

Oconto County, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2019



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Oconto County, Wisconsin

DECEMBER 31, 2019

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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, 2019, 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, 2019, 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.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the schedules relating to pensions and other postemployment benefits on pages 60 through 64 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.

Prior-Year Comparative Information

We have previously audited the County's 2018 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information in our report dated August 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 schedules of expenditures of federal and state awards 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 Wisconsin Department of Administration, are also not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Oconto County, Wisconsin as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated August 19, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements for the year ended December 31, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2018.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020, 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 solely 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 effectiveness of 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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 28, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

MDAOconto County, Wisconsin
Management's Discussion and Analysis
December 31, 2019

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, 2019.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2019 by \$122,589,232 (*net position*). Of this amount, \$26,597,232 (*unrestricted*) may be used to meet the County's ongoing obligations to citizens and creditors. Of the remainder, \$95,559,030 is net investment in capital assets, and \$432,970 is restricted for unspent grant awards and advances.
- The County's total net position decreased by \$9,447 from 2018. The decrease consisted of a decrease in governmental activities of \$492,808 and an increase in business-type activities of \$483,361.
- As of December 31, 2019, the County's governmental funds reported combined ending fund balances of \$23,905,897, an increase of \$982,847 from the prior year. The investment in capital assets decreased by \$1,254,286 in 2019. Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.
- As of December 31, 2019, the County's general fund unassigned fund balance was \$14,777,263, approximately 76% of the total 2019 general fund expenditures of \$19,465,299.
- At the end of 2019, the County had \$20,100,000 of general obligation debt outstanding. There was no new debt borrowing in 2019. 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 \$205,111,905. The County is well under its limitation.
- The county's 2019 equalized value increased from the previous year by 1.044%, to \$4,087,983,235 (excluding TID). This is the sixth increase after five years of consecutive decreases.
- The property tax mill rate decreased 17.3 cents per \$1,000 of equalized value for the year 2019 to \$5.124, compared to \$5.297 in 2018. The property tax levy increased to \$20,069,211 in 2019 from \$19,841,178, an increase of \$228,033. Of this \$979,149 (\$.25 per \$1,000 of equalized value) is for the debt service fund. The increase was within the state imposed tax levy and tax rate limits.

Overview of the Basic Financial Statements

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

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

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

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

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

The government-wide financial statements include not only Oconto County itself (known as the *primary government*), but also a legally separate Commission on Aging for which the County is financially accountable. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 11-13 of this report.

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

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

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

Oconto County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, human services fund and county roads and bridges fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary section of this report.

The County adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund and for each individual, major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14-22 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 23-28 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 29 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 30 of this report.

Other information: The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 75 of this report.

Government-wide Financial Analysis

Net assets: As noted earlier, net assets may serve over time as a useful indicator of the County’s financial position. In the case of the County, assets exceeded liabilities by \$122,589,232 at the close of the year.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2019	2018	2019	2018	2019	2018
OCONTO COUNTY NET POSITION						
Current and other assets	\$ 47,961,192	\$ 46,782,059	\$ 7,033,506	\$ 6,470,998	\$ 54,994,698	\$ 53,253,057
Net pension asset.....		\$ 2,358,862		\$ 556,481	\$ -	\$ 2,915,343
Capital assets	108,297,032	109,807,791	7,882,871	7,626,398	\$ 116,179,903	\$ 117,434,189
Total assets	156,258,224	158,948,712	14,916,377	14,653,877	171,174,601	173,602,589
Deferred outflows of resources.....	7,945,451	4,414,662	1,855,701	1,034,249	\$ 9,801,152	\$ 5,448,911
Long-term liabilities outstanding	26,243,495	24,483,444	3,429,221	2,648,618	\$ 29,672,716	\$ 27,132,062
Other liabilities	2,816,683	2,961,982	455,041	507,864	\$ 3,271,724	\$ 3,469,846
Total liabilities	29,060,178	27,445,426	3,884,262	3,156,482	32,944,440	30,601,908
Deferred inflows of resources	24,487,981	24,745,565	954,100	1,105,348	\$ 25,442,081	\$ 25,850,913
Net position:						
Invested in capital assets	87,676,159	87,865,757	7,882,871	7,601,249	\$ 95,559,030	\$ 95,467,006
Restricted for unspent grants	432,970	2,881,813		556,481	432,970	\$ 3,438,294
Restricted for debt.....		-			\$ -	\$ -
Restricted for jail facility.....		-			\$ -	\$ -
Restricted for pension benefits.....		-		-	\$ -	\$ -
Unrestricted	22,546,387	20,400,754	4,050,845	3,292,625	26,597,232	\$ 23,693,379
	\$ 110,655,516	\$ 111,148,324	\$ 11,933,716	\$ 11,450,355	\$ 122,589,232	\$ 122,598,679

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

The remaining balance of *unrestricted net assets* of \$26,597,232 may be used to meet the County’s ongoing obligations to its citizens and creditors.

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

Change in net assets. Governmental activities decreased the County’s net assets by \$492,808 and business-type activities increased the County’s net assets by \$483,361 during the year, thus resulting in a net decrease of \$9,447 of the total net assets of the County.

OCONTO COUNTY CHANGE IN NET POSITION PRIMARY GOVERNMENT	Governmental Activities		Business-type Activities		TOTALS	
	2019	2018	2019	2018	2019	2018
	Revenues:					
Program revenues:						
Charges for services, fees, fines, costs ...	\$ 5,614,203	\$ 5,247,898	\$ 11,688,365	\$ 10,441,196	\$ 17,302,568	\$ 15,689,094
Operating grants and contributions	7,921,377	7,776,282	192,257	165,336	8,113,634	7,941,618
General revenues:						
Property taxes	20,069,211	19,841,178	-	-	20,069,211	19,841,178
Other taxes	2,810,808	2,763,399	-	-	2,810,808	2,763,399
Grants and contributions not restricted to specific programs	760,440	703,305	-	-	760,440	703,305
Interest and investment earnings	738,178	529,125	36,165	21,814	774,343	550,939
Other	1,337,656	446,517	(464)	(35,826)	1,337,192	410,691
Total revenues	39,251,873	37,307,704	11,916,323	10,592,520	51,168,196	47,900,224
Expenses:						
General government	6,879,494	5,856,816	-	-	6,879,494	5,856,816
Public safety	9,460,404	8,800,547	-	-	9,460,404	8,800,547
Public works	6,995,596	6,500,177	-	-	6,995,596	6,500,177
Health and human services	12,072,210	10,542,631	-	-	12,072,210	10,542,631
Culture and recreation	1,849,177	1,719,308	-	-	1,849,177	1,719,308
Development	1,646,849	1,932,036	-	-	1,646,849	1,932,036
Interest on long-term debt	425,951	441,575	-	-	425,951	441,575
Highway	-	-	10,853,612	9,743,906	10,853,612	9,743,906
MAR-OCO landfill	-	-	653,946	574,855	653,946	574,855
Recycling	-	-	340,404	276,381	340,404	276,381
Total expenses	39,329,681	35,793,090	11,847,962	10,595,142	51,177,643	46,388,232
Increase in net assets before transfers	(77,808)	1,514,614	68,361	(2,622)	(9,447)	1,511,992
Transfers	(415,000)	-	415,000	-	-	-
Change in net position	(492,808)	1,514,614	483,361	(2,622)	(9,447)	1,511,992
Net position January 1	111,148,324	109,633,710	11,450,355	11,452,977	122,598,679	121,086,687
Net position December 31	\$110,655,516	\$111,148,324	\$11,933,716	\$11,450,355	\$122,589,232	\$122,598,679

Governmental activities. Elements contributing to the \$492,808 decrease in governmental net position is mainly due to a transfer to business-type activities and a slight net increase in governmental operations.

Business-type activities. Elements contributing to the \$483,361 increase in business-type net assets include:

- Transfer of \$400,000 to the Highway fund and \$15,000 to Recycling.
- Highway business-type fund resulted in net gain of \$208,643.
- Recycling operations resulted in a net loss of \$57,317.
- MAR-OCO Landfill operations resulted in a net loss of \$82,965.

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, 2019, the County's governmental funds reported a combined ending fund balance of \$23,905,897, an increase of \$982,847 from the prior year. Of that combined ending fund balance, \$14,777,263 (62%) constitutes *unassigned fund balance* that is available for spending at the County's discretion. The remainder of fund balance is *assigned, restricted, committed and non-spendable* to indicate that it is not available for new spending because it has already been committed for the following, such as, non-liquid delinquent taxes, long-term advances, 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 \$14,777,263, while the total fund balance was \$17,839,611. 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 76% of total general fund expenditures, while the total fund balance represents 92% of general fund expenditures. In relation to general fund revenues, unassigned fund balance also represents 75% of total general fund revenues.

The fund balance of the County's general fund increased \$1,280,054, from \$16,559,557 to \$17,839,611 during the year.

The Health & Human Services fund had a balance of \$1,157,089 at the end of the year. This fund balance increased \$301,201 during the year, mainly due to an increase in state aid revenue and public charges for services.

The County Roads and Bridges fund had a balance of \$736,686 at the end of the year. This fund balance decreased \$438,960 during the year. The tax levy for the roads and bridge was \$3,465,000 in 2019, a decrease of \$225,336 from 2018. This excludes the local bridge aid levies.

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

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

	<u>12/31/2019</u>	<u>12/31/2018</u>
Highway	\$4,174,146	\$3,458,908
MAR-OCO Landfill	(297,164)	(366,957)
Recycling	173,863	200,674

The results of operations for the aforementioned funds have been noted in the Change in Net Position section on the previous page.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended budget, amounted to a \$2,156,280 increase in appropriations and was primarily attributed to additional expenditures for capital projects.

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 \$1,280,054 thus increasing the general fund balance at the end of 2019 to \$17,839,611 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 \$116,179,903 (net of accumulated depreciation), a decrease of \$1,254,286 from 2018. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges).

Oconto County's Capital Assets						
OCONTO COUNTY CAPITAL ASSETS (net of depreciation)						
Asset	Government activities		Business-type activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 13,893,583	\$ 13,893,583	\$ 122,903	\$ 122,903	\$ 14,016,486	\$ 14,016,486
Buildings	34,345,657	35,253,827	1,125,571	1,251,738	35,471,228	36,505,565
Improvements other than buildings	480,340	348,643	944,299	1,061,644	1,424,639	1,410,287
Machinery and equipment	2,083,340	1,631,794	5,605,767	5,010,095	7,689,107	6,641,889
Infrastructure	57,494,112	58,679,944		-	57,494,112	58,679,944
Construction in progress			46,106	173,349	46,106	173,349
Other			38,225	6,669	38,225	6,669
Total	\$ 108,297,032	\$ 109,807,791	\$ 7,882,871	\$ 7,626,398	\$ 116,179,903	\$ 117,434,189

Additional information on the County’s capital assets can be found in Note D.

Long-term Debt: At the end of the year Oconto County had total debt outstanding of \$20,100,000. This is to fund the Law Enforcement Center. 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	
	2019	2018	2019	2018	2019	2018
General obligation debt:						
Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	20,100,000	21,325,000	-	-	20,100,000	21,325,000
Total general obligation debt	\$ 20,100,000	\$ 21,325,000	\$ -	\$ -	\$ 20,100,000	\$ 21,325,000

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 \$205,111,905. With the actual County debt outstanding amount of \$20,100,000 the County is well under its limitation.

Additional information on Oconto County’s long-term debt can be found in Note G.

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 June 2020 was 8.3%, and compares with the statewide rate of 8.7% and a federal rate of 11.2%. Figures are provided by the Wisconsin Dept of Workforce Development website at: <https://www.jobcenterofwisconsin.com/wisconomy/query>. These rates increased significantly from the June 2019 rates, which included a county rate of 3.4%, a statewide rate of 2.9%, and a federal rate of 3.8%. This increase is largely attributed to the COVID-19 pandemic (see below), in which many businesses were forced to close or reduce operations for an extended period of time.

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 2019-2020.

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 2018 levy (collected in 2019) the County's increase in NNC was 1.3961%. The state allowed minimum percentage was 0%. For the 2019 levy (collected in 2020) the county's increase is 1.3856% 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.

COVID-19 Pandemic

Subsequent to year-end, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. This pandemic has had significant impact on Oconto County, as it has throughout the world. Oconto County is anticipating a measurable loss in revenue, including a decrease in recreational fees, court fees, third-party billing revenue, and out-of-county prisoner board, due to the Safer-at-Home Executive Order issued by Governor Tony Evers on March 24, 2020, in which many businesses, including some government agencies, were forced to close or reduce operations, in an effort to slow the spread of the disease. The full financial impact to Oconto County is unknown at this time, as these events are still developing and ongoing. In addition, it was estimated that Oconto County would experience a 7.8% - 11.9% decrease in county sales tax revenue. To date, those estimates have been overstated, and Oconto County has shown a slight increase in county sales tax revenue from the previous year.

In addition, Oconto County has realized an increase in unbudgeted expenditures, as a result of their response to COVID-19, including personnel costs for emergency management and public health response, medical and personal protective equipment (PPE), computers and equipment for telework, and cleaning, sanitizing, and related mitigation costs. On May 27, 2020, Governor Evers announced the Routes to Recovery: Local Government Aid Grants program, funded by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. Oconto County has been allocated \$630,435.00 through this grant program. It is anticipated that these funds will be adequate to cover the unbudgeted expenditures of the county, however these funds cannot be used to recover the loss in revenue.

Revolving Loan Fund Closeout

In March 2020, Oconto County approved closing their Community Development Block Grant (CDBG) RLF funds accounts. These funds were administered by the Oconto County Economic Development Corporation to make loans to qualifying businesses. \$1,331,929.47 was returned to the Wisconsin Department of Administration, and the county has submitted an application to reapply for these CDBG funds to be used towards the New View/New Beginnings Training Center project. As a result, Oconto County assumed the liability for the outstanding balances of these loans. The total outstanding balance as of July 23, 2020 is \$103,732.08.

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 Lisa Sherman, Finance Director, Oconto County Finance Department, 301 Washington St., Oconto, WI 54153 or via the County's website at www.co.oconto.wi.us.

BASIC FINANCIAL STATEMENTS

Oconto County, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Totals		Component Unit Commission on Aging
			2019	2018	
ASSETS					
Cash and investments	\$ 21,337,685	4,200,451	\$ 25,538,136	\$ 24,524,337	\$ 37,916
Receivables					
Taxes and special charges	20,501,647	-	20,501,647	20,059,211	-
Delinquent taxes	2,802,187	-	2,802,187	2,794,912	-
Accounts	2,715,469	45,048	2,760,517	2,260,899	-
Loans	118,582	-	118,582	171,250	-
Other	72,036	875	72,911	1,498	-
Due from other governments	402,861	347,662	750,523	1,091,835	204,648
Inventories and prepaid items	10,725	1,612,966	1,623,691	1,567,994	-
Restricted assets					
Cash and investments	-	826,504	826,504	781,121	-
Net pension asset	-	-	-	2,915,343	-
Capital assets, nondepreciable	13,893,583	247,903	14,141,486	14,189,835	-
Capital assets, depreciable	94,403,449	7,634,968	102,038,417	103,244,354	53,446
Total assets	<u>156,258,224</u>	<u>14,916,377</u>	<u>171,174,601</u>	<u>173,602,589</u>	<u>296,010</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	7,612,461	1,779,047	9,391,508	5,337,765	-
Other postemployment related amounts	332,990	76,654	409,644	111,146	-
Total deferred outflows of resources	<u>7,945,451</u>	<u>1,855,701</u>	<u>9,801,152</u>	<u>5,448,911</u>	<u>-</u>
LIABILITIES					
Accounts payable	1,022,006	286,335	1,308,341	1,588,945	20,376
Accrued and other current liabilities	696,725	140,656	837,381	794,479	15,638
Due to other governments	257,555	-	257,555	350,023	-
Accrued interest payable	41,917	-	41,917	36,396	-
Special deposits	798,480	-	798,480	650,575	-
Unearned revenues	-	28,050	28,050	49,428	-
Long-term obligations					
Due within one year	1,250,000	-	1,250,000	1,250,149	-
Due in more than one year	20,084,672	260,373	20,345,045	21,712,781	-
Closure and postclosure care costs	-	2,024,218	2,024,218	1,928,470	-
Net pension liability	2,819,008	662,888	3,481,896	-	-
Other postemployment benefits	2,089,815	481,742	2,571,557	2,240,662	-
Total liabilities	<u>29,060,178</u>	<u>3,884,262</u>	<u>32,944,440</u>	<u>30,601,908</u>	<u>36,014</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	20,426,770	-	20,426,770	20,059,211	-
Pension related amounts	3,881,015	912,626	4,793,641	5,739,574	-
Other postemployment related amounts	180,196	41,474	221,670	52,128	-
Total deferred inflows of resources	<u>24,487,981</u>	<u>954,100</u>	<u>25,442,081</u>	<u>25,850,913</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	87,676,159	7,882,871	95,559,030	95,467,006	53,446
Restricted	432,970	-	432,970	3,438,294	22,492
Unrestricted	22,546,387	4,050,845	26,597,232	23,693,379	184,058
Total net position	<u>\$ 110,655,516</u>	<u>11,933,716</u>	<u>\$ 122,589,232</u>	<u>\$ 122,598,679</u>	<u>\$ 259,996</u>

