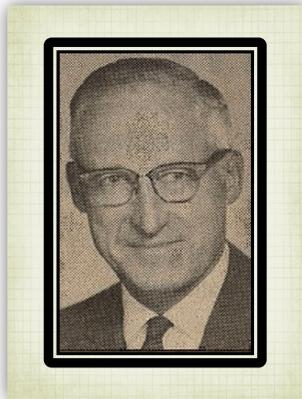


WALWORTH COUNTY, WISCONSIN

Comprehensive Annual Financial Report



Walworth County Circuit Court Judge
James L. Carlson
33 Years of Service



Walworth County Surveyor
Lloyd L. Jensen
66 Years of Service

Recognizing Public Service



Walworth County Coroner
John T. Griebel
52 Years of Service

**Including Independent Auditors' Report
for the fiscal year ended December 31, 2013**

Public servants who bring quiet dedication to their jobs are not widely publicized. Walworth County has been fortunate to have many individuals on staff over the years who simply work each day with the goal of best serving the public in our county. The elected officials featured on this year's cover have a combined total of over 150 years of service. While that may be an amazing number, what is more significant is that County Surveyor Lloyd L. Jensen, Circuit Court Judge James L. Carlson, and County Coroner John T. Griebel have simply fulfilled their duties to the best of their ability. Their service to Walworth County is greatly appreciated!

Lloyd L. Jensen served as Walworth County's surveyor from 1933-1999. Born in Lennox, SD, he graduated from Michigan Tech in 1931, worked in Colorado as a mining engineer until the fall of 1931, and moved to Elkhorn in November, 1931. He also owned Jensen & Johnson Engineering Company from 1947-1976 with Herbert Johnson. Those who knew Mr. Jensen often commented on how active he was. Many times, it was said that – at 80 – he could out-walk guys in their 40's. During his 66 years of service, he brought expertise and an apparently limitless energy to the office of County Surveyor. In 1933, Mr. Jensen began standardizing the myriad of objects that had been used to mark sections in the county, including wood posts, iron rods and axle shafts. Long concrete posts topped with brass caps were buried in the ground and became the county standard. It is difficult to talk about Mr. Jensen without mentioning his extensive work on the county wide re-monumentation project. The project began in 1992 and resulted in 2,679 survey markers throughout Walworth County being physically located, resurveyed and replaced. These markers are used for the computerized Geographic Information System (GIS) which supports a number of applications, including interactive mapping. Mr. Jensen personally completed re-monumentation of much of the southwestern portion of the county prior to retiring in 1998. Sadly, Mr. Jensen passed away in 2005, just a few months before the project which he started was completed.



The Honorable James L. Carlson was appointed in May, 1979 to fill a vacant circuit court judge position and continues to serve in that capacity today. Walworth County's judges rotate duties every two years, moving from civil, felony, misdemeanor and family court, thus ensuring that each is competent in all areas. Judge Carlson enjoys the variety of cases he sees in civil court, where he currently presides. A typical day can include Intake Court, motions, restraining orders, preliminary, contempt and pre-trial hearings, sentencings and trials along with related paperwork and research. When he first began serving the county as District Attorney in 1976, Walworth County had one circuit court judge and two county judges. Since 1962, Walworth County has had its own circuit court judge, who no longer rode the circuit. During his years in office, the caseload in the courts increased to the point where, in 1990, Walworth County was legislatively authorized to add a 4th judge. Judge Carlson commented that their focus has shifted towards being more proactive, particularly with regard to alcohol & drug abuse and juvenile offenders. Judge Carlson speaks enthusiastically of his 33 years of service to Walworth County and it is obvious he loves his work. He commented that "Judge" was his nickname in high school and, somehow, he has been called to serve as an actual judge for nearly 34 years. Considering that his father was a judge and his grandfather was a Justice of the Peace, the law seems to be in his blood.

Wisconsin Statutes permit counties with a population under 500,000 to institute a coroner system, supervised by an elected coroner, or a medical examiner system, supervised by a medical examiner appointed by the County Board. In 1838, Walworth County implemented a coroner system. **John T. Griebel** was elected as county coroner in 1960. He has held this office, which is a part-time position, for a total of 52 years of service. He has always been interested in law enforcement and began his career with Walworth County as a deputy sheriff in 1956. A past president of the Wisconsin Coroner and Medical Examiners Association, Mr. Griebel ensures that he remains current with developments in his field. In his first year as coroner, Mr. Griebel handled 85 cases. Thusfar in 2012, there have been over 1,100. He and his staff never know when they may be called to a scene. They must be available 24/7 to respond to calls from the county sheriff's office, local law enforcement or area hospitals. Walworth County does not maintain a lab so toxicology lab and some autopsies are outsourced. All other autopsies are done locally. When the results are in, then and only then, does the coroner's office sign off on death certificates. His office also issues cremation permits. There is always paperwork to complete and phone calls to handle. Although he may speak of cases in general terms, it is readily apparent that Mr. Griebel believes discretion is an important trait in his profession and that he takes his duties on behalf of the county seriously.



