Aging Resources

(Continued)

OCONTO COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2015

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/15	Total Revenues	
<u>DEPARTMENT OF MILITARY AFFAIRS</u>							
Hazard Mitigation Grant Program	Direct Program	465.305	-	6,361	-	6,361	6,361
Emergency Planning Grant Program	Direct Program	465.337					
FFY14			(5,852)	5,852	-	-	-
FFY15			-	6,497	6,497	12,994	12,994
Total Department of Military Affairs			(5,852)	18,710	6,497	19,355	19,355
<u>DEPARTMENT OF ADMINISTRATION</u>							
Land Information Grants							
2015	Direct Program	505.166	-	31,488	-	31,488	31,488
Public Benefits		505.371					
2014-15	Direct Program		(3,656)	19,757	-	16,101	16,101
2015-16	Direct Program		-	5,901	5,192	11,093	11,093
Total Department of Administration			(3,656)	57,146	5,192	58,682	58,682
TOTAL STATE PROGRAMS			\$ (495,427)	\$ 5,627,987	\$ (772,683)	\$ 4,359,877	\$ 4,391,889

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, 2015

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 the Office of Management and Budget (OMB) Uniform Guidance 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 2015 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 the Uniform Guidance. Therefore major programs represent those with combined expenditures exceeding 20% 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 20% of total state financial assistance that also were deemed major programs based on the auditors' risk assessment. In addition, certain state financial assistance programs were designated state major by the state granting agency and therefore considered state major. All other state financial assistance programs are considered non-major programs.

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

NOTE C - OVERSIGHT AGENCIES

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

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

OCONTO COUNTY, WISCONSIN

**Notes to the Schedule of Federal Awards and the Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2015**

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, 2015	\$	26,490
Cash balance at December 31, 2015		40,440
Administrative expenditures for year ended December 31, 2015		-
Total Expenditures for CFDA #11.307	<u>\$</u>	<u>66,930</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, 2016 CARS for the Human Services Department and the December 2015 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, 2015

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 the Uniform Guidance	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
93.778	Medical Assistance Program

State ID Number	Name of State Program
115.15	Basic Annual Staffing Grants
115.40	Land and Water Resources Management Plan Implementation
370.574 & 370.575	Snowmobile Aids
395.101	Elderly Transportation Aids
410.313	Community Youth and Family Aids
435.283	IM Available Allocation-State
435.284	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
435.367	Community Options Program
	<i>Medical Assistance Programs</i>
435.338	COP W Program
435.348	CIP II Program
435.369	CIP II Community Relocation
435.375	CIP II Diversions
435.407	ICFMR
435.478	CIP II MFP
435.564	CIP 1B Program
435.580	CIP 1A Program
435.561	State Funded-Basic County Allocation
437.3561	State Funded-Basic County Allocation

Audit threshold used to determine between Type A and Type B programs:	
Federal	\$750,000
State (non-DHS)	\$250,000
State (DHS)	\$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, 2015

Section II - Basic Financial Statement Findings

Finding No.	Control Deficiencies
2014-001	<p>Preparation of Annual Financial Report</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

OCONTO COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 2015

Section III - Federal Award Findings and Questioned Costs

Finding No.	Internal Control Deficiency
2014-002	<p>Financial Reporting for Federal and State Financial Assistance</p> <p><i>Federal CFDA – All</i> <i>State IDs - All</i></p> <p>Condition: OMB Uniform Guidance and the <i>State Single Audit Guidelines</i> 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.</p> <p>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.</p> <p>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.</p> <p>Effect: The County could receive federal or state grant awards which are not included in the accompanying Schedules of Federal Awards and State Financial Assistance.</p> <p>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.</p>

OCONTO COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 2015

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

Finding No.	OMB Uniform Guidance and State Single Audit Guidelines Findings
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2015-001 General Requirements- Purchase of Service Contracts

*Federal CFDA - All
 State IDs - All*

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

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

Questioned Costs: At the end of fieldwork, the County had not received a 2014 audit report from providers as detailed below:

Vendor	CARS or CORE Line	Amount
<i>Country Healthcare</i>		
Basic County Allocation	561	\$ 99,819
COP waiver	337	19,693
CIP II	347	35,923
CIP II - NH Diversion	374	44,036
<i>Innovative Counseling Services</i>		
Youth Aids	N/A	53,835
Basic County Allocation	561	1,117
Safe and Stable Families	3306	372
<i>Lakewood Assisted Living, LLC</i>		
CIP II	368	69,548
CIP II Diversions	374	36,034
Basic County Allocation	561	7,381

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

OCONTO COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 2015

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 30, 2016

OCONTO COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2015

Prior Year Audit Findings

The findings noted in the 2014 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 2014-001 and 2014-002 outweigh the benefits to be received. Management reviews the financial report and the single audit report.