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

Oconto County, Wisconsin

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES			
General government	\$ 6,879,494	\$ 811,310	\$ 300,249
Public safety	9,460,404	867,427	280,599
Public works	6,995,596	-	1,457,219
Health and human services	12,072,210	2,506,286	4,623,833
Culture and recreation	1,849,177	1,066,190	393,462
Conservation and development	1,646,849	362,990	866,015
Interest and fiscal charges	425,951	-	-
Total governmental activities	<u>39,329,681</u>	<u>5,614,203</u>	<u>7,921,377</u>
BUSINESS-TYPE ACTIVITIES			
Highway	10,853,612	11,062,255	-
MAR-OCO Landfill	653,946	534,816	-
Recycling	340,868	91,294	192,257
Total business-type activities	<u>11,848,426</u>	<u>11,688,365</u>	<u>192,257</u>
Total primary government	<u>\$ 51,178,107</u>	<u>\$ 17,302,568</u>	<u>\$ 8,113,634</u>
Component Unit			
Commission on Aging	<u>\$ 601,873</u>	<u>\$ 95,855</u>	<u>\$ 508,870</u>

General revenues
 Taxes
 Property taxes
 Sales tax
 Other taxes
 Federal and state grants and other contributions
 not restricted to specific functions
 Interest and investment earnings
 Miscellaneous
 Gain on sale of asset
 Transfers
 Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

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

		Net (Expense) Revenue and Changes in Net Position		Component Unit					
		Governmental Activities	Business-type Activities	Totals		Commission on Aging			
				2019	2018				
\$	(5,767,935)	\$	-	\$	(5,767,935)	\$	(5,233,176)	\$	-
	(8,312,378)		-		(8,312,378)		(7,690,866)		-
	(5,538,377)		-		(5,538,377)		(5,211,853)		-
	(4,942,091)		-		(4,942,091)		(4,551,065)		-
	(389,525)		-		(389,525)		143,696		-
	(417,844)		-		(417,844)		(914,494)		-
	(425,951)		-		(425,951)		(441,575)		-
	(25,794,101)		-		(25,794,101)		(23,899,333)		-
	-		208,643		208,643		98,419		-
	-		(119,130)		(119,130)		(38,968)		-
	-		(57,317)		(57,317)		(94,151)		-
	-		32,196		32,196		(34,700)		-
	(25,794,101)		32,196		(25,761,905)		(23,934,033)		-
	-		-		-		-		2,852
	20,069,211		-		20,069,211		19,841,178		-
	2,094,207		-		2,094,207		2,060,785		-
	716,601		-		716,601		702,614		-
	760,440		-		760,440		703,305		-
	738,178		36,165		774,343		550,939		6,277
	1,337,656		-		1,337,656		1,576,940		-
	-		-		-		10,264		-
	(415,000)		415,000		-		-		-
	25,301,293		451,165		25,752,458		25,446,025		6,277
	(492,808)		483,361		(9,447)		1,511,992		9,129
	111,148,324		11,450,355		122,598,679		121,086,687		250,867
\$	110,655,516	\$	11,933,716	\$	122,589,232	\$	122,598,679	\$	259,996

Oconto County, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	<u>General</u>	<u>Human Services</u>	<u>County Roads and Bridges</u>	<u>Debt Service</u>
ASSETS				
Cash and investments	\$ 14,921,504	\$ 903,858	\$ 736,686	\$ -
Restricted cash and investments	-	53,745	-	-
Receivables				
Taxes and special charges	11,734,971	3,919,364	3,825,316	1,021,996
Delinquent taxes	2,203,176	-	-	-
Accounts	-	647,222	-	-
Loans	-	-	-	-
Other	2,002,617	-	-	-
Due from other funds	-	-	-	-
Due from other governments	272,813	130,048	-	-
Inventories and prepaid items	5,211	5,514	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 31,140,292</u>	<u>\$ 5,659,751</u>	<u>\$ 4,562,002</u>	<u>\$ 1,021,996</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 607,782	\$ 377,903	\$ -	\$ -
Accrued and other current liabilities	549,936	146,374	-	-
Due to other governments	257,251	30,276	-	-
Special deposits	225,618	28,745	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,640,587</u>	<u>583,298</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	11,660,094	3,919,364	3,825,316	1,021,996
Loans receivable	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>11,660,094</u>	<u>3,919,364</u>	<u>3,825,316</u>	<u>1,021,996</u>
Fund balances				
Nonspendable	1,780,522	5,514	-	-
Restricted	-	53,745	-	-
Assigned	1,281,826	1,097,830	736,686	-
Unassigned	14,777,263	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>17,839,611</u>	<u>1,157,089</u>	<u>736,686</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,140,292</u>	<u>\$ 5,659,751</u>	<u>\$ 4,562,002</u>	<u>\$ 1,021,996</u>

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

Other Governmental Funds	Totals	
	2019	2018
\$ 4,513,185	\$ 21,075,233	\$ 20,633,254
208,707	262,452	258,803
-	20,501,647	20,059,211
-	2,203,176	2,179,807
-	647,222	2,118,489
118,582	118,582	171,250
-	2,002,617	-
1,500	1,500	-
-	402,861	645,191
-	10,725	14,433
<u>\$ 4,841,974</u>	<u>\$ 47,226,015</u>	<u>\$ 46,080,438</u>

\$ 6,764	\$ 992,449	\$ 1,090,356
-	696,310	680,360
-	287,527	505,636
544,117	798,480	650,575

<u>550,881</u>	<u>2,774,766</u>	<u>2,926,927</u>
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-	20,426,770	20,059,211
118,582	118,582	171,250

<u>118,582</u>	<u>20,545,352</u>	<u>20,230,461</u>
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-	1,786,036	1,744,427
260,643	314,388	351,701
3,911,868	7,028,210	7,282,094
-	14,777,263	13,544,828

<u>4,172,511</u>	<u>23,905,897</u>	<u>22,923,050</u>
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<u>\$ 4,841,974</u>	<u>\$ 47,226,015</u>	<u>\$ 46,080,438</u>
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Oconto County, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	2019	2018
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 23,905,897	\$ 22,923,050
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	108,297,032	109,807,791
Long-term assets are not available; therefore, are not reported in the funds:		
Accounts receivable	735,177	677,562
Loans receivable	118,582	171,250
Net pension asset	-	2,358,862
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	7,612,461	4,324,354
Deferred inflows related to pensions	(3,881,015)	(4,643,999)
Deferred outflows related to other postemployment benefits	332,990	90,308
Deferred inflows related to other postemployment benefits	(180,196)	(42,355)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes payable	(20,100,000)	(21,325,000)
Premium on debt	(520,873)	(617,034)
Compensated absences	(713,799)	(624,242)
Net pension liability	(2,819,008)	-
Other postemployment benefits	(2,089,815)	(1,917,168)
Accrued interest on long-term obligations	(41,917)	(35,055)
Net position of governmental activities as reported on the statement of net position (see page 11)	\$ 110,655,516	\$ 111,148,324

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

Oconto County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Human Services	County Roads and Bridges	Debt Service
REVENUES				
Taxes	\$ 12,575,238	\$ 3,678,560	\$ 3,552,865	\$ 979,149
Intergovernmental	3,094,238	4,210,170	1,457,219	-
Licenses and permits	302,900	-	-	-
Fines and forfeits	163,625	-	-	-
Public charges for services	1,840,560	2,356,013	-	-
Intergovernmental charges for services	633,267	-	-	-
Miscellaneous	1,101,130	980,567	-	-
Total revenues	19,710,958	11,225,310	5,010,084	979,149
EXPENDITURES				
Current				
General government	5,990,929	-	-	-
Public safety	7,819,069	-	-	-
Public works	342,097	-	5,449,044	-
Health and human services	731,325	10,991,779	-	-
Culture and recreation	1,631,638	-	-	-
Conservation and development	1,872,185	-	-	-
Debt service				
Principal	-	-	-	1,225,000
Interest and fiscal charges	-	-	-	515,250
Capital outlay	1,078,056	-	-	-
Total expenditures	19,465,299	10,991,779	5,449,044	1,740,250
Excess of revenues over (under) expenditures	245,659	233,531	(438,960)	(761,101)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,049,395	67,670	-	761,101
Transfers out	(15,000)	-	-	-
Total other financing sources (uses)	1,034,395	67,670	-	761,101
Net change in fund balances	1,280,054	301,201	(438,960)	-
Fund balances - January 1	16,559,557	855,888	1,175,646	-
Fund balances - December 31	\$ 17,839,611	\$ 1,157,089	\$ 736,686	\$ -

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

Other Governmental Funds	Totals	
	2019	2018
\$ 2,110,301	\$ 22,896,113	\$ 22,559,728
-	8,761,627	8,517,513
10,105	313,005	278,768
29,437	193,062	174,687
-	4,196,573	4,079,037
-	633,267	662,908
171,582	2,253,279	2,490,404
<u>2,321,425</u>	<u>39,246,926</u>	<u>38,763,045</u>
-	5,990,929	5,746,516
109,885	7,928,954	7,657,190
-	5,791,141	4,991,164
9,237	11,732,341	11,170,856
-	1,631,638	1,648,304
83,585	1,955,770	1,854,743
-	1,225,000	1,225,000
-	515,250	539,750
-	1,078,056	880,794
<u>202,707</u>	<u>37,849,079</u>	<u>35,714,317</u>
<u>2,118,718</u>	<u>1,397,847</u>	<u>3,048,728</u>
-	1,878,166	1,787,855
<u>(2,278,166)</u>	<u>(2,293,166)</u>	<u>(1,787,855)</u>
<u>(2,278,166)</u>	<u>(415,000)</u>	<u>-</u>
(159,448)	982,847	3,048,728
<u>4,331,959</u>	<u>22,923,050</u>	<u>19,874,322</u>
<u>\$ 4,172,511</u>	<u>\$ 23,905,897</u>	<u>\$ 22,923,050</u>

Oconto County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 982,847	\$ 3,048,728
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 is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	3,761,727	2,833,870
Depreciation expense reported in the statement of activities	(5,270,795)	(5,070,262)
Net book value of disposals	(1,691)	-
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		
Accounts receivable	57,615	(96,598)
Loans receivable	(52,668)	(228,320)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repaid	1,225,000	1,225,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	(6,862)	2,014
Amortization of debt premium	96,161	96,161
Compensated absences	(89,557)	32,272
Net pension asset	(2,358,862)	2,358,862
Net pension liability	(2,819,008)	652,545
Deferred outflows of resources related to pensions	3,288,107	(681,377)
Deferred inflows of resources related to pensions	762,984	(2,591,683)
Other postemployment benefits	(172,647)	(114,551)
Deferred outflows related to other postemployment benefits	242,682	90,308
Deferred inflows related to other postemployment benefits	(137,841)	(42,355)
Change in net position of governmental activities as reported in the statement of activities (see pages 12 - 13)	<u>\$ (492,808)</u>	<u>\$ 1,514,614</u>

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

Oconto County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
REVENUES					
Taxes	\$ 12,477,857	\$ 12,477,857	\$ 12,575,238	\$ 97,381	\$ 11,866,408
Intergovernmental	2,636,118	2,815,237	3,094,238	279,001	3,076,912
Licenses and permits	263,750	263,750	302,900	39,150	279,657
Fines and forfeits	150,000	150,000	163,625	13,625	131,457
Public charges for services	1,516,190	1,516,190	1,840,560	324,370	1,887,985
Intergovernmental charges for services	631,760	631,760	633,267	1,507	676,353
Miscellaneous	488,791	499,616	1,101,130	601,514	1,050,876
Total revenues	18,164,466	18,354,410	19,710,958	1,356,548	18,969,648
EXPENDITURES					
Current					
General government	6,479,401	6,939,503	5,990,929	948,574	5,717,461
Public safety	7,660,007	7,752,042	7,819,069	(67,027)	7,567,144
Public works	291,980	291,980	342,097	(50,117)	296,021
Health and human services	779,900	804,707	731,325	73,382	744,761
Culture and recreation	1,518,705	1,769,281	1,631,638	137,643	1,648,304
Conservation and development	1,895,047	2,549,950	1,872,185	677,765	1,813,116
Capital outlay	706,500	1,380,357	1,078,056	302,301	757,306
Total expenditures	19,331,540	21,487,820	19,465,299	2,022,521	18,544,113
Excess of revenues over (under) expenditures	(1,167,074)	(3,133,410)	245,659	3,379,069	425,535
OTHER FINANCING SOURCES (USES)					
Transfers in	776,500	1,475,104	1,049,395	(425,709)	959,489
Transfers out	-	(347,629)	(15,000)	332,629	-
Total other financing sources (uses)	776,500	1,127,475	1,034,395	(93,080)	959,489
Net change in fund balance	(390,574)	(2,005,935)	1,280,054	3,285,989	1,385,024
Fund balance - January 1	16,559,557	16,559,557	16,559,557	-	15,174,533
Fund balance - December 31	\$ 16,168,983	\$ 14,553,622	\$ 17,839,611	\$ 3,285,989	\$ 16,559,557

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

Oconto County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - HUMAN SERVICES SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget - Positive (Negative)</u>	
REVENUES					
Taxes	\$ 3,678,560	\$ 3,678,560	\$ 3,678,560	\$ -	\$ 3,947,860
Intergovernmental	4,159,521	4,135,689	4,210,170	74,481	4,138,832
Public charges for services	2,309,246	2,359,919	2,356,013	(3,906)	2,180,201
Miscellaneous	-	963,488	980,567	17,079	855,196
Total revenues	<u>10,147,327</u>	<u>11,137,656</u>	<u>11,225,310</u>	<u>87,654</u>	<u>11,122,089</u>
EXPENDITURES					
Current					
Health and human services	<u>10,293,207</u>	<u>11,351,206</u>	<u>10,991,779</u>	<u>359,427</u>	<u>10,441,544</u>
Excess of revenues over (under) expenditures	(145,880)	(213,550)	233,531	447,081	680,545
OTHER FINANCING SOURCES					
Transfers in	<u>-</u>	<u>67,670</u>	<u>67,670</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(145,880)	(145,880)	301,201	447,081	680,545
Fund balance - January 1	<u>855,888</u>	<u>855,888</u>	<u>855,888</u>	<u>-</u>	<u>175,343</u>
Fund balance - December 31	<u>\$ 710,008</u>	<u>\$ 710,008</u>	<u>\$ 1,157,089</u>	<u>\$ 447,081</u>	<u>\$ 855,888</u>

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

Oconto County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - COUNTY ROADS AND BRIDGES SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
REVENUES					
Taxes	\$ 3,552,865	\$ 3,552,865	\$ 3,552,865	\$ -	\$ 3,793,140
Intergovernmental	1,428,372	1,375,775	1,457,219	81,444	1,288,324
Total revenues	4,981,237	4,928,640	5,010,084	81,444	5,081,464
EXPENDITURES					
Current					
Public works	4,981,237	4,928,640	5,449,044	(520,404)	4,724,733
Net change in fund balance	-	-	(438,960)	(438,960)	356,731
Fund balance - January 1	1,175,646	1,175,646	1,175,646	-	818,915
Fund balance - December 31	<u>\$ 1,175,646</u>	<u>\$ 1,175,646</u>	<u>\$ 736,686</u>	<u>\$ (438,960)</u>	<u>\$ 1,175,646</u>