In memory of Gerald Himebauch, 1945-2012. Jerry served Walworth County Public Works for 19 years and was tragically killed in the line of duty on July 23, 2012 while serving county residents.

**WALWORTH COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

Prepared by:
Walworth County Finance Department

Walworth County
Wisconsin

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WALWORTH COUNTY, WISCONSIN
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Walworth County
Wisconsin

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INTRODUCTORY SECTION

Walworth County
Wisconsin

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June 6, 2014

To The Honorable Chairperson of the County Board,
Members of the County Board of Supervisors and
Citizens of Walworth County, Wisconsin

Finance
Employee Benefits

Ladies and Gentlemen:

Nicole Andersen
Deputy County
Administrator-Finance

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Walworth for the fiscal year ended December 31, 2013. To satisfy requirements of State law and Walworth County Ordinance, this report was prepared by the Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other authoritative accounting standard setting bodies. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This report consists of management's representations concerning the finances of Walworth County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of Walworth County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Walworth County's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the operation of the various funds of the County.

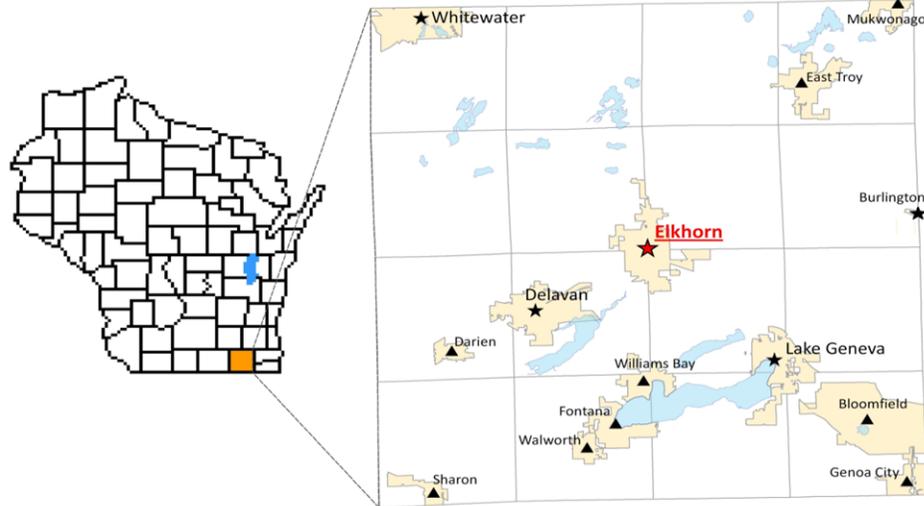
County policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 as amended, the related U.S. Office of Management and Budget Circular A-133 and the State Single Audit Act. An independent firm of licensed certified public accountants, Baker Tilly Virchow Krause, LLP, has audited Walworth County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has issued an unmodified ("clean") opinion that Walworth County's financial statements for the fiscal year ended December 31, 2013 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The independent auditors' reports related specifically to the single audit are included in a separately issued single audit report.

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Management's discussion and analysis (MD&A) is included in the financial section and immediately follows the independent auditors' report. It provides supplementary information which complements this letter of transmittal and should be read in conjunction with it.

THE REPORTING ENTITY

Walworth County was created in 1838, pursuant to the laws of the territory of Wisconsin, with the City of Elkhorn established as the County Seat. The County was part of Racine County until its organization as a separate unit of county government was authorized by an act of the Territorial Legislature in 1839. Within the County's 576 square miles, there are all or portions of 5 cities, 9 villages, 16 towns and 15 school districts.



Policy-making and legislative authority are vested in an 11-member Board of Supervisors. Supervisors serve two-year terms and are elected in April of the even numbered calendar years. The Board of Supervisors appoints the County Administrator. The financial reporting entity includes all of the funds of Walworth County. The government provides a full range of services to meet the needs of its citizens. These services include: general and financial administration, including tax collections; judiciary services and legal counsel; property records; County planning and zoning; public safety, including sheriff, emergency government and correctional facilities; health and human services; public works, including transportation and facilities maintenance; veteran's assistance; coroner; nursing home; election administration; cultural and recreational activities, including parks; special education; University of Wisconsin extension services; and the conservation of natural resources.