Corrective Action Plan

2014-001 Preparation of Annual Financial Report

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

2014-002 Financial Reporting for Federal and State Financial Assistance

Reporting objectives relate to the preparation of reports for use by the County, its stakeholders, or other external parties. Reporting includes *External Financial Reporting Objectives* related to the release of the County's financial performance in accordance with professional standards, applicable laws and regulations, as well as expectations of stakeholders.

Historically, the independent audit firm has assisted the County with financial statement preparation, footnote disclosures, required supplemental information (RSI) disclosures, the Schedule of Expenditures of Federal and State Awards (SEFSA) and the adjustments necessitated by multiple basis of accounting requirements (including GASB #34 and certain regulatory bodies such as the Wisconsin Public Service Commission). As a matter of convenience, use of the independent audit firm results in several benefits to the County:

1. External auditors, by definition, work with multiple counties. Footnotes, RSI, SEFSA and basis adjustments become uniform among entities more rapidly when the external auditor serves as the information centric location. This uniformity is useful to the County and its stakeholders for comparison purposes.
2. External auditors, by necessity to perform their single audit compliance testing, obtain information needed to develop the SEFSA from multiple County reporting systems with federal and state funding sources. This provides the efficiency of a central data collection point.
3. External auditors are a useful knowledge resource and normally possess a good working knowledge of the activities of the County. Therefore, the cost to implement rapidly changing reporting requirements are kept to a minimum and avoid the need for duplication of services. By reducing the need for duplicative services (multiple firms or partnerships with others), the County continues to benefit from the *Single Audit* approach.

OCONTO COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan (Continued)
For the Year Ended December 31, 2015

Corrective Action Plan (Continued)

2014-002 Financial Reporting for Federal and State Financial Assistance (Continued)

The County and its representative: Teri Boos, CPA, Finance Director, possess the skill, knowledge and experience to accept, review and approve all non-audit services performed for the County by the independent auditor. We formally acknowledge that responsibility annually in the engagement letter and the management representation letter. Our review prior to acceptance includes but is not limited to:

1. Reconciliation of general ledger amounts to the preliminary draft report.
2. Reconciliation of the draft report to those reports previously submitted to multiple County reporting systems of federal and state funding sources. This includes state agencies such as the Department of Health Service, Department of Transportation and Department of Revenue.
3. Review of disclosures for adequacy by completing a disclosure checklist or reviewing applicable guidance and with prior reports modified for current changes in reporting requirements (such as the implementation of GASB #68).
4. Review and approval of all proposed accounting adjustments and those adjustments necessitated for reporting only along with supporting documentation.
5. Maintenance of our skill, knowledge and experience by utilization of continuing education programs, government-specific training provided by funding sources and related professional organizations.

We believe our current approach to the audit finding remains appropriate and cost effective.

2015-001 General Requirements - Purchase of Service Contracts

The County will continue to request audits of subrecipient provider agencies, review the reports and follow-up on any compliance concerns.

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, 2015, we have also examined the 2015 Financial Report Form A required to be submitted to the Wisconsin Department of Revenue (WDR) by Wisconsin Administration Rule, Tax 16. The 2015 Financial Report Form A has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion the 2015 Financial Report Form A, with the attached revisions, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Since the 2015 Financial Report Form A has already been filed with the WDR, the County anticipates the WDR will adjust the filed copy to agree with the attached account revisions.

Certified Public Accountants
Green Bay, Wisconsin
June 30, 2016

OCONTO COUNTY, WISCONSIN
Schedule of Revisions to 2015 State Financial Report Form
Submitted to Wisconsin Department of Revenue

Seq./Acct. Number	Per State Financial Report	Increase (Decrease)	Per Audit
Governmental Funds:			
Revenues			
113-48110	\$ 107,521	\$ (3,173)	\$ 104,348
113-48309	3,727,336	(2,977,336)	750,000
115-49200	114,616	(64,616)	50,000
Subtotal Revenues	<u>3,949,473</u>	<u>(3,045,125)</u>	<u>904,348</u>
Expenditures			
134-59200	\$ 2,977,336	(2,977,336)	\$ -
Net Governmental Fund Changes		\$ (67,789)	
Governmental Fund Balance			
Per Filed Report			
151-34000		<u>24,599,606</u>	
Per Audit Report - Page 18		<u>\$ 24,531,817</u>	
Proprietary Funds:			
Expenses:			
210-53311	\$ 3,709,488	\$ (200,068)	\$ 3,509,420
210-53320	1,796,953	(96,917)	1,700,036
210-53330	2,015,861	(108,724)	1,907,137
209-53631	555,813	15,562	571,375
Subtotal Expenses	<u>8,078,115</u>	<u>(390,147)</u>	<u>7,687,968</u>
223-61000	(281,136)	390,147	109,011
230-85000 (cumulative effect, net pension asset)	-	959,919	959,919
231-33000	<u>9,861,108</u>	<u>1,350,066</u>	<u>11,211,174</u>
Indebtedness			
930-50400	\$ 1,668,274	\$ 231,743	\$ 1,900,017