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

Oconto County, Wisconsin

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	Highway	MAR-OCO Landfill	Nonmajor Recycling	Totals	
				2019	2018
ASSETS					
Current assets					
Cash and investments	\$ 3,101,646	\$ 902,738	\$ 196,067	\$ 4,200,451	\$ 3,632,280
Receivables					
Customer accounts	14,593	30,455	-	45,048	57,392
Other	-	875	-	875	-
Due from other governments	347,662	-	-	347,662	446,644
Inventories and prepaid items	1,612,366	600	-	1,612,966	1,553,561
Total current assets	<u>5,076,267</u>	<u>934,668</u>	<u>196,067</u>	<u>6,207,002</u>	<u>5,689,877</u>
Noncurrent assets					
Restricted assets					
Cash and investments	-	826,504	-	826,504	781,121
Other assets					
Net pension asset	-	-	-	-	556,481
Capital assets					
Nondepreciable	52,202	187,514	8,187	247,903	296,252
Depreciable	6,662,401	885,899	86,668	7,634,968	7,330,146
Total capital assets	<u>6,714,603</u>	<u>1,073,413</u>	<u>94,855</u>	<u>7,882,871</u>	<u>7,626,398</u>
Total assets	<u>11,790,870</u>	<u>2,834,585</u>	<u>290,922</u>	<u>14,916,377</u>	<u>14,653,877</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	1,698,249	38,385	42,413	1,779,047	1,013,411
Other postemployment related amounts	74,656	-	1,998	76,654	20,838
Total deferred outflows of resources	<u>1,772,905</u>	<u>38,385</u>	<u>44,411</u>	<u>1,855,701</u>	<u>1,034,249</u>
LIABILITIES					
Current liabilities					
Accounts payable	244,240	34,023	8,072	286,335	343,951
Accrued and other current liabilities	132,978	5,064	2,614	140,656	113,144
Unearned revenue	28,050	-	-	28,050	25,369
Current portion of long-term debt	-	-	-	-	25,149
Accrued interest payable	-	-	-	-	1,341
Total current liabilities	<u>405,268</u>	<u>39,087</u>	<u>10,686</u>	<u>455,041</u>	<u>508,954</u>
Long-term obligations, less current portion					
Compensated absences	260,373	-	-	260,373	247,505
Landfill closure and postclosure care	-	2,024,218	-	2,024,218	1,928,470
Net pension liability	632,450	14,057	16,381	662,888	-
Other postemployment benefits	465,794	-	15,948	481,742	447,494
Total long-term liabilities	<u>1,358,617</u>	<u>2,038,275</u>	<u>32,329</u>	<u>3,429,221</u>	<u>2,623,469</u>
Total liabilities	<u>1,763,885</u>	<u>2,077,362</u>	<u>43,015</u>	<u>3,884,262</u>	<u>3,132,423</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	870,714	19,359	22,553	912,626	1,095,575
Other postemployment related amounts	40,427	-	1,047	41,474	9,773
Total deferred inflows of resources	<u>911,141</u>	<u>19,359</u>	<u>23,600</u>	<u>954,100</u>	<u>1,105,348</u>
NET POSITION					
Net investment in capital assets	6,714,603	1,073,413	94,855	7,882,871	8,011,264
Unrestricted	4,174,146	(297,164)	173,863	4,050,845	3,439,091
Total net position	<u>\$ 10,888,749</u>	<u>\$ 776,249</u>	<u>\$ 268,718</u>	<u>\$ 11,933,716</u>	<u>\$ 11,450,355</u>

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

Oconto County, Wisconsin

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	Highway	MAR-OCO Landfill	Nonmajor Recycling	Totals	
				2019	2018
OPERATING REVENUES					
Public charges for services	\$ 12,550	\$ 451,816	\$ 26,223	\$ 490,589	\$ 490,088
Intergovernmental charges for services	11,049,705	83,000	49,281	11,181,986	9,914,388
Sale of recyclable materials	-	-	15,790	15,790	36,720
Total operating revenues	11,062,255	534,816	91,294	11,688,365	10,441,196
OPERATING EXPENSES					
Operation and maintenance	10,117,518	513,373	320,477	10,951,368	9,692,802
Depreciation	736,094	140,573	19,927	896,594	902,340
Total operating expenses	10,853,612	653,946	340,404	11,847,962	10,595,142
Operating income (loss)	208,643	(119,130)	(249,110)	(159,597)	(153,946)
NONOPERATING REVENUES (EXPENSES)					
Interest income	-	36,165	-	36,165	21,814
Nonoperating grants	-	-	192,257	192,257	165,336
Gain (loss) on disposal of capital assets	-	-	-	-	(35,826)
Interest and fiscal charges	-	-	(464)	(464)	-
Total nonoperating revenues (expenses)	-	36,165	191,793	227,958	151,324
Income (loss) before transfers	208,643	(82,965)	(57,317)	68,361	(2,622)
Transfers in	400,000	-	15,000	415,000	-
Change in net position	608,643	(82,965)	(42,317)	483,361	(2,622)
Net position - January 1	10,280,106	859,214	311,035	11,450,355	11,452,977
Net position - December 31	<u>\$ 10,888,749</u>	<u>\$ 776,249</u>	<u>\$ 268,718</u>	<u>11,933,716</u>	<u>\$ 11,450,355</u>

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

Oconto County, Wisconsin

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Highway</u>	<u>MAR-OCO Landfill</u>	<u>Nonmajor Recycling</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 11,157,777	\$ 551,910	\$ 91,294
Cash paid for employee wages and benefits	(5,454,039)	(112,681)	(95,672)
Cash paid to suppliers	(4,484,307)	(289,766)	(214,878)
Net cash provided (used) by operating activities	<u>1,219,431</u>	<u>149,463</u>	<u>(219,256)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues	-	-	191,793
Due to/from other funds	-	-	15,000
Transfer in	400,000	-	-
Net cash provided (used) by noncapital financing activities	<u>400,000</u>	<u>-</u>	<u>206,793</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(1,156,067)	-	-
Sale of capital assets	3,000	-	-
Principal paid on long-term debt	-	-	(25,149)
Interest paid on long-term debt	-	-	(1,341)
Net cash flows used in capital and related financing activities	<u>(1,153,067)</u>	<u>-</u>	<u>(26,490)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	36,680	-
Change in cash and cash equivalents	466,364	186,143	(38,953)
Cash and cash equivalents - January 1	<u>2,635,282</u>	<u>1,543,099</u>	<u>235,020</u>
Cash and cash equivalents - December 31	<u>\$ 3,101,646</u>	<u>\$ 1,729,242</u>	<u>\$ 196,067</u>

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

Totals	
2019	2018
\$ 11,800,981	\$ 10,402,492
(5,662,392)	(3,745,616)
(4,988,951)	(5,789,203)
1,149,638	867,673
191,793	165,336
15,000	-
400,000	-
606,793	165,336
(1,156,067)	(725,101)
3,000	199,500
(25,149)	(2,550)
(1,341)	(1,736)
(1,179,557)	(529,887)
36,680	21,458
613,554	524,580
4,413,401	3,888,821
\$ 5,026,955	\$ 4,413,401

Oconto County, Wisconsin

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Highway</u>	<u>MAR-OCO Landfill</u>	<u>Nonmajor Recycling</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 208,643	\$ (119,130)	\$ (249,110)
Adjustments to reconcile operating income (loss) to net cash provided by (used) by operating activities			
Depreciation	736,094	140,573	19,927
Increase in postclosure care cost estimates	-	95,748	-
Change in liability (asset) and deferred outflows and inflows of resources			
Pension	1,156,018	5,257	37,109
Deferred outflow related to pension	(740,177)	-	(9,111)
Deferred inflow related to pension	(160,058)	-	(18,255)
Other postemployment benefits	40,265	(5,118)	(899)
Deferred outflow related to other postemployment benefits	(54,612)	-	(1,204)
Deferred inflow related to other postemployment benefits	31,026	-	675
Change in operating assets and liabilities			
Accounts receivable	92,841	17,095	-
Inventories and prepaid items	(58,805)	(600)	-
Accounts payable	(74,024)	14,930	1,479
Accrued and other current liabilities	26,671	708	133
Unearned revenue	2,681	-	-
Compensated absences	12,868	-	-
Net cash provided (used) by operating activities	<u>\$ 1,219,431</u>	<u>\$ 149,463</u>	<u>\$ (219,256)</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	\$ 3,101,646	\$ 902,738	\$ 196,067
Cash and cash equivalents in restricted assets	-	826,504	-
Total cash and cash equivalents	<u>\$ 3,101,646</u>	<u>\$ 1,729,242</u>	<u>\$ 196,067</u>
Noncash capital and related financing activities			
None			

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

Totals	
<u>2019</u>	<u>2018</u>
\$ (159,597)	\$ (153,946)
896,594	902,340
95,748	107,070
1,198,384	77,569
(749,288)	-
(178,313)	-
34,248	10,283
(55,816)	-
31,701	-
109,936	29,554
(59,405)	(237,542)
(57,615)	70,534
27,512	30,822
2,681	(68,258)
12,868	99,247
<u>\$ 1,149,638</u>	<u>\$ 867,673</u>
\$ 4,200,451	\$ 3,632,280
<u>826,504</u>	<u>781,121</u>
<u>\$ 5,026,955</u>	<u>\$ 4,413,401</u>

Oconto County, Wisconsin

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

DECEMBER 31, 2019

WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	Agency Funds	
	2019	2018
ASSETS		
Current assets		
Cash and investments	\$ 535,641	\$ 535,694
LIABILITIES		
Current liabilities		
Accounts payable	\$ -	\$ 201
Other liabilities	1,500	1,500
Deposits	534,141	533,993
Total liabilities	\$ 535,641	\$ 535,694

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

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Oconto County, Wisconsin (the "County"), 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:

A. 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.

B. 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.

C. RELATED ORGANIZATIONS

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.

D. 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. 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.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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, debt service and capital projects 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 primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Human Service 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.

Debt Service Fund

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

Additionally, the County reports the following major enterprise funds:

Highway Fund

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

Mar-Oco Landfill Fund

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

Additionally, the government reports the following fund type:

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

E. 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.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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 except for human services, victim witness, and other reimbursable grants, for which available is defined as 180 days. This exception is necessary because the funding source reimbursement process routinely extends to this period and the revenue then more appropriately matches to the related expenditures. 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, public charges for services and interest. Other revenues such as licenses and permits, 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 proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs 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.

F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. 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 price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. 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.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

2. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing 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 inflows of resources 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 of \$20,426,770 are recorded on December 31, 2019 for collection in 2020 for the County apportionment. The County apportionment is for financing 2020 operations and will be transferred in 2020 from deferred inflows of resources to current revenues of the County's governmental funds.

3. Accounts Receivable

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

4. Loans Receivable

The County has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The County records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the County records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

5. 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.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

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

7. Prepaid Items

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

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

8. 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 a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

9. Closure and Postclosure Care

Estimated closure and postclosure care costs for the landfill have been determined and are recorded as annual operating expenses in accordance with the percentage of annual landfill capacity used compared to total landfill capacity available. The estimated liability at year end for closure and postclosure care costs is recorded in accordance with Governmental Accounting Standards Board Statement No. 18.

10. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

11. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The County reports unavailable revenues for loans receivable. These inflows are recognized as revenues in the government-wide financial statements.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

12. Long-term Obligations

In the government-wide financial statements, and proprietary 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 proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as 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.

13. Pensions

For purposes of measuring the net pension liability (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 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.

14. Other Postemployment Benefits (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

Single Employer Plans

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of MAR-OCO's Other Postemployment Benefit Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

15. 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.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

- ▶ **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. The County Board has authorized the County Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

Government-Wide and Proprietary Fund 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 is 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.

G. 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.

H. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the County's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

I. RECLASSIFICATIONS

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

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. During October, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, 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 all 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. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Amendments 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, 2019.

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2019 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General fund	
Public safety	\$ 67,027
Public works	50,117
Special revenue fund	
County roads and bridges	520,404

The above excess expenditures were funded using favorable revenue variances and available fund balance in the funds.

C. 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 2019 and 2020 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2019 budget was 1.40%. The actual limit for the County for the 2020 budget was 1.39%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. 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 on 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 \$26,900,282 on December 31, 2019 as summarized below:

Petty cash and cash on hand	\$ 1,125
Deposits with financial institutions	19,093,342
Deposits with Marinette County for landfill	1,729,242
Investments	
Wisconsin local government investment pool	<u>6,076,573</u>
	<u>\$ 26,900,282</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 25,538,137
Restricted cash and investments	826,504
Fiduciary fund statement of net position	
Cash and investments	<u>535,641</u>
	<u>\$ 26,900,282</u>

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The County currently has no investments that are subject to fair value measurement.

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

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 policy.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. 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. This coverage has been considered in determining custodial credit risk.

As of December 31, 2019, \$16,598,162 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. The amount of \$12,466,826 was 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 investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Wisconsin local government investment pool	\$ 6,076,573	\$ -	\$ -	\$ -	\$ 6,076,573

Concentration of Credit Risk

At December 31, 2019, the County had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total County investments.

Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Wisconsin local government investment pool	\$ 6,076,573	\$ 6,076,573	\$ -	\$ -	\$ -

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin Local Government Investment Pool of \$6,076,573 at year-end. The (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, 2019, 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, 2019 all deposits of the Oconto County Commission on Aging, Inc. were fully insured.

B. 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, 2019, the County's general fund showed an investment of \$2,802,187 in delinquent taxes and tax deeds as follows:

Tax certificates	\$ 1,956,798
Tax deeds	246,378
Interest on delinquent taxes	599,011
Total	<u>\$ 2,802,187</u>

An aging of the delinquent taxes of \$2,807,187 on December 31, 2019 follows:

Year Acquired	Delinquent Property Taxes	Delinquent Special Assessments	Total
2012 and prior	\$ 4,174	\$ 22,209	\$ 26,383
2013	178	58	236
2014	3,294	108	3,402
2015	145,619	6,105	151,724
2016	312,923	16,537	329,460
2017	527,186	29,166	556,352
2018	844,398	44,843	889,241
Total tax certificates	<u>1,837,772</u>	<u>119,026</u>	1,956,798
Tax deeds	111,486	134,892	246,378
	<u>\$ 1,949,258</u>	<u>\$ 253,918</u>	2,203,176
Interest on delinquent taxes			599,011
Total delinquent taxes			<u>\$ 2,802,187</u>

Of the total of \$1,949,258 for delinquent taxes and tax deeds, \$173,947 was collected within 60 days of year-end. The remaining balance of \$1,775,311 is recorded as nonspendable fund balance for the general fund. The amounts reported as delinquent special assessments are payable to municipalities within the County when collected.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

C. RESTRICTED ASSETS

Restricted assets on December 31, 2019 totaled \$826,504 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
Enterprise fund		
MAR-OCO Joint Landfill	<u>\$ 826,504</u>	Available for long-term care of the landfill.

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 13,893,583	\$ -	\$ -	\$ 13,893,583
Capital assets, depreciable:				
Improvements other than buildings	1,476,319	194,159	-	1,670,478
Buildings	47,356,636	117,002	-	47,473,638
Machinery and equipment	7,072,088	982,534	401,479	7,653,143
Infrastructure	146,628,375	2,468,032	-	149,096,407
Subtotals	<u>202,533,418</u>	<u>3,761,727</u>	<u>401,479</u>	<u>205,893,666</u>
Less accumulated depreciation for:				
Improvements other than buildings	1,127,676	62,462	-	1,190,138
Buildings	12,102,809	1,025,172	-	13,127,981
Machinery and equipment	5,440,294	529,297	399,788	5,569,803
Infrastructure	87,948,431	3,653,864	-	91,602,295
Subtotals	<u>106,619,210</u>	<u>5,270,795</u>	<u>399,788</u>	<u>111,490,217</u>
Total capital assets, depreciable, net	<u>95,914,208</u>	<u>(1,509,068)</u>	<u>1,691</u>	<u>94,403,449</u>
Governmental activities capital assets, net	<u>\$ 109,807,791</u>	<u>\$ (1,509,068)</u>	<u>\$ 1,691</u>	108,297,032
Less: Capital related debt				20,100,000
Less: Debt premium				<u>520,873</u>
Net investment in capital assets				<u>\$ 87,676,159</u>

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 122,903	\$ -	\$ -	\$ 122,903
Construction in progress	173,349	-	127,243	46,106
Total capital assets, nondepreciable	<u>296,252</u>	<u>-</u>	<u>127,243</u>	<u>169,009</u>
Capital assets, depreciable:				
Improvements other than buildings	3,792,476	-	-	3,792,476
Buildings	5,057,219	-	-	5,057,219
Machinery and equipment	16,025,100	1,283,310	333,664	16,974,746
Other capital assets	38,225	-	-	38,225
Subtotals	<u>24,913,020</u>	<u>1,283,310</u>	<u>333,664</u>	<u>25,862,666</u>
Less accumulated depreciation for:				
Improvements other than buildings	2,730,832	117,345	-	2,848,177
Buildings	3,805,481	126,167	-	3,931,648
Machinery and equipment	11,046,561	653,082	330,664	11,368,979
Subtotals	<u>17,582,874</u>	<u>896,594</u>	<u>330,664</u>	<u>18,148,804</u>
Total capital assets, depreciable, net	<u>7,330,146</u>	<u>386,716</u>	<u>3,000</u>	<u>7,713,862</u>
Business-type activities capital assets, net	<u>\$ 7,626,398</u>	<u>\$ 386,716</u>	<u>\$ 130,243</u>	<u>\$ 7,882,871</u>

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

Governmental activities	
General government	\$ 416,152
Public safety	955,488
Public works	3,653,864
Health and human services	53,166
Culture and recreation	110,961
Conversation and development	81,164
	<u>\$ 5,270,795</u>
Business-type activities	
Highway	\$ 736,094
MAR-OCO Landfill	140,573
Recycling	19,927
Total depreciation expense - business-type activities	<u>\$ 896,594</u>

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

E. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2019 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 1,049,395	\$ 15,000
Debt service	761,101	-
Human services	67,670	-
County sales tax	-	2,278,166
Recycling	15,000	-
Highway	400,000	-
	<u>\$ 2,293,166</u>	<u>\$ 2,293,166</u>

Interfund transfers were made for the following purposes:

County sales tax collected by special revenue fund and allocated where budgeted	\$ 2,278,166
To transfer clean sweep grant proceeds to recycling fund	<u>15,000</u>
	<u>\$ 2,293,166</u>

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

F. CLOSURE AND POSTCLOSURE CARE COSTS

Federal and state laws and regulations require the MAR-OCO landfill 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, the 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. The costs of closure and postclosure care are estimates and subject to changes resulting from inflation/deflation, technology, or changes in applicable laws or regulations. An analysis of the estimated liabilities for closure and postclosure care costs on December 31, 2019 and the recording of these costs as operating expenses follows:

	Closure					Postclosure Care
	Phase I		Phase II		Phase III	
	Increment B	Increment C	Increment A	Increment B	Increment A	
Total estimated costs	\$ 249,441	\$ 171,446	\$ 163,296	\$ 199,405	\$ 302,400	\$ 2,451,281
2006 adjustment to estimate	(10,185)	(10,185)	-	-	-	-
2011 adjustment to estimate	-	-	47,459	108,726	-	-
2012 adjustment to estimate	-	-	44,026	-	-	-
2013 adjustment to estimate	-	-	23,428	-	-	-
Subtotal	239,256	161,261	278,208	308,131	302,400	2,451,281
Percentage of storage capacity used as of 12/31/19	x 100.00%	x 100.00%	x 100.00%	x 77.56%	x 50.57%	x 66.59%
Total estimated liabilities for cost as of 12/31/19	239,256	161,261	278,208	238,986	152,924	1,632,308
Less closure costs paid:						
1993	(54,180)	-	-	-	-	-
1996	(22,928)	-	-	-	-	-
1997	(887)	-	-	-	-	-
2001	(19,844)	(19,844)	-	-	-	-
2003	(120,507)	(120,507)	-	-	-	-
2004	(20,911)	(20,911)	-	-	-	-
2011	-	-	(7,019)	-	-	-
2012	-	-	(247,761)	-	-	-
2013	-	-	(23,428)	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
Liabilities as of 31-Dec-19	\$ -	\$ -	\$ -	\$ 238,986	\$ 152,924	\$ 1,632,308

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

The above total estimated liabilities for costs as of December 31, 2019 were recorded as operating expenses for the following periods:

	Total	Phase I		Phase II		Phase III	Postclosure
		Increment B	Increment C	Increment A	Increment B	Increment A	Care
1988 - 2007	\$ 1,522,557	\$ 239,256	\$ 161,261	\$ 98,386	\$ -	\$ -	\$ 1,023,655
2008	67,315	-	-	18,044	-	-	49,271
2009	65,158	-	-	17,604	-	-	47,555
2010	83,113	-	-	-	28,695	-	54,419
2011	121,756	-	-	61,252	15,646	-	44,859
2012	124,691	-	-	59,495	14,945	-	50,251
2013	111,502	-	-	23,428	40,519	-	47,555
2014	101,161	-	-	-	46,497	-	54,664
2015	103,957	-	-	-	47,822	-	56,135
2016	114,447	-	-	-	-	57,577	56,870
2017	84,470	-	-	-	23,141	17,207	44,123
2018	107,070	-	-	-	11,555	41,096	54,419
2019	95,748	-	-	-	10,169	37,044	48,536
	<u>\$ 2,702,942</u>	<u>\$ 239,256</u>	<u>\$ 161,261</u>	<u>\$ 278,208</u>	<u>\$ 238,987</u>	<u>\$ 152,924</u>	<u>\$ 1,632,308</u>

A portion of the postclosure care costs of \$1,632,308 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, 2019 was \$826,504.

G. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2019:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Notes	\$ 21,325,000	\$ -	\$ 1,225,000	\$ 20,100,000	\$ 1,250,000
Debt premium	617,034	-	96,161	520,873	-
Compensated absences	624,242	97,350	7,793	713,799	-
Governmental activities Long-term obligations	<u>\$ 22,566,276</u>	<u>\$ 97,350</u>	<u>\$ 1,328,954</u>	<u>\$ 21,334,672</u>	<u>\$ 1,250,000</u>
Business-type activities:					
Capital leases	\$ 25,149	\$ -	\$ 25,149	\$ -	\$ -
Compensated absences	247,505	12,868	-	260,373	-
Business-type activities Long-term obligations	<u>\$ 272,654</u>	<u>\$ 12,868</u>	<u>\$ 25,149</u>	<u>\$ 260,373</u>	<u>\$ -</u>

Total interest paid during the year on long-term debt totaled \$515,250.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
General obligation notes	07/02/15	06/01/25	2.00-3.00%	\$ 10,000,000	\$ 7,000,000
General obligation notes	02/04/16	06/01/25	2.00-3.103%	15,000,000	13,100,000
Total outstanding general obligation debt					<u>\$ 20,100,000</u>

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding general obligation debt of \$20,100,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 1,250,000	\$ 490,500	\$ 1,740,500
2021	1,275,000	465,250	1,740,250
2022	1,350,000	435,250	1,785,250
2023	1,375,000	403,000	1,778,000
2024	5,800,000	326,875	6,126,875
2025	9,050,000	132,875	9,182,875
	<u>\$ 20,100,000</u>	<u>\$ 2,253,750</u>	<u>\$ 22,353,750</u>

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

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2019 was \$185,011,905 as follows:

Equalized valuation of the County	\$ 4,102,238,100
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>205,111,905</u>
Total outstanding general obligation debt applicable to debt limitation	<u>20,100,000</u>
Legal margin for new debt	<u>\$ 185,011,905</u>

H. PENSION PLAN

1. 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.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Final average earnings is the average of the participant's three highest years' earnings. Creditable service includes the current service and prior service for which a participant received earnings and made contributions as required. Credible service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefits. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

2. 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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2009	(0.02)	(0.42)
2010	(1.30)	22.00
2011	(1.20)	11.00
2012	(7.00)	(7.00)
2014	4.70	25.00
2015	2.90	2.00
2016	0.50	(5.00)
2017	2.00	4.00
2018	2.40	17.00

3. 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, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remained 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 ending December 31, 2019, the WRS recognized \$977,412 in contributions from the County.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including executives and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the County reported a liability of \$3,418,896 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was .09786965%, which was a decrease of .00031921% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized pension expense of \$2,357,469.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,711,869	\$ 4,793,611
Net differences between projected and actual earnings on pension plan investments	5,085,071	-
Changes in assumptions	586,920	-
Changes in proportion and differences between of contributions	30,238	30
Employer contributions subsequent to the measurement date	977,412	-
Total	<u>\$ 9,391,508</u>	<u>\$ 4,793,641</u>

\$977,412 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 liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Expense</u>
2020	\$ 1,309,145
2021	336,791
2022	576,477
2023	1,398,043
Total	<u>\$ 3,620,455</u>

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

5. Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2017
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.0%
Discount rate:	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2017 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 BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5%	4.0%	1.5%
Inflation Sensitive Assets	15.5%	3.8%	1.3%
Real Estate	8%	6.5%	3.9%
Private Equity/Debt	8%	9.4%	6.7%
Multi-asset	4%	6.7%	4.1%
Total Core Fund	110%	7.3%	4.7%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	7.6%	5.0%
International Equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.0% 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 7.0% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.0% expected rate of return implies that a dividend of approximately 1.9% 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 members 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 liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 13,837,920	\$ 3,481,896	\$ (4,218,239)

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://etf.wi.gov/publications/cafr.htm>.

6. Payables to the Pension Plan

At December 31, 2019, the County reported a payable of \$164,801 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

I. OTHER POSTEMPLOYMENT BENEFITS

The County reports OPEB related balances at December 31, 2019 as summarized below:

	<u>OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Local Retiree Life Insurance Fund (LRLIF)	\$ 671,182	\$ 80,081	\$ 217,643
Oconto County Single-employer defined OPEB plan	1,900,375	329,563	4,027
MAR-OCO Single-employer defined OPEB plan	-	-	-
Total pension liability	<u>\$ 2,571,557</u>	<u>\$ 409,644</u>	<u>\$ 221,670</u>

Single-employer Defined Postemployment Benefit Plan

OCONTO COUNTY

1. 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 256 active and 25 retired employees in the plan. There are no plan assets that have been accumulated in a trust.

2. 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.

3. Total OPEB Liability

The County's Total OPEB Liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the Total OPEB Liability was determined by an actuarial valuation as of December 31, 2018.

4. Actuarial Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases:	
Inflation	4.10%
Seniority/Merit	0.4%-3.0%
Discount Rate:	4.10%
Healthcare cost trend rates:	8.0% for 2019 decreasing to an ultimate rate of 3.9% after 51 years

Mortality rates are the same as those used on the Wisconsin 2018 Mortality table.

The actuarial assumptions used in the December 31, 2018 valuation were based on the "Wisconsin Retirement System 2015 - 2017 Experience Study".

Discount Rate.

The long-term expected rate of return on OPEB plan investments was valued at 4.10%, which is based on the Bond Buyer GO 20-year index as of the week of the measurement date. No assets have been accumulated in an irrevocable trust, so the Bond Buyer GO 20-year Bond Index has been applied to all periods.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

5. Changes in the Total OPEB Liability

	<u>Increase (Decrease)</u>
	Total OPEB Liability
	(a)
Balance at January 1, 2019	\$ 1,572,668
Changes for the year:	
Service cost	80,014
Interest	54,270
Economic/demographic gains or losses	(4,596)
Changes in assumptions	349,416
Benefit payments	(151,397)
Administrative expense	-
Net changes	<u>327,707</u>
Balance at December 31, 2019	<u>\$ 1,900,375</u>

6. Sensitivity of the total OPEB Liability to changes in the discount rate.

The following presents the Total OPEB Liability of the County, as well as what the County's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

	1% Decrease to Discount Rate (3.10%)	Current Discount Rate (4.10%)	1% Increase to Discount Rate (5.10%)
Total OPEB Liability	\$ 2,021,407	\$ 1,900,375	\$ 1,785,334

Sensitivity of the total OPEB Liability to changes in the healthcare cost trend rates.

The following presents the Total OPEB Liability of the County, as well as what the County's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 4.5%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.5%)	1% Increase (7.5% decreasing to 6.5%)
Total OPEB liability	\$ 1,732,849	\$ 1,900,375	\$ 2,095,094

7. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the County recognized OPEB expense of \$179,617. At December 31, 2019, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,027)
Changes in assumptions	329,563	-
Total	<u>\$ 329,563</u>	<u>\$ (4,027)</u>

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

Year Ended December 31,	Expense
2020	\$ 45,333
2021	45,333
2022	45,333
2023	45,333
2024	45,333
Thereafter	98,871
Total	<u>\$ 325,536</u>

8. Payable to the OPEB Plan

At December 31, 2019, the County reported no outstanding contribution to the Plan required for the year ended December 31, 2019.

MAR-OCO LANDFILL

1. Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of Marinette County, including MAR-OCO. Eligible retired employees have access to group medical coverage through the County's group plan. County paid medical benefits are paid for as indicated below. All employees of the County are eligible for the Plan if they meet the following age and service requirements below. No assets were accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

2. Benefits Provided

For employees who were hired before January 1, 2012, and retire from the County after attaining age 55 and 20 years of service, the employee is eligible to remain on the County's medical insurance plan for eight years.

For employees who were hired before January 1, 2012, and retire from the County after attaining age 62 and 15 years of service, the employee is eligible to remain on the County's medical insurance plan for eight years.

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	<u>1</u>
--	----------

3. Total OPEB Liability

MAR-OCO's net OPEB liability was measured as of January 1, 2020 with roll forward to December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3.5%
Salary Increases:	2.75%
Investment Rate of Return:	2.75%
Healthcare cost trend rates:	6.5% decreasing by 0.50% every two years down to 5.0%, and level thereafter

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Mortality rates are a blend of the Death - in-Service and Retired Lives mortality rates from the "Wisconsin Retirement System 2012 - 2014 Experience Study" with the MP-2015 generational improvement scale (multiplied by 50%).

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of the Wisconsin Retirement System's Three-Year Experience Study for the period 2012 through 2014.

Discount rate. The discount rate used to measure the total OPEB liability was 2.75%. This rate is a blend of expected earnings on County funds with the current yield for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projections of cash flows used to determine the discount rate assumed that MAR-OCO contributions will be made at rates equal to the actuarially determined contribution rates.

4. Changes in the Net OPEB Liability

	Increase (Decrease)
	Total OPEB
	Liability
Balance at January 1, 2019	<u>\$ 5,118</u>
Changes for the year:	
Service cost	-
Differences between expected and actual experience	-
Interest	244
Contributions - employer	-
Net investment income	-
Benefit payments	(3,741)
Administrative expense	(1,621)
Net changes	<u>(5,118)</u>
Balance at December 31, 2019	<u>\$ -</u>

For the year ended December 31, 2019, MAR-OCO recognized OPEB expense of \$488. At December 31, 2019, MAR-OCO did not report any deferred outflows of resources and deferred inflows of resources related to OPEB.

The last MAR-OCO OPEB eligible retiree came off the plan during the year and therefore the OPEB liability is retired.

LOCAL RETIREE LIFE INSURANCE FUND

1. Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

2. Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are listed below:

Life Insurance		
Employee Contribution Rates*		
For the year ended December 31, 2018		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$5,011 in contributions from the employer.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

3. OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2019, the County reported a liability of \$671,182 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was .260114%, which was a decrease of .0014300% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized OPEB expense of \$59,849.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 34,049
Net differences between projected and actual earnings on OPEB plan investments	16,040	-
Changes in assumptions	64,041	145,486
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	38,108
Total	\$ 80,081	\$ 217,643

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2020	\$ 20,039
2021	20,039
2022	20,039
2023	22,292
2024	24,612
Thereafter	30,541
Total	\$ 137,562

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

4. Actuarial Assumptions

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date:	January 1, 2018
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	4.10%
Long-term expected rate of return:	5.00%
Discount rate:	4.22%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The total OPEB liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Asset Class	Index	Target Allocation	Long-term Expected Geometric Real Rate of Return %
U.S. Government Bonds	Barclays Government	1%	1.44%
U.S. Credit Bonds	Barclays Credit	40%	2.69%
U.S. Long Credit Bonds	Barclays Long Credit	4%	3.01%
U.S. Mortgages	Barclays MBS	54%	2.25%
Inflation			2.30%
Long-term expected rate of return			5.00%

Single discount rate. A single discount rate of 4.22% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Sensitivity of the County's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22%, as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22%) or 1-percentage-point higher (5.22%) than the current rate:

	<u>1% Decrease to Discount Rate (3.22%)</u>	<u>Current Discount Rate (4.22%)</u>	<u>1% Increase to Discount Rate (5.22%)</u>
County's proportionate share of the net OPEB liability (asset)	\$ 954,801	\$ 671,182	\$ 452,434

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

5. Payable to the OPEB Plan

At December 31, 2019, the County reported no outstanding contribution to the Plan required for the year ended December 31, 2019.

J. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2019, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Prepays and inventory	\$ 5,211
Delinquent property taxes	1,775,311
Total General Fund Nonspendable Fund Balance	<u>1,780,522</u>
Special Revenue Funds	
Human services prepaids	<u>5,514</u>
Total Nonspendable Fund Balance	<u>\$ 1,786,036</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2019, restricted fund balance was as follows:

Special Revenue Funds	
Restricted for	
State trust fund loan program	\$ 260,643
Human services donations	<u>53,745</u>
Total Restricted Fund Balance	<u>\$ 314,388</u>

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2019, fund balance was assigned as follows:

General Fund	
Clerk of Courts	\$ 8,519
Register of Deeds	7,754
Veteran's service	24,597
Technology services	13,636
OCEDC	8,000
UW-Extension	17,044
Maintenance	79,131
Safety/Risk management	5,274
LIS	390,510
Land conservation	335,883
RTP trails	336,061
Law enforcement	55,417
Subtotal	<u>1,281,826</u>
Special Revenue Funds	
Assigned for subsequent year's expenditures	
Human services	1,105,967
County road and bridges	736,686
Jail assessment	63,395
County sales tax	2,767,652
Revolving loans	945,085
Section 125 & HRA Plans	52,335
Dog licenses	21,692
Commission on Aging Transportation	11,367
Jail canteen	50,342
	<u>5,754,521</u>
Total	<u>\$ 7,036,347</u>

Minimum General Fund Balance Policy

The County has also 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	\$ 5,000,000
Contingencies	2,500,000
Minimum Fund Balance Amount	<u>\$ 7,500,000</u>

The County's unassigned general fund balance of \$14,822,581 is above the minimum fund balance amount.

Oconto County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Net Position

The County reports restricted net position at December 31, 2019 as follows:

Governmental activities	
Restricted for	
Revolving loans	\$ 379,225
Health and human service program donations	53,745
Total governmental activities restricted net position	<u>\$ 432,970</u>

NOTE 4: OTHER INFORMATION

A. 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. Settled claims have not exceeded coverage amounts in any of the last three fiscal years.

B. CONTINGENCIES

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 the Uniform Guidance 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.

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 the 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.

C. SUBSEQUENT EVENT – RISKS AND UNCERTAINTIES

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

D. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

Oconto County, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.09965168%	\$ (2,447,718)	\$ 13,033,210	18.78%	102.74%
12/31/15	0.09958124%	1,625,237	13,416,045	12.11%	98.20%
12/31/16	0.09849784%	811,857	12,938,351	6.27%	99.12%
12/31/17	0.09818886%	(2,915,343)	13,512,094	21.58%	102.93%
12/31/18	0.09786965%	3,481,896	14,042,544	24.80%	96.45%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/15	\$ 970,605	\$ 970,605	\$ -	\$ 13,416,045	7.23%
12/31/16	969,308	969,308	-	12,938,351	7.49%
12/31/17	1,001,961	1,001,961	-	13,512,094	7.42%
12/31/18	1,046,009	1,046,009	-	13,512,094	7.74%
12/31/19	977,412	977,412	-	14,750,524	6.63%

See notes to required supplementary information.

Oconto County, Wisconsin

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS *

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 80,014	\$ 73,117
Interest	54,270	58,513
Economic/demographic gains or losses	(4,596)	-
Change of assumptions	349,416	28,809
Benefit payments	<u>(151,397)</u>	<u>(124,011)</u>
Net change in total OPEB liability	327,707	36,428
Total OPEB liability - beginning	<u>1,572,668</u>	<u>1,536,240</u>
Total OPEB liability - ending	<u>\$ 1,900,375</u>	<u>\$ 1,572,668</u>
Covered-employee payroll	\$ 14,750,524	\$ 14,110,817
County's total OPEB liability as a percentage of covered-employee payroll	12.88%	11.15%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See notes to required supplementary information.

Marinette-Oconto (MAR-OCO) Joint Landfill Marinette and Oconto Counties, Wisconsin

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS *

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ -	\$ -
Interest	244	357
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,621)	-
Change of assumptions	-	-
Benefit payments	(3,741)	(5,440)
Net change in total OPEB liability	(5,118)	(5,083)
Total OPEB liability - beginning	5,118	10,201
Total OPEB liability - ending	<u>\$ -</u>	<u>\$ 5,118</u>
Covered-employee payroll	\$ -	\$ -
County's total OPEB liability as a percentage of covered-employee payroll	N/A	N/A

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See notes to required supplementary information.

Marinette-Oconto (MAR-OCO) Joint Landfill Marinette and Oconto Counties, Wisconsin

SCHEDULE OF EMPLOYER CONTRIBUTIONS OTHER POSTEMPLOYMENT BENEFIT PLAN FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>
Actuarially determined contribution (ADC)	\$ -
Contributions in relation to the ADC	-
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ -
Contributions as a percentage of covered-employee payroll	N/A

Key Methods and Assumption Used to Calculate ADC

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Amortization method	21 Year Level Dollar
Discount rate	2.75%
Inflation	3.50%

* The amounts presented for each fiscal year were determined as of the current fiscal year end.
Amounts for prior years were not available.

See notes to required supplementary information.

Oconto County, Wisconsin

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered-employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.26154400%	\$ 786,876	\$ 13,512,094	5.82%	44.81%
12/31/18	0.26011400%	671,182	11,662,000	5.76%	48.69%

**SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-employee Payroll</u>	<u>Contributions as a Percentage of Covered-employee Payroll</u>
12/31/18	\$ 5,000	\$ 5,000	\$ -	\$ 14,110,817	0.04%
12/31/19	5,011	5,011	-	14,750,524	0.03%

See notes to required supplementary information.

Oconto County, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

A. OTHER POSTEMPLOYMENT BENEFIT PLANS

Health Insurance Benefit Plans

The data presented in the Schedule of Changes in Total OPEB Liability and Related Ratios was taken from the reports issued by the actuary.

There were no changes of benefit terms.

There were no changes in assumptions.

Local Retiree Life Insurance Fund (LRLIF)

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The County is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

B. WISCONSIN RETIREMENT SYSTEM (WRS)

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

Actuarial assumptions are based upon an experience study conducted in 2018 using experiences from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop the total pension liability changed including the discount rate, long-term expected rate of return, post retirement adjustment, wage inflation rate, mortality, and separation rates.

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The County is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

SUPPLEMENTARY INFORMATION

Oconto County, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes					
General property	\$ 11,858,637	\$ 11,858,637	\$ 11,858,637	\$ -	\$ 11,163,794
Forest crop tax (county share)	100	100	25	(75)	20
Managed forest lands	65,000	65,000	70,205	5,205	71,719
Agriculture use value penalties	4,000	4,000	12,868	8,868	9,938
Interest on delinquent taxes	450,000	450,000	516,183	66,183	508,595
Real estate transfer fees	100,000	100,000	117,174	17,174	112,211
State sales tax retained	120	120	146	26	131
Total taxes	12,477,857	12,477,857	12,575,238	97,381	11,866,408
Intergovernmental					
Federal					
COPS Ant-Heroin	-	-	6,674	6,674	5,970
Fish and wildlife	57,818	57,818	53,791	(4,027)	43,791
Federal reimbursement	-	-	5,984	5,984	1,742
State					
State shared taxes	681,822	681,822	689,283	7,461	690,059
Exempt computer aid	13,245	13,245	71,157	57,912	13,246
Circuit court support	141,494	141,494	154,949	13,455	145,382
Guardian ad litem support	31,422	31,422	36,055	4,633	31,422
Interpreter fees	4,000	4,000	3,746	(254)	4,483
Victim witness program	32,929	32,929	50,520	17,591	31,676
Forest crop & MFL	23,000	23,000	24,279	1,279	24,090
IV-D child support program	294,998	294,998	380,742	85,744	397,576
Commission on aging	103,137	104,141	104,141	-	101,115
Veterans service officer grant	10,000	10,000	10,000	-	10,000
UW extension family nutrition	-	-	1,985	1,985	276
Land records	24,448	25,448	31,696	6,248	24,548
WLIP Strategic initiative	50,000	50,000	50,000	-	50,000
S/A Lake study grant 1 & 2	153,290	325,602	85,434	(240,168)	74,544
Land conservation	199,166	199,166	225,379	26,213	172,657
Machickenee shooting range	-	-	-	-	167,321
McCaslin Brook	-	-	-	-	8,102
Wildlife damage	35,000	55,033	3,276	(51,757)	5,276
Lake protection grant	100,000	100,000	162,021	62,021	287,699
Private sewage systems	-	-	62,678	62,678	29,590
Snowmobile trails	146,300	146,570	-	(146,570)	898
ATV trails	286,923	286,923	222,130	(64,793)	148,280
Recreation trail aids	-	-	39,283	39,283	3,625
Conservation	2,728	2,728	357,631	354,903	335,159
Forest roads	11,631	11,631	11,634	3	11,631
Forestry administration	64,200	64,200	63,901	(299)	46,639
Mobile field force	-	-	-	-	9,321
Snowmobile patrol	20,000	20,000	19,035	(965)	23,519
Water patrol	4,000	4,000	9,433	5,433	3,448
Police training	7,000	7,000	27,044	20,044	7,040

Oconto County, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Final Budget - Positive (Negative)</u>	<u>2018 Actual</u>
State					
Tribal law enforcement	23,500	23,500	24,477	977	24,543
Sheriff-DNA sample reimbursement	2,000	2,000	-	(2,000)	1,940
Emergency government -SARA	11,569	11,569	11,758	189	11,567
Emergency government	42,449	47,949	51,691	3,742	47,846
Other					
Brown CO Drug disposal	-	-	1,258	1,258	-
Miscellaneous	58,049	37,049	41,173	4,124	80,891
Total intergovernmental	<u>2,636,118</u>	<u>2,815,237</u>	<u>3,094,238</u>	<u>279,001</u>	<u>3,076,912</u>
Licenses and permits					
County clerk - marriage licenses	2,500	2,500	2,431	(69)	2,973
Zoning fees and permits					
Land use permits	96,000	96,000	123,306	27,306	97,369
Land divisions - zoning share	26,350	26,350	27,568	1,218	27,327
Rezone hearings	23,000	23,000	20,450	(2,550)	22,800
Board of adjust hearings	24,000	24,000	16,550	(7,450)	27,200
Private sewage permits	90,000	90,000	110,620	20,620	99,563
Ag waste	1,900	1,900	1,975	75	2,425
Total licenses and permits	<u>263,750</u>	<u>263,750</u>	<u>302,900</u>	<u>39,150</u>	<u>279,657</u>
Fines and forfeits					
County ordinance	75,000	75,000	108,679	33,679	71,709
County share-state fines and forfeits	75,000	75,000	54,946	(20,054)	59,748
Total fines and forfeits	<u>150,000</u>	<u>150,000</u>	<u>163,625</u>	<u>13,625</u>	<u>131,457</u>
Public charges for services					
Administrative fees on delinquent taxes	-	-	-	-	27,150
Clerk of court fees	150,000	150,000	150,082	82	143,178
Family court commissioner charges	300	300	275	(25)	156
Volunteers in probation	49,200	49,200	72,073	22,873	57,847
Family mediation fees	12,000	12,000	11,530	(470)	15,520
Register in probate fees	8,750	8,750	15,720	6,970	12,956
District attorney - copier and service fees	7,000	7,000	6,055	(945)	7,476
Crime Prev Fund Brd Surcharge	3,500	3,500	3,160	(340)	3,880

Oconto County, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Final Budget - Positive (Negative)</u>	<u>2018 Actual</u>
Public charges for services					
LWR copy fees	3,100	3,100	1,631	(1,469)	2,913
Register of deeds fees	216,500	216,500	219,608	3,108	216,782
4-H outreach	-	-	15,948	15,948	18,152
Agriculture program	-	-	2,588	2,588	4,472
Non-metallic mining fees	25,525	25,525	28,650	3,125	27,680
Non-metallic reclaim review fees	1,400	1,400	250	(1,150)	250
Sale of platbooks	-	-	10,256	10,256	3,275
Sale of real estate listings	2,000	2,000	1,391	(609)	1,143
Land records modernization	53,000	53,000	53,598	598	51,336
Public access fees (land records)	17,000	17,000	17,866	866	17,112
Sale of GIS maps	500	500	1,044	544	386
SOLO fees	8,400	8,400	8,175	(225)	8,400
County parks - Chute Pond	152,405	153,005	156,853	3,848	161,534
County parks - North Shore	83,750	83,750	95,047	11,297	81,571
Boat landing fees	37,200	37,200	48,380	11,180	44,946
Shooting range fees	5,000	5,000	15,087	10,087	10,043
County forest (including timber sales)	522,960	522,360	712,650	190,290	785,825
Sheriff Fees					
Paper service	30,000	30,000	37,895	7,895	30,919
Restitution	1,000	1,000	813	(187)	1,235
SSA incentives	5,000	5,000	6,400	1,400	3,600
Sale of accident reports	1,400	1,400	1,883	483	1,392
Law enforcement fees-special deputy	19,800	19,800	37,806	18,006	32,686
Board of prisoners - Huber	32,000	32,000	54,670	22,670	52,407
Bail bonds forfeited	-	-	-	-	7,000
Board of Prisoners Charges					
Booking fees	5,000	5,000	3,841	(1,159)	4,239
Medical and miscellaneous	300	300	377	77	375
Prescription medical	250	250	579	329	193
Pay to stay	30,000	30,000	27,742	(2,258)	21,491
GPS bracelet	30,000	30,000	12,933	(17,067)	22,121
Transport fees	150	150	130	(20)	50
Miscellaneous	1,800	1,800	7,574	5,774	6,294
Total public charges for services	<u>1,516,190</u>	<u>1,516,190</u>	<u>1,840,560</u>	<u>324,370</u>	<u>1,887,985</u>

Oconto County, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Final Budget - Positive (Negative)</u>	<u>2018 Actual</u>
Intergovernmental charges for services					
Charges to Other Local Governments					
Election supplies to local governments	20,500	20,500	29,244	8,744	22,160
Technology svcs charges to local govt's	9,610	9,610	4,650	(4,960)	7,920
LIS charges to municipalities-postage	-	-	84	84	252
Spillman local gvt chgs	1,050	1,050	1,127	77	1,203
Little Suamico/Chase	100,000	100,000	100,000	-	41,667
Board of prisoners-other governments	272,000	272,000	266,840	(5,160)	371,728
Board of prisoners-municipal bookings	500	500	848	348	192
Surveyor charges	20,200	20,200	19,699	(501)	19,811
Stein recount	-	-	-	-	1,200
Charges To County Departments					
Clerk of courts charge-child support	40,000	40,000	39,933	(67)	53,555
Corporation counsel charge-child support	28,032	28,032	27,703	(329)	25,380
Technical service charges to depts	44,298	44,298	44,100	(198)	42,607
Recreational officer charges to forestry	75,900	75,900	79,529	3,629	69,462
Sheriff microwave rent to highway	2,400	2,400	2,400	-	2,400
Indirect costs allocations	17,270	17,270	17,110	(160)	16,816
Total intergovernmental charges for services	<u>631,760</u>	<u>631,760</u>	<u>633,267</u>	<u>1,507</u>	<u>676,353</u>
Miscellaneous					
Interest					
General investments	300,000	300,000	691,104	391,104	497,514
Property sales					
Sale of law enforcement squads	28,000	28,000	29,000	1,000	55,160
Sale of law enforcement items	-	-	1,440	1,440	3,240
Gain on sale of tax deeds	80,000	100,000	253,547	153,547	320,407
Insurance premium refunds/dividends	46,000	26,000	19,998	(6,002)	59,334
Insurance recoveries-law enforcement	18,000	18,000	14,722	(3,278)	4,907
Miscellaneous	16,291	16,291	49,744	33,453	14,773
Safety/risk management	-	10,825	10,825	-	10,750
Other	-	-	6,060	6,060	55,496
Donations					
Veterans service drivers mileage	500	500	6,003	5,503	11,732
K-9	-	-	9,687	9,687	6,563
Recreation enforcement	-	-	-	-	2,000
Tower rent	-	-	9,000	-	9,000
Total miscellaneous	<u>488,791</u>	<u>499,616</u>	<u>1,101,130</u>	<u>592,514</u>	<u>1,050,876</u>
Total revenues	<u>\$ 18,164,466</u>	<u>\$ 18,354,410</u>	<u>\$ 19,710,958</u>	<u>\$ 1,347,548</u>	<u>\$ 18,969,648</u>

Oconto County, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
General Government					
Legislative					
County board & committees	\$ 220,830	\$ 220,830	\$ 177,429	\$ 43,401	\$ 161,104
Judicial					
Clerk of courts	626,024	656,269	742,192	(85,923)	628,730
Circuit court brand I & II	68,682	90,582	93,350	(2,768)	106,612
Register in probate	167,545	130,345	132,049	(1,704)	108,629
Family court commissioner	154,480	180,580	162,901	17,679	126,107
Law library	3,500	3,500	4,281	(781)	3,500
Medical examiner	120,000	120,000	98,325	21,675	98,325
Legal					
District attorney	223,442	223,442	234,603	(11,161)	225,911
Victim witness program	72,413	72,413	72,559	(146)	65,551
Corporation counsel	211,880	211,880	203,737	8,143	213,873
General administration					
Administrative - coordinator	309,467	339,467	318,349	21,118	289,765
County clerk	208,414	208,414	204,176	4,238	199,409
Human resources	6,000	6,000	5,466	534	5,745
Elections	33,705	33,705	22,724	10,981	82,929
HRA administration	17,000	19,000	18,239	761	17,360
S125 administration	500	500	263	237	232
County wellness program	-	15,151	9,877	5,274	9,822
Technology information services	924,921	950,557	908,300	42,257	844,779
Platbooks	-	35,810	-	35,810	18,665
Financial Administration					
Accounting					
Finance department	218,959	218,959	216,388	2,571	195,880
Independent auditing	37,755	37,755	34,880	2,875	32,443
Special accounting & reporting	18,410	18,410	23,510	(5,100)	6,410
Treasury					
County treasurer	191,566	191,566	187,261	4,305	182,521
Assessment of property					
Property tax listing	364,829	387,146	346,359	40,787	343,869
Tax deeds	30,800	30,800	26,135	4,665	18,258
Risk and Property Management					
Safety/risk manager	18,160	18,160	16,425	1,735	20,712
General Buildings and Plant					
Courthouse property & maintenance	1,089,944	1,156,144	966,468	189,676	917,771
Property Records and Control					
Register of deeds	272,553	329,167	316,134	13,033	262,870
Physical address program	36,674	36,674	29,976	6,698	28,375
Land records modernization	156,748	438,948	129,191	309,757	195,199

(Continued)

Oconto County, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Variance Final Budget - Positive (Negative)</u>	<u>2018 Actual</u>
Uncollectable Taxes and Assessments					
Uncollectable personal property taxes	5,000	5,000	801	4,199	429
Non-Departmental Insurance					
Property and liability insurance	218,300	143,300	77,787	65,513	77,446
Unemployment compensation	2,000	4,000	3,358	642	2,025
Retirement payouts	-	71,229	-	71,229	-
Other General Government					
Other general	448,900	333,800	207,436	126,364	226,205
Total general government	6,479,401	6,939,503	5,990,929	948,574	5,717,461
Public Safety					
Law Enforcement					
Sheriff	7,124,804	7,148,545	7,322,500	(173,955)	7,112,762
K-9 program	-	50,970	32,967	18,003	13,906
Tribal enforcement	23,000	23,000	21,011	1,989	24,439
Watercraft patrol enforcement	3,500	3,500	-	3,500	5,472
ATV patrol enforcement	3,800	3,800	3,620	180	6,221
Snowmobile patrol enforcement	7,000	7,000	5,000	2,000	12,584
Nicolet forest patrol	6,500	6,500	-	6,500	6,884
Recreation enforcement	135,132	135,132	110,975	24,157	137,128
Telecommunications/911 dispatch	4,276	4,276	715	3,561	10,755
North Towns contract	117,786	117,786	96,688	21,098	74,127
Little Suamico/Chase contract	99,188	99,188	98,956	232	39,264
OJA grant project	600	600	-	600	82
Correction and Detentions					
County jail	12,993	12,993	2,767	10,226	-
Other Public Safety					
EMS council	1,000	1,000	142	858	900
Emergency government	96,148	96,148	90,637	5,511	94,507
Emergency government - SARA	24,280	29,780	33,091	(3,311)	23,238
Miscellaneous	-	11,824	-	11,824	4,875
Total public safety	7,660,007	7,752,042	7,819,069	(67,027)	7,567,144
Public Works					
Transportation					
Airport	41,369	41,369	38,509	2,860	26,788
Sanitation					
Private sewage system regulation	250,611	250,611	303,588	(52,977)	269,233
Total public works	291,980	291,980	342,097	(50,117)	296,021

Oconto County, Wisconsin

**GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
Health and Human Services					
Aging					
Commission on aging	138,552	139,556	139,757	(201)	136,126
Senior citizens center	3,275	3,275	3,275	-	3,275
Veterans					
Veterans service officer	166,895	166,895	155,274	11,621	155,274
Veterans relief	3,700	3,700	1,957	1,743	3,048
Care of veterans graves	1,560	25,363	1,560	23,803	1,560
Other					
Child support agency	438,112	438,112	414,973	23,139	420,776
Family mediation	27,806	27,806	14,529	13,277	24,702
Total health and human services	779,900	804,707	731,325	73,382	744,761
Culture and Recreation					
Culture					
Libraries	528,451	528,451	528,445	6	525,147
Historical society	10,000	10,000	10,000	-	10,000
Recreation					
County parks	338,097	367,251	374,808	(7,557)	357,135
Machickanee shooting range	5,000	26,143	5,412	20,731	4,892
County boat landings	37,200	132,876	22,735	110,141	82,304
County snowmobile trails	126,300	194,511	368,417	(173,906)	220,868
County ATV trails	145,923	145,209	43,564	101,645	135,305
State Recreational Aid Projects	65,000	57,997	14,078	43,919	53,085
County fair	10,000	20,000	20,000	-	10,000
Education					
UW-extension program	252,234	252,234	206,929	45,305	217,877
Extension homemakers	500	500	500	-	500
UW-X district resource management	-	8,880	1,744	7,136	6,041
4-H outreach	-	5,220	16,222	(11,002)	18,954
UW-X AG newsletter	-	19,742	18,784	958	6,052
Miscellaneous	-	267	-	267	144
Total culture and recreation	1,518,705	1,769,281	1,631,638	137,643	1,648,304
Conservation and Development					
Resource Conservation					
County forestry	367,792	432,518	348,356	84,162	355,740
Forest roads	11,631	11,631	2,112	9,519	5,034
Conservation projects	2,728	2,728	-	2,728	-
Wildlife habitat management	2,049	10,333	2,677	7,656	2,748
County forest land acquisition	-	-	1,540	(1,540)	3,459
County dams	11,000	18,656	5,447	13,209	10,728
Good Neighbor Authority	8,000	8,000	17,203	(9,203)	-
S/A county forestry	-	-	6,072	(6,072)	38,672
Land conservation	465,240	521,309	473,500	47,809	360,075
ST Paper	13,916	59,835	13,558	46,277	29,734
Wildlife damage program	20,033	20,033	2,363	17,670	2,316
Lake Study	140,913	323,887	85,414	238,473	70,084
LWR coastal management	19,680	19,680	16,960	2,720	18,616
LWR administration	100,000	100,000	149,507	(49,507)	193,939

Oconto County, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
Planning and Zoning					
Bay Lake Regional Planning Commission	23,500	23,500	23,500	-	22,473
Zoning	303,235	303,235	294,930	8,305	266,718
Board of adjustments	14,931	14,931	10,398	4,533	10,520
Land use planning	67,918	67,918	84,495	(16,577)	69,043
Comprehensive planning project	15,000	15,000	493	14,507	1,736
Lake protection	35,000	266,099	10,179	255,920	80,000
Economic Development					
Oconto County EDC	271,481	331,481	323,481	8,000	271,481
Miscellaneous	1,000	(824)	-	(824)	-
Total conservation and development	<u>1,895,047</u>	<u>2,549,950</u>	<u>1,872,185</u>	<u>677,765</u>	<u>1,813,116</u>
Capital Outlay					
General Public Buildings and Other					
General Government					
Courthouse	190,000	190,000	88,662	101,338	104,750
Computer hardware and software	433,500	433,500	185,719	247,781	169,953
Other general	-	103,857	161,376	(57,519)	161,043
Law Enforcement					
Radio & communication system	13,000	453,000	479,106	(26,106)	293,089
Emergency government vehicle	70,000	70,000	33,375	36,625	-
Other					
Recreation	-	130,000	129,818	182	28,471
Total Capital Outlay	<u>706,500</u>	<u>1,380,357</u>	<u>1,078,056</u>	<u>302,301</u>	<u>757,306</u>
Total expenditures	<u>\$ 19,331,540</u>	<u>\$ 21,487,820</u>	<u>\$ 19,465,299</u>	<u>\$ 2,022,521</u>	<u>\$ 18,544,113</u>

Oconto County, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	<u>Jail Assessment</u>	<u>County Sales Tax</u>	<u>State Grant Loan Fund</u>	<u>Tri-County Loan Fund</u>
ASSETS				
Cash and investments	\$ 69,594	\$ 2,767,652	\$ 51,936	\$ 268
Restricted cash and investments	-	-	208,707	-
Receivables				
Loans	-	-	-	-
Due from other funds	-	-	-	-
	<u>69,594</u>	<u>2,767,652</u>	<u>260,643</u>	<u>268</u>
Total assets	<u>\$ 69,594</u>	<u>\$ 2,767,652</u>	<u>\$ 260,643</u>	<u>\$ 268</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 6,199	\$ -	\$ -	\$ -
Special deposits	-	-	-	-
	<u>6,199</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,199</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Loans receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted	-	-	260,643	-
Assigned	63,395	2,767,652	-	268
	<u>63,395</u>	<u>2,767,652</u>	<u>260,643</u>	<u>268</u>
Total fund balances	<u>63,395</u>	<u>2,767,652</u>	<u>260,643</u>	<u>268</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,594</u>	<u>\$ 2,767,652</u>	<u>\$ 260,643</u>	<u>\$ 268</u>

Special Revenue					Totals	
County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	2019	2018
\$ 944,817	\$ 596,452	\$ 22,257	\$ 11,367	\$ 48,842	\$ 4,513,185	\$ 4,695,892
-	-	-	-	-	208,707	203,686
118,582	-	-	-	-	118,582	171,250
-	-	-	-	1,500	1,500	1,500
<u>\$ 1,063,399</u>	<u>\$ 596,452</u>	<u>\$ 22,257</u>	<u>\$ 11,367</u>	<u>\$ 50,342</u>	<u>\$ 4,841,974</u>	<u>\$ 5,072,328</u>
\$ -	\$ -	\$ 565	\$ -	\$ -	\$ 6,764	\$ 807
-	544,117	-	-	-	544,117	568,312
-	544,117	565	-	-	550,881	569,119
118,582	-	-	-	-	118,582	171,250
-	-	-	-	-	260,643	260,229
944,817	52,335	21,692	11,367	50,342	3,911,868	4,071,730
944,817	52,335	21,692	11,367	50,342	4,172,511	4,331,959
<u>\$ 1,063,399</u>	<u>\$ 596,452</u>	<u>\$ 22,257</u>	<u>\$ 11,367</u>	<u>\$ 50,342</u>	<u>\$ 4,841,974</u>	<u>\$ 5,072,328</u>

Oconto County, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	Jail Assessment	County Sales Tax	State Grant Loan Fund	Tri-County Loan Fund
REVENUES				
Taxes	\$ -	\$ 2,110,301	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeits	29,437	-	-	-
Miscellaneous	-	-	6,414	11,210
Total revenues	<u>29,437</u>	<u>2,110,301</u>	<u>6,414</u>	<u>11,210</u>
EXPENDITURES				
Current				
Public safety	42,084	-	-	-
Health and human services	-	-	-	-
Conservation and development	-	-	6,000	71,584
Total expenditures	<u>42,084</u>	<u>-</u>	<u>6,000</u>	<u>71,584</u>
Excess of revenues over (under) expenditures	<u>(12,647)</u>	<u>2,110,301</u>	<u>414</u>	<u>(60,374)</u>
OTHER FINANCING USES				
Transfers out	-	(2,278,166)	-	-
Net change in fund balances	(12,647)	(167,865)	414	(60,374)
Fund balances - January 1	<u>76,042</u>	<u>2,935,517</u>	<u>260,229</u>	<u>60,642</u>
Fund balances - December 31	<u>\$ 63,395</u>	<u>\$ 2,767,652</u>	<u>\$ 260,643</u>	<u>\$ 268</u>

Special Revenue					Totals	
County Revolving Loan Fund	Section 125 & HRA Plans	Dog Licenses	Commission on Aging Transportation	Jail Canteen	2019	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,110,301	\$ 2,025,874
-	-	10,105	-	-	10,105	9,962
-	-	-	-	-	29,437	33,292
69,300	16,519	-	250	67,889	171,582	340,144
69,300	16,519	10,105	250	67,889	2,321,425	2,409,272
-	-	-	-	67,801	109,885	94,921
-	-	9,237	-	-	9,237	9,253
6,001	-	-	-	-	83,585	12,037
6,001	-	9,237	-	67,801	202,707	116,211
63,299	16,519	868	250	88	2,118,718	2,293,061
-	-	-	-	-	(2,278,166)	(1,591,904)
63,299	16,519	868	250	88	(159,448)	701,157
881,518	35,816	20,824	11,117	50,254	4,331,959	3,630,802
<u>\$ 944,817</u>	<u>\$ 52,335</u>	<u>\$ 21,692</u>	<u>\$ 11,367</u>	<u>\$ 50,342</u>	<u>\$ 4,172,511</u>	<u>\$ 4,331,959</u>

Oconto County, Wisconsin

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COUNTY ROADS AND BRIDGES SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2018 Actual
	Original	Final			
REVENUES					
Taxes					
Taxes - property tax levy	\$ 3,465,000	\$ 3,465,000	\$ 3,465,000	\$ -	\$ 3,690,336
Special purpose levy - local bridge	87,865	87,865	87,865	-	102,804
Total taxes	<u>3,552,865</u>	<u>3,552,865</u>	<u>3,552,865</u>	<u>-</u>	<u>3,793,140</u>
Intergovernmental					
State transportation aids	1,077,402	1,024,805	1,024,805	-	1,077,402
State LRIP	6,877	6,877	6,710	(167)	13,754
State local bridge	-	-	81,611	81,611	38,425
State CHIP	344,093	344,093	344,093	-	158,743
Total intergovernmental	<u>1,428,372</u>	<u>1,375,775</u>	<u>1,457,219</u>	<u>81,444</u>	<u>1,288,324</u>
Total revenues	<u>4,981,237</u>	<u>4,928,640</u>	<u>5,010,084</u>	<u>81,444</u>	<u>5,081,464</u>
EXPENDITURES					
Public Works					
CTHS admin	402,009	402,009	404,639	(2,630)	394,041
Maintenance	1,282,045	1,282,045	1,393,446	(111,401)	1,354,651
Snow removal	815,748	763,151	1,331,598	(568,447)	998,382
Hot mix maintenance	1,164,702	1,164,702	762,858	401,844	1,224,251
Gravel maintenance	72,868	72,868	57,668	15,200	100,691
STP before/after (county)	75,000	75,000	8,341	66,659	-
CHIP program	976,000	976,000	1,234,158	(258,158)	298,317
Safer bridge program	105,000	105,000	189,967	(84,967)	282,448
Co aid bridges	87,865	87,865	66,369	21,496	71,952
Total expenditures	<u>4,981,237</u>	<u>4,928,640</u>	<u>5,449,044</u>	<u>(520,404)</u>	<u>4,724,733</u>
Net change in fund balance	-	-	(438,960)	(438,960)	356,731
Fund balance - January 1	<u>1,175,646</u>	<u>1,175,646</u>	<u>1,175,646</u>	<u>-</u>	<u>818,915</u>
Fund balance - December 31	<u>\$ 1,175,646</u>	<u>\$ 1,175,646</u>	<u>\$ 736,686</u>	<u>\$ (438,960)</u>	<u>\$ 1,175,646</u>

Oconto County, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - JAIL ASSESSMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Fines and forfeits					
Jail assessment surcharge	\$ -	\$ -	\$ 29,437	\$ 29,437	\$ 33,292
EXPENDITURES					
Current					
Public safety					
Jail maintenance and improvements	-	-	42,084	(42,084)	48,745
Net change in fund balance	-	-	(12,647)	(12,647)	(15,453)
Fund balance - January 1	76,042	76,042	76,042	-	91,495
Fund balance - December 31	<u>\$ 76,042</u>	<u>\$ 76,042</u>	<u>\$ 63,395</u>	<u>\$ (12,647)</u>	<u>\$ 76,042</u>

Oconto County, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - COUNTY SALES TAX SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
REVENUES					
Taxes	\$ 2,059,492	\$ 2,059,492	\$ 2,110,301	\$ 50,809	\$ 2,025,874
OTHER FINANCING USES					
Transfers out to general fund	(756,859)	(756,859)	(756,859)	-	(756,859)
Transfers out to debt service fund	(850,742)	(850,742)	(1,521,307)	(670,565)	(835,045)
Total other financing uses	(1,607,601)	(1,607,601)	(2,278,166)	(670,565)	(1,591,904)
Net change in fund balance	451,891	451,891	(167,865)	(619,756)	433,970
Fund balance - January 1	2,935,517	2,935,517	2,935,517	-	2,501,547
Fund balance - December 31	<u>\$ 3,387,408</u>	<u>\$ 3,387,408</u>	<u>\$ 2,767,652</u>	<u>\$ (619,756)</u>	<u>\$ 2,935,517</u>

Oconto County, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 REVOLVING LOAN SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Actual			2019 Total	2018 Actual
	State Grant Loan Fund	Tri-County Loan Fund	County Revolving Loan Fund		
REVENUES					
Miscellaneous					
Loan repayments					
Principal	\$ -	\$ 9,561	\$ 43,614	\$ 53,175	\$ 228,320
Interest	6,414	1,649	3,361	11,424	8,991
Interest on investments	-	-	22,325	22,325	19,282
Total revenues	6,414	11,210	69,300	86,924	256,593
EXPENDITURES					
Current					
Administration	6,000	71,584	6,001	83,585	12,037
Net change in fund balance	414	(60,374)	63,299	3,339	244,556
Fund balance - January 1	260,229	60,642	881,518	1,202,389	957,833
Fund balance - December 31	<u>\$ 260,643</u>	<u>\$ 268</u>	<u>\$ 944,817</u>	<u>\$ 1,205,728</u>	<u>\$ 1,202,389</u>

Oconto County, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DOG LICENSE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
REVENUES		
Licenses and permits		
Dog licenses	\$ 10,105	\$ 9,962
EXPENDITURES		
Current		
Health and human services		
Dog licensing costs	9,237	9,253
Net change in fund balance	868	709
Fund balance - January 1	20,824	20,115
Fund balance - December 31	<u>\$ 21,692</u>	<u>\$ 20,824</u>

Oconto County, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMMISSION ON AGING TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
REVENUES		
Miscellaneous	\$ 250	\$ 206
EXPENDITURES		
Current		
Health and human services	-	-
Net change in fund balance	250	206
Fund balance - January 1	<u>11,117</u>	<u>10,911</u>
Fund balance - December 31	<u>\$ 11,367</u>	<u>\$ 11,117</u>

Oconto County, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
JAIL CANTEEN SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
REVENUES		
Miscellaneous		
Jail canteen sales	\$ 67,889	\$ 71,222
EXPENDITURES		
Current		
Public safety		
Jail canteen purchases	67,801	46,176
Net change in fund balance	88	25,046
Fund balance - January 1	50,254	25,208
Fund balance - December 31	<u>\$ 50,342</u>	<u>\$ 50,254</u>

Oconto County, Wisconsin

**SCHEDULE OF OPERATING REVENUES AND EXPENSES - BUDGET AND ACTUAL
HIGHWAY ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2018 Actual
	Original	Final		Positive (Negative)	
Operating revenues					
Public charges for services					
Licenses and permits	\$ -	\$ -	\$ 12,550	\$ 12,550	\$ 21,825
Intergovernmental charges for services					
State					
Administration	186,800	186,800	264,441	77,641	281,627
Maintenance	652,100	652,100	507,650	(144,450)	537,994
Snow/ice control	732,500	732,500	742,934	10,434	660,833
State unclassified maintenance	22,000	22,000	144,164	122,164	6,835
State roadside special maintenance	91,000	91,000	127,829	36,829	278,341
State other	40,000	40,000	138,762	98,762	85,291
State insurance claims	-	-	48,584	48,584	87,839
State records and reports	-	-	2,707	2,707	10,445
State 1% small tools	-	-	8,158	8,158	11,937
Total state	1,724,400	1,724,400	1,985,229	260,829	1,961,142
Other local governments	1,988,454	1,988,454	3,331,273	1,342,819	2,962,501
Local (County) departments	188,074	188,074	159,189	(28,885)	52,737
Local CTHS transportation payments	4,626,398	4,998,801	5,382,675	383,874	4,652,781
Total other local governments	6,802,926	7,175,329	8,873,137	1,697,808	7,668,019
Transportation cost pools	-	-	191,339	191,339	191,339
Total intergovernmental charges for services	8,527,326	8,899,729	11,049,705	2,149,976	9,820,500
Total operating revenues	8,527,326	8,899,729	11,062,255	2,162,526	9,842,325
Operating expenses					
Highway administration					
Highway administration	433,322	433,322	404,453	28,869	404,453
Supervision	134,146	134,146	196,378	(62,232)	196,378
Radio expense	13,973	13,973	29,180	(15,207)	29,180
General public liability	21,000	21,000	24,041	(3,041)	24,041
Alcohol and drug testing	2,323	2,323	1,287	1,036	1,287
Safety meeting	38,193	38,193	34,569	3,624	34,569
State administration	15,000	15,000	17,028	(2,028)	17,028
Wisconsin retirement	-	-	69,745	(69,745)	69,745
Total highway administration	657,957	657,957	776,681	(118,724)	776,681

Oconto County, Wisconsin

**SCHEDULE OF OPERATING REVENUES AND EXPENSES - BUDGET AND ACTUAL
HIGHWAY ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH COMPARATIVE ACUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2018 Actual
	Original	Final		Positive (Negative)	
Highway maintenance and construction					
County trunk highway system					
Machinery cost pool	-	-	(267,609)	267,609	(267,609)
Routine maintenance	1,381,605	1,381,605	1,531,540	(149,935)	1,531,540
Snow/ice control	814,752	814,752	998,382	(183,630)	998,382
Hot mix and seal coating	1,520,000	1,520,000	1,224,252	295,748	1,224,252
Gravel maintenance	106,839	106,839	100,692	6,147	100,692
STP other	46,300	46,300	-	46,300	-
CHIP	310,000	310,000	298,317	11,683	298,317
Safer bridge program	308,743	308,743	282,447	26,296	282,447
Total highway maintenance and construction	<u>4,488,239</u>	<u>4,488,239</u>	<u>4,168,021</u>	<u>320,218</u>	<u>4,168,021</u>
State trunk highway system					
Maintenance	662,000	662,000	527,168	134,832	527,168
Snow and ice control	696,300	696,300	669,384	26,916	669,384
State miscellaneous charges	-	-	210,283	(210,283)	210,283
State bridge maintenance	13,500	13,500	6,936	6,564	6,936
STHS roadside maintenance	99,700	99,700	56,730	42,970	56,730
State signage and traffic control	8,200	8,200	7,950	250	7,950
State insurance accident reports	-	-	88,201	(88,201)	88,201
Total state trunk highway system	<u>1,479,700</u>	<u>1,479,700</u>	<u>1,566,652</u>	<u>(86,952)</u>	<u>1,566,652</u>
Local governments					
Local government-road maintenance	1,642,124	1,642,124	2,100,729	(458,605)	2,100,729
Local government-snow and ice control	346,330	346,330	627,533	(281,203)	627,533
Local government-bridge maintenance	-	-	126,839	(126,839)	126,839
Total local governments	<u>1,988,454</u>	<u>1,988,454</u>	<u>2,855,101</u>	<u>(866,647)</u>	<u>2,855,101</u>
Local departments	<u>188,074</u>	<u>188,074</u>	<u>377,447</u>	<u>(189,373)</u>	<u>377,447</u>
Total local governments and departments	<u>2,176,528</u>	<u>2,176,528</u>	<u>3,232,548</u>	<u>(1,056,020)</u>	<u>3,232,548</u>
Total operating expenses	<u>8,802,424</u>	<u>8,802,424</u>	<u>9,743,902</u>	<u>(941,478)</u>	<u>9,743,902</u>
Operating income	<u>\$ (275,098)</u>	<u>\$ 97,305</u>	<u>\$ 1,318,353</u>	<u>\$ 3,104,004</u>	<u>\$ 98,423</u>

Oconto County, Wisconsin

**SCHEDULE OF OPERATING REVENUES AND EXPENSES - BUDGET AND ACTUAL
 RECYCLING ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2018 Actual
	Original	Final		Positive (Negative)	
Operating revenues					
Public charges for services					
Tipping fees	\$ 100	\$ 100	-	\$ (100)	\$ 1
Electronics disposal	15,000	15,000	26,173	11,173	18,399
Other	100	100	50	(50)	150
Total public charges for services	<u>15,200</u>	<u>15,200</u>	<u>26,223</u>	<u>11,023</u>	<u>18,550</u>
Intergovernmental charges for services					
Waste tires disposal	8,000	8,000	19,170	11,170	1,374
Freon disposal	4,500	4,500	6,300	1,800	6,195
Hauling costs	25,000	25,000	-	(25,000)	-
Oil related items	500	500	83	(417)	135
Administrative charges	49,547	49,547	-	(49,547)	-
Other	50	50	-	(50)	10
Total intergovernmental charges	<u>87,597</u>	<u>87,597</u>	<u>25,553</u>	<u>(62,044)</u>	<u>7,714</u>
Miscellaneous					
Sales of recyclable materials	27,300	27,300	15,790	(11,510)	36,720
Total revenues	<u>130,097</u>	<u>130,097</u>	<u>67,566</u>	<u>(62,531)</u>	<u>62,984</u>
Operating expenses					
Public works					
Personnel	177,413.00	177,413	104,689	72,724	104,494
Consulting and professional svcs	1,730	1,730	730	1,000	657
Utility services	9,750	9,750	10,076	(326)	10,882
Purchased repairs and maintenance	12,700	12,700	9,200	3,500	6,472
Purchased services - other	56,000	56,000	63,386	(7,386)	62,097
Electronics disposal	9,000	9,000	8,523	477	9,123
Freon disposal	5,000	5,000	6,010	(1,010)	4,580
Waste disposal	13,800	13,800	91,161	(77,361)	17,803
Office supplies	300	300	116	184	152
Subscriptions and dues	1,100	1,100	756	344	1,157
Employee travel and training	2,850	2,850	2,590	260	2,668
Operating supplies and expenses	5,000	5,000	3,937	1,063	3,570
Repair and maintenance supplies	3,000	3,000	1,658	1,342	2,500
Insurance	6,600	6,600	7,098	(498)	6,546
Capital outlay	63,000	63,000	-	63,000	-
Depreciation	20,100	20,100	19,927	173	33,850
Cost allocations	10,546	10,546	10,546	-	9,830
Other	-	-	465	(465)	-
Total operating expenses	<u>397,889</u>	<u>397,889</u>	<u>340,868</u>	<u>57,021</u>	<u>276,381</u>
Operating loss	<u>(267,792)</u>	<u>(267,792)</u>	<u>(273,302)</u>	<u>5,510</u>	<u>(213,397)</u>
Nonoperating revenues					
State aid recycling program	165,000	165,000	165,057	57	165,336
Clean sweep grant	-	27,200	50,928	23,728	-
Interest income	-	-	-	-	20
Loss on sale of equipment	-	-	-	-	(46,090)
Total nonoperating revenues	<u>165,000</u>	<u>192,200</u>	<u>215,985</u>	<u>23,785</u>	<u>119,266</u>
Net income (loss) before transfers	<u>(102,792)</u>	<u>(75,592)</u>	<u>(57,317)</u>	<u>29,295</u>	<u>(94,131)</u>
Transfers in	-	15,000	15,000	-	-
Change in net position	<u>\$ (102,792)</u>	<u>\$ (60,592)</u>	<u>\$ (42,317)</u>	<u>\$ 29,295</u>	<u>\$ (94,131)</u>

Oconto County, Wisconsin

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	Clerk of Courts	Jail Inmate	Totals	
			2019	2018
ASSETS				
Current assets				
Cash and investments	\$ 520,665	\$ 14,976	\$ 535,641	\$ 535,694
LIABILITIES				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 201
Other liabilities	-	1,500	1,500	1,500
Deposits	520,665	13,476	534,141	533,993
Total liabilities	\$ 520,665	\$ 14,976	\$ 535,641	\$ 535,694

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 (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 28, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 have not been 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 2019-001 that we consider to be a significant deficiency.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County'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'S RESPONSE TO FINDINGS

The County's response to the findings identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. The County'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 results of that testing, and not to provide an opinion on the effectiveness of County'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 County's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin

December 28, 2020

FEDERAL AND STATE AWARDS



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 ("the County'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 Wisconsin Department of Administration that could have a direct and material effect on each of the County's major federal and state programs for the year ended December 31, 2019. The County'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 the County'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 Wisconsin Department of Administration. 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 the County'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 the County's compliance.

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the County 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, 2019.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the County 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 the County'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 County'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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-002 that we consider to be a significant deficiency.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. The 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.

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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 28, 2020

Oconto County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF AGRICULTURE								
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WI Department of Health Services	154710	\$ (41,148)	\$ 142,338	\$ 29,184	\$ 130,374	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WI Department of Health Services	154746	-	2,372	-	2,372	-
Total Special Supplemental Nutrition Program for Women, Infants, and Children				(41,148)	144,710	29,184	132,746	-
Environmental Quality Incentives Program	10.912	Direct Program	N/A	(14,933)	14,933	-	-	-
SNAP Cluster								
State Administrative Matching Grants for Food Stamp Program	10.561	Brown County, Wisconsin	284	(85,726)	208,486	62,215	184,975	-
State Administrative Matching Grants for Food Stamp Program	10.561	Brown County, Wisconsin	61	(3,392)	6,240	480	3,328	-
Total SNAP Cluster				(89,118)	214,726	62,695	188,303	-
Good Neighbor Authority	10.691	WI Department of Natural Resources	Unknown	-	13,850	-	13,850	-
Total U.S. Department of Agriculture				(145,199)	388,219	91,879	334,899	-
U.S. DEPARTMENT OF COMMERCE								
Economic Development Cluster								
Economic Adjustment Assistance	11.307	Direct Program	N/A	-	268	-	268	-
U.S. DEPARTMENT OF THE INTERIOR								
Fish and Wildlife Cluster								
Federal Wildlife Restoration Grant Funding	15.611	WI Department of Natural Resources	RBPL-519-4	-	3,272	-	3,272	-
Natural Resource Damage Assessment and Restoration	15.658	Direct Program	N/A	(181,628)	181,628	-	-	-
Great Lakes Restoration Initiative	15.662	Direct Program	N/A	(80,000)	156,444	53,691	130,135	-
Total U.S. Department of the Interior				(261,628)	341,344	53,691	133,407	-
U.S. DEPARTMENT OF JUSTICE								
Bulletproof Vest Grant Program	16.607	WI Department of Justice	Unknown	-	-	1,984	1,984	-
Public Safety Partnership and Community Policing Grants	16.710	WI Department of Justice	455COPSHEROIN	-	4,561	2,240	6,801	-
Total U.S. Department of Justice				-	4,561	4,224	8,785	-
U.S. DEPARTMENT OF TRANSPORTATION								
Highway Planning and Construction Cluster								
Recreational Trails Program	20.219	WI Department of Natural Resources	Nicolet State Trail	-	39,283	-	39,283	-
Total U.S. Department of Transportation				-	39,283	-	39,283	-
U.S. DEPARTMENT OF EDUCATION								
Special Education - Grants for Infants and Families	84.181	WI Department of Health Services	550	-	26,527	-	26,527	-

Oconto County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	Greater Wisconsin Agency on Aging Resources	560510	(515)	4,559	351	4,395	-
Aging Cluster								
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	Greater Wisconsin Agency on Aging Resources	560340	(12,609)	40,829	18,642	46,862	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Greater Wisconsin Agency on Aging Resources	560350	(19,667)	48,590	43,454	72,377	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Greater Wisconsin Agency on Aging Resources	560360	(41,477)	57,743	65,087	81,353	-
Total Special Programs for the Aging Title III, Part C Nutrition Services				(61,144)	106,333	108,541	153,730	-
Nutrition Services Incentive Program	93.053	Greater Wisconsin Agency on Aging Resources	560422	-	23,719	793	24,512	-
Total Aging Cluster				(73,753)	170,881	127,976	225,104	-
National Family Caregiver Support, Title III, Part E	93.052	Greater Wisconsin Agency on Aging Resources	560520	(1,250)	14,734	7,475	20,959	-
Environmental Public Health and Emergency Response	93.069	WI Department of Health Services	155015	(21,888)	66,241	-	44,353	-
Environmental Public Health and Emergency Response	93.069	WI Department of Health Services	155050	-	8,025	-	8,025	-
Total Environmental Public Health and Emergency Response				(21,888)	74,266	-	52,378	-
Immunization Cooperative Agreements	93.268	WI Department of Health Services	155020	-	8,481	-	8,481	-
Promoting Safe and Stable Families	93.556	WI Department of Children and Families	3306	-	42,827	-	42,827	-
TANF Cluster								
Temporary Assistance for Needy Families	93.558	WI Department of Health Services	561	-	62,188	-	62,188	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7477	(83,411)	258,866	83,520	258,975	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7482	629	(2,219)	(451)	(2,041)	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7506	(46)	598	376	928	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7617	-	62,541	-	62,541	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7332	-	11,875	341	12,216	-
Child Support Enforcement (Title IV-D)	94.563	WI Department of Children and Families	7477C	-	(1,126)	-	(1,126)	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7560	-	1,706	-	1,706	-
Total Child Support Enforcement (Title IV-D)				(82,828)	332,241	83,786	333,199	-
Low Income Home Energy Assistance	93.568	WI Department of Administration	WHEAP19.42	(21,588)	46,603	32,799	57,814	-
CCDF Cluster								
Child Care and Development Block Grant								
Child Care and Development Block Grant	93.575	WI Department of Children and Families	831	-	3,851	-	3,851	-
Child Care and Development Block Grant	93.575	WI Department of Children and Families	840	(1,329)	2,535	-	1,206	-
Child Care and Development Block Grant	93.575	WI Department of Children and Families	852	-	57,620	-	57,620	-
Total Child Care and Developmental Block Grant				(1,329)	64,006	-	62,677	-
Grants to States for Access and Visitation Programs	93.597	WI Department of Children and Families	7332	(1,227)	1,227	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI Department of Children and Families	3413	(133)	4,129	61	4,057	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI Department of Children and Families	3561	-	18,678	-	18,678	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI Department of Children and Families	3681	-	1,493	-	1,493	-
Total Stephanie Tubbs Jones Child Welfare Services Program				(133)	24,300	61	24,228	-

Oconto County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)								
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3396	-	343	166	509	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3413	(238)	7,404	109	7,275	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3561	-	209,619	-	209,619	-
Foster Care (Title IV-E)	93.658	WI Department of Children and Families	3681	-	16,760	-	16,760	-
Total Foster Care (Title IV-E)				(238)	234,126	275	234,163	-
Social Services Block Grant	93.667	WI Department of Health Services	561	-	115,927	-	115,927	-
Children's Health Insurance Program	93.767	Brown County, Wisconsin	284	(11,041)	27,114	8,145	24,218	-
Medicaid Cluster								
Medical Assistance Program	93.778	WI Department of Health Services	881	(5,109)	5,109	4,788	4,788	-
Medical Assistance Program	93.778	WI Department of Health Services	878	(22,310)	22,310	33,843	33,843	-
Medical Assistance Program	93.778	WI Department of Health Services	TPA	-	437,731	-	437,731	-
Medical Assistance Program	93.778	WI Department of Health Services	Unknown	-	100,532	-	100,532	-
Medical Assistance Program	93.778	Brown County, Wisconsin	62	(3,391)	6,239	479	3,327	-
Medical Assistance Program	93.778	Brown County, Wisconsin	284	(109,207)	268,190	80,572	239,555	-
Medical Assistance Program	93.778	Greater Wisconsin Agency on Aging Resources	560029	(3,000)	5,979	3,000	5,979	-
Total Medicaid Cluster				(143,017)	846,090	122,682	825,755	-
Block Grants for Community Mental Health Services	93.958	WI Department of Health Services	515	(2,713)	6,890	1,059	5,236	-
Block Grants for Community Mental Health Services	93.958	WI Department of Health Services	569	-	-	13,353	13,353	-
Block Grants for Community Mental Health Services	93.958	WI Department of Health Services	533277	-	6,375	-	6,375	-
Total Block Grants for Community Mental Health Services				(2,713)	13,265	14,412	24,964	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	515	(449)	1,126	172	849	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	545	-	11,088	19,271	30,359	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	546	-	5,876	-	5,876	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	570	-	12,731	-	12,731	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	533165	-	24,193	-	24,193	-
Total Block Grants for Prevention and Treatment of Substance Abuse				(449)	55,014	19,443	74,008	-
Preventive Health and Health Services Block Grant								
Prevention and Public Health Funds	93.991	WI Department of Health Services	159200	-	6,859	3,000	9,859	-
Maternal and Child Health Services Block Grant to the States	93.994	WI Department of Health Services	159320	(3,571)	18,529	-	14,958	-
Total U.S. Department of Health and Human Services				(365,540)	2,163,237	420,405	2,218,102	-
U.S. DEPARTMENT OF HOMELAND SECURITY								
Emergency Management Performance Grants	97.042	WI Department of Military Affairs	EMPG-WI-2017-C8342	(21,454)	21,454	-	-	-
Emergency Management Performance Grants	97.042	WI Department of Military Affairs	EMPG-WI-2018-C8342	-	446	42,852	43,298	-
Total U.S. Department of Homeland Security				(21,454)	21,900	42,852	43,298	-
TOTAL FEDERAL AWARDS				\$ (793,821)	\$ 2,985,339	\$ 613,051	\$ 2,804,569	\$ -

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

Oconto County, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION								
Agriculture Clean Sweep Program	115.04	Direct Program	N/A	\$ (3,585)	\$ 5,107	\$ -	\$ 1,522	\$ -
County Staff and Support	115.15	Direct Program	N/A	-	139,166	-	139,166	-
LWRM Plan Implementation Projects	115.40	Direct Program	9214-16-43	(3,297)	25,376	11,772	33,851	-
Farmland Preservation	115.778	Direct Program	N/A	-	30,785	-	30,785	-
Total Department of Agriculture, Trade and Consumer Protection				(6,882)	200,434	11,772	205,324	-
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES								
Private Sewage System Replacement and Rehabilitation Program	165.236	Direct Program	N/A	-	62,678	-	62,678	-
DEPARTMENT OF NATURAL RESOURCES								
Boating Enforcement	370.550	Direct Program	N/A	-	6,161	-	6,161	-
ATV Enforcement	370.551	Direct Program	N/A	-	105,065	-	105,065	-
Snowmobile Enforcement	370.552	Direct Program	N/A	-	19,035	-	19,035	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	N/A	(905)	2,964	1,217	3,276	-
Recreation Aids - Fish, Wildlife, & Forestry	370.563	Direct Program	N/A	(4,033)	4,033	-	-	-
Recreation Aids - Fish, Wildlife, & Forestry	370.564	Direct Program	N/A	-	2,047	-	2,047	-
County Forest Administrator Grants	370.572	Direct Program	2018CFADMINGRNT	-	50,960	-	50,960	-
National Forest Title III	370.582	Direct Program	N/A	-	6,583	-	6,583	-
Recreational Aids - Snowmobile Trail and Area Aid								
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5009	(44,952)	44,952	-	-	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5329	-	63,285	-	63,285	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5209	-	178,573	114,123	292,696	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5298	-	1,650	-	1,650	-
Total Recreational Aids - Snowmobile Trail and Area Aid				(44,952)	288,460	114,123	357,631	-
All-Terrain Vehicle (ATV) Program								
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV - 3818	-	29,658	-	29,658	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV - 3877T	-	4,817	-	4,817	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV - 4078T	-	4,835	-	4,835	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV - 4019	-	29,549	-	29,549	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV - 4085	-	17,605	-	17,605	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV - 4086	-	9,540	-	9,540	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV - 4087	-	21,060	-	21,060	-
Total All-Terrain Vehicle (ATV) Program				-	117,064	-	117,064	-
Aquatic Invasive Species	370.663	Direct Program	LPT52917	(12,910)	50,532	47,813	85,435	-
Recycling Grants to Responsible Units	370.670	Direct Program	RU #42000	-	159,919	-	159,919	-
Recycling Consolidation Grants	370.673	Direct Program	RU #42000	-	5,138	-	5,138	-
Total Department of Natural Resources				(62,800)	817,961	163,153	918,314	-
DEPARTMENT OF CORRECTIONS								
Bryne Competitive Program - Recidivism Reduction Grant	410.114	Direct Program	N/A	-	36,691	3,242	39,933	-

Oconto County, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
DEPARTMENT OF HEALTH SERVICES								
Fraud Prevention Investigation, State Share	435.060	Brown County, Wisconsin	60	(6,783)	12,478	959	6,654	-
IMAA State Share ACA	435.276	Brown County, Wisconsin	276	-	-	-	-	-
IMAA Fed Share ACA	435.277	Brown County, Wisconsin	277	-	-	-	-	-
IMAA State Share	435.283	Brown County, Wisconsin	283	-	124,752	121	124,873	-
IMAA Fed Share ACA	435.284	Brown County, Wisconsin	284	-	2,039	1,033	3,072	-
Adult Protective Services	435.312	Direct Program	312	(27,245)	54,490	-	27,245	-
Children's COP	435.377	Direct Program	377	(45,883)	45,883	45,494	45,494	-
Coordinated Services - County	435.515	Direct Program	515	(15,219)	41,304	6,615	32,700	-
Community Mental Health	435.516	Direct Program	516	(107,178)	275,563	52,161	220,546	-
Birth To Three Initiative	435.550	Direct Program	550	-	25,487	-	25,487	-
Basic County Allocation	435.561	Direct Program	561	-	666,833	-	666,833	-
State/County Match	435.681	Direct Program	681	-	92,950	-	92,950	-
CLTS Waiver GPR	435.871	Direct Program	TPA	-	268,081	-	268,081	-
CLTS Grandfather GPR	435.874	Direct Program	TPA	-	35,726	-	35,726	-
CLTS Other - County Administrative Costs, State Share	435.877	Direct Program	877	(22,310)	22,310	33,843	33,843	-
CLTS Autism - County Administrative Costs, State Share	435.880	Direct Program	880	(5,109)	5,109	4,788	4,788	-
WIC Farmers Market	435.154720	Direct Program	154720	-	-	517	517	-
Comm Disease Ctrl & Prev	435.155800	Direct Program	155800	-	4,200	-	4,200	-
Cons Contracts CHHD LD	435.157720	Direct Program	157720	-	3,847	-	3,847	-
State Elderly Benefit Specialist	435.560320	Greater Wisconsin Agency on Aging Resources	560024	(9,405)	28,215	9,405	28,215	-
State Elderly Benefit Specialist - Other Replacement	435.560320	Greater Wisconsin Agency on Aging Resources	560320	-	11,460	16,755	28,215	-
State Senior Community Services	435.560330	Greater Wisconsin Agency on Aging Resources	560330	(3,270)	5,194	5,770	7,694	-
Title III-CI Congregate Meals	435.560350	Greater Wisconsin Agency on Aging Resources	560350	(2,835)	7,004	6,265	10,434	-
Title III-C2 Home Delivered Meals	435.560360	Greater Wisconsin Agency on Aging Resources	560360	(627)	874	984	1,231	-
State Alzheimer's Family and Caregiver Support	435.560381	Greater Wisconsin Agency on Aging Resources	560381	(12,888)	18,558	14,171	19,841	-
Elder Abuse	435.560490	Greater Wisconsin Agency on Aging Resources	560490	(9,382)	9,382	-	-	-
Total Department of Health Services				(268,134)	1,761,739	198,881	1,692,486	-
DEPARTMENT OF CHILDREN AND FAMILIES								
Food Stamp Agency Incentives	437.965	Direct Program	965	(98)	2,958	300	3,160	-
AFDC Agency Incentives	437.975	Direct Program	975	-	22	12	34	-
Medicaid Agency Incentives	437.980	Direct Program	980	(641)	5,802	981	6,142	-
Kinship Care Program - Benefits	437.3377	Direct Program	3377	(36,875)	150,801	26,764	140,690	-
Kinship Care Program - Assessment	437.3380	Direct Program	3380	(2,814)	11,396	831	9,413	-
Community Intervention Program	437.3410	Direct Program	3410	-	12,145	24,814	36,959	-
Youth Aids	437.3413	Direct Program	3413	(14,901)	463,048	6,837	454,984	-
Basic County Allocation	437.3561	Direct Program	3561	-	214,310	-	214,310	-
State County match	437.3681	Direct Program	3681	-	17,135	-	17,135	-
Child Support Activities	437.7502	Direct Program	7502	-	40,808	-	40,808	-
Child Support Medical Support	437.7606	Direct Program	7606	-	959	-	959	-
Child Support Fingerprint	437.961	Direct Program	961	-	144	-	144	-
Total Department of Children and Families				(55,329)	919,528	60,539	924,738	-

Oconto County, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
DEPARTMENT OF JUSTICE								
County Law Enforcement Services	455.226	Direct Program	CY2018	-	24,477	-	24,477	-
Law Enforcement Training Fund	455.231	Direct Program	N/A	-	7,200	-	7,200	-
ICAC Overtime Reimbursement US Marshals	455.284	Direct Program	N/A	-	4,744	1,240	5,984	-
Victim Witness Cluster	455. (1)	Direct Program	N/A	-	32,275	18,246	50,521	-
Total Department of Justice				-	68,696	19,486	88,182	-
DEPARTMENT OF MILITARY AFFAIRS								
Mobile Field Force	465.312	Direct Program	N/A	(8,604)	8,604	-	-	-
Emergency Training Grant Program	465.337	Direct Program	N/A	(5,783)	5,783	11,758	11,758	-
EPRCA Computer & Hazmat Equipment Grant	465.364	Direct Program	N/A	(4,242)	4,242	2,892	2,892	-
MCI Trailer Equipment Grant	465.308	Brown County	N/A	-	5,500	-	5,500	-
Total Department of Military Affairs				(18,629)	24,129	14,650	20,150	-
DEPARTMENT OF ADMINISTRATION								
Land Information Board	505.166	Direct Program	AD189032	-	30,696	-	30,696	-
Land Information Board	505.166	Direct Program	AD189093	-	50,000	-	50,000	-
Land Information Board	505.166	Direct Program	EDUC-17-43	-	1,000	-	1,000	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	WHEAP19.42	(11,996)	15,883	-	3,887	-
Employment Grants Program	505.710	Direct Program	EG 18-01	(34,552)	45,023	-	10,471	-
Total Department of Administration				(46,548)	142,602	-	96,054	-
TOTAL STATE PROGRAMS				\$ (458,322)	\$ 4,034,458	\$ 471,723	\$ 4,047,859	\$ -

(1) Victim Witness is a cluster program funded by the following State ID Numbers: 455.503, 455.532, 455.536, 4553537 and 455.539

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

Oconto County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for Oconto County, Wisconsin are presented in accordance with the 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 Wisconsin Department of Administration.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of Oconto County. Because the schedules present only a selected portion of the operations of Oconto County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Oconto County.

NOTE 2: 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 Oconto County's 2019 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to Oconto County in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded Oconto County expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

Oconto County has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3: OVERSIGHT AGENCIES

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

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

NOTE 4: 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 expenditures of federal awards is calculated as follows:

Balance of loans outstanding at December 31, 2019	\$ 268
Cash balance at December 31, 2019	-
Total Expenditures for CFDA #11.307	<u>\$ 268</u>

NOTE 5: TITLE 19 MEDICAL ASSISTANCE PAYMENTS

The Schedules of Expenditures of Federal and State Awards do not include recorded revenues of \$199,023 received by Oconto County for Title 19 Medical Assistance programs. The payments are considered a contract for services between the State and Oconto County and therefore are not reported as federal or state awards.

Oconto County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6: STATE DIRECT PAYMENTS

Payments made directly to recipients and vendors by the State of Wisconsin under the FoodShare Wisconsin program on behalf of Oconto County are not included in the Schedules of Expenditures of Federal and State Awards.

NOTE 7: STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM

The Wisconsin Departments of Health Services (DHS) and Children and Families (DCF) utilize the Community Aids Reporting System (CARS) and the System for Payments and Reports of Contracts (SPARC) for reimbursing Oconto County for various federal and state program expenditures. The expenditures reported on the Schedules of Expenditures of Federal and State Awards for various DHS & DCF programs agree with the expenditures reported on the May 2019 CARS for the Human Services and Public Health Departments, and the December 2019 SPARC for Child Support and Child Care programs.

Oconto County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

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 AND STATE AWARDS

Internal control over major program:	
▶ 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 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 programs:	

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.778	Medical Assistance Program

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Programs</u>
115.15	Basic Annual Staffing Grants
435.561	Basic County Allocation
435.681	State/County Match
437.3561	Basic County Allocation
437.3681	State/County Match

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000
Auditee qualified as low-risk auditee	Yes

Oconto County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

FINDING NO.	CONTROL DEFICIENCIES
2019-001	Preparation of Annual Financial Report Repeat of Finding 2018-001
Condition:	Current Oconto County staff maintains accounting records which reflect Oconto County's financial transactions; however, preparing Oconto County's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. Oconto County contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.
Context	While performing audit procedures, it was noted that management does not have internal controls in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.
Criteria:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.
Cause:	Oconto County management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, Oconto County may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend Oconto County continue reviewing the GASB 34 conversion entries along with the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of Oconto County is necessary to obtain a complete and adequate understanding of Oconto County's annual financial report.
Management Response:	Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

Oconto County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

FINDING NO.	UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES FINDINGS
2019-002	Financial Reporting for Federal and State Awards <i>Federal CFDA - All</i> <i>State IDs - All</i>
Type of Finding:	Significant Deficiency in Internal Control over Compliance
Criteria:	Having staff with expertise in federal and state financial reporting prepare Oconto 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 and state awards, or accompanying notes to the schedule.
Condition:	Uniform Guidance and the <i>State Single Audit Guidelines</i> require Oconto County to prepare appropriate financial statements, including the schedules of expenditures of federal and state awards. While the current staff of Oconto County maintains financial records supporting amounts reported in the schedules of expenditures of federal and state awards, Oconto County contracts with CLA to compile the data from these records and assist in the preparation of the single audit report for Oconto County.
Questioned Cost:	None identified.
Context:	Amounts reported to state government are funded by multiple funding sources which are identified subsequent to disbursement. The audit firm has developed templates as a convenience to our client to summarize these funding sources for reporting purposes.
Cause:	The additional costs associated with hiring staff sufficiently experienced to prepare Oconto County's single audit report, including the additional training time, outweigh the derived benefits.
Effect:	Oconto County could receive federal or state grant awards which are not included in the accompanying Schedules of Expenditures of Federal and State Awards.
Repeat Finding:	2018-002
Recommendation:	We recommend Oconto County personnel continue reviewing Oconto 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 Oconto County is necessary to ensure all federal and state financial assistance programs are properly reported in Oconto County's single audit report.
Views of responsible officials:	There is no disagreement with the audit finding. Please refer to the management response in the District's corrective action plan.

Oconto County, Wisconsin

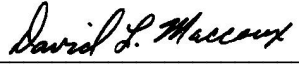
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION IV - OTHER ISSUES

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
 - Department of Agriculture, Trade and Consumer Protection Yes
 - Department of Safety and Professional Services Yes
 - Department of Natural Resources Yes
 - Department of Transportation Yes
 - Department of Health Services Yes
 - Department of Children and Families Yes
 - Department of Justice Yes
 - Department of Military Affairs Yes
 - Department of Administration Yes

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

4. Name and signature of partner 
Dave Maccoux, CPA

5. Date of report December 28, 2020

Oconto County, Wisconsin

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2019

PRIOR YEAR AUDIT FINDINGS

The findings noted in the 2018 Schedule of Findings and Questioned Costs have been reported to the proper federal and state agencies. The current status of the prior year audit findings, as provided by management, follows:

<u>Finding No.</u>	<u>Prior Year Audit Finding</u>
2018-001	Preparation of Annual Financial Report Management continues to rely upon the audit firm to prepare its financial statements. The finding is repeated as 2019-001.
2018-002	Financial Reporting for Federal and State Financial Assistance Management continues to rely on the audit firm to prepare its schedules of expenditures of federal and state awards. The finding is repeated as 2019-002.

CORRECTIVE ACTION PLAN

<u>Finding No.</u>	<u>Corrective Action Plan</u>
2019-001	Preparation of Annual Financial Report Oconto County will continue to review the entire annual financial report for accuracy prior to issuance.
2019-002	Financial Reporting for Federal and State Awards Reporting objectives relate to the preparation of reports for use by Oconto County, its stakeholders or other external parties. Reporting includes External Financial Reporting Objectives related to the release of Oconto 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 Oconto County with financial statement preparation, footnote disclosures, required supplementary 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 Oconto County: <ol style="list-style-type: none">1. External auditors, by definition, work with multiple counties. Footnotes, RSI, SEFSA and basis adjustments become uniform amount entities more rapidly when the external auditor serves as the information centric location. This uniformity is useful to Oconto County and its stakeholders for comparison purposes.

Oconto County, Wisconsin

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2019

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 Oconto 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), Oconto County continues to benefit for the Single Audit approach.

Oconto County and its representative: Lisa Sherman, CPA, Finance Director, possess the skills, knowledge and experience to accept, review and approve all non-audit services performed for Oconto 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 Services, Department of Transportation and Department of Revenue.
3. Review of disclosures for adequacy in completing a disclosure checklist or reviewing applicable guidance with prior reports modified for current changes in report 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.