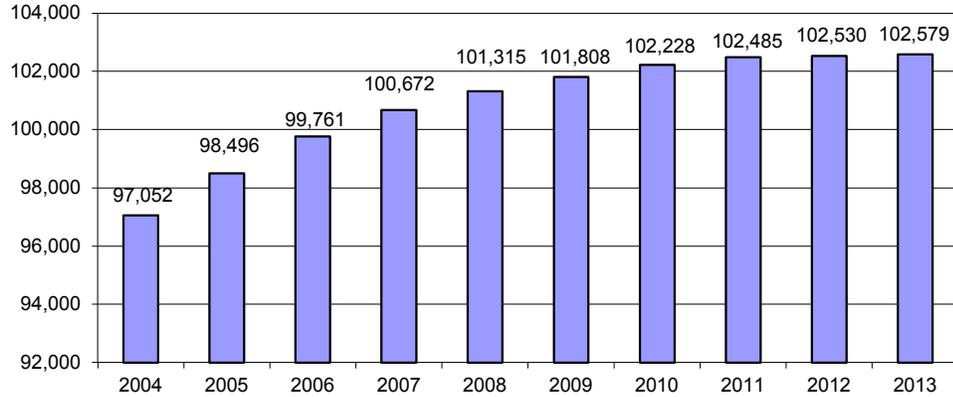
The County maintains budget controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Walworth County Board of Supervisors. All County departments are required to submit their annual budget requests for the ensuing year to the County Administrator in August. The County Administrator evaluates departmental requests and submits his proposed Administrator's budget to the County Board of Supervisors in September. The County Board is required to hold public hearings on the proposed budget and finalize budget adoption on or before November 15. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the department level. Budget-to-actual comparisons are provided in the fund statements except for the General fund which is found in the Other Supplemental Information section.

ECONOMIC CONDITIONS AND OUTLOOK

LOCAL ECONOMY

According to the Wisconsin Department of Administration Demographic Services Center, Walworth County has a population of 102,579, adding 5,500 new residents since 2004, representing a growth rate of 5.7%. The next graph demonstrates the steady increase in population for the past 10 years.

**Walworth County Population
2004 to 2013**

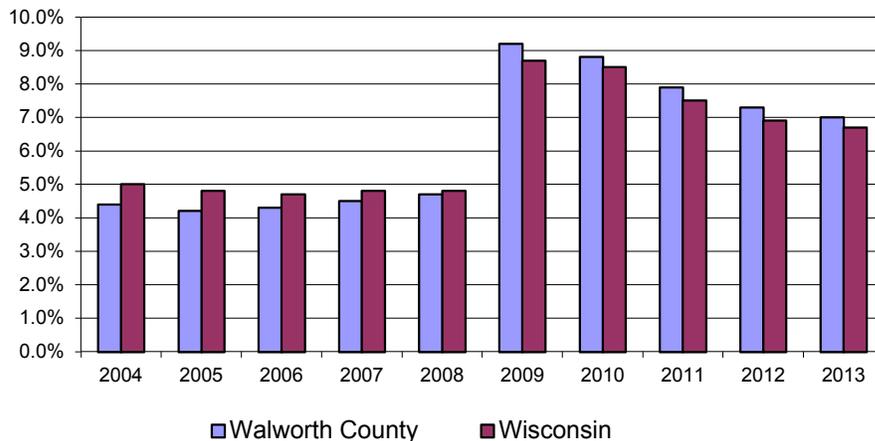


Source: Wisconsin Department of Administration, Demographic Services Center and US Census Bureau

Walworth County is strategically located in southeastern Wisconsin, approximately 100 miles northwest of the City of Chicago, 50 miles southwest of the City of Milwaukee and 65 miles southeast of the City of Madison. The County is home to the University of Wisconsin - Whitewater, a four-year institution founded in 1868 with a record enrollment in the fall, 2013 of 11,825 students. Gateway Technical College maintains a campus in the City of Elkhorn and offers associate degree and vocational education programs to serve the technical training needs of the area. George Williams College of Aurora University is located in Williams Bay, Wisconsin, on the shores of Lake Geneva. Aurora University is a private, independent university offering undergraduate and post-graduate degrees to approximately 400 students on their Williams Bay campus. The Wisconsin School for the Deaf was organized in 1852 and stands on thirty-four acres of land in the City of Delavan.

Historically, Walworth County has had an economy marked by steady growth, diversity and stability. In 2013, the annualized unemployment rate for the County was 7.0% compared to the statewide rate of 6.7%. The unemployment level is reflective of the overall economic conditions nationwide. The following graph shows the annualized unemployment rates and reflects the current positive trend.

**Annualized Unemployment Rates
2004 to 2013**



Source: Wisconsin Department of Workforce Development and US Department of Labor, Bureau of Labor Statistics

In addition to the public sector entities of the University of Wisconsin-Whitewater and Walworth County Government, the leisure and hospitality industry is vital to the economic well-being of the County. Without a stadium, regional mall or convention center, Walworth County currently ranks sixth in the state in terms of spending for tourists, according to the Wisconsin Department of Tourism's 2012 visitor spending and impacts by county report. Two of the County's top ten principal property taxpayers and three of its top ten principal employers are from the leisure and hospitality industry. For a list of the County's top ten principal employers, please see the Statistical Section of this report.

Recreation is an integral part of the Walworth County economy and tourism draw. Golfing, boating, fishing, and hiking are popular activities. The County is home to Geneva Lake, a well-known Midwest vacation destination. The Kettle Moraine State Forest is renowned for its hiking, biking, and skiing trails. An abundant number of public and private courses are available for the golf enthusiast.

Tourism provides employment as well as sales and property tax revenue. Walworth County assists local tourism efforts by assisting with support of the Walworth County Visitors Bureau. The total estimated economic impact of tourism in 2012 was \$455.1 million, an increase of 11% from 2011, based upon the economic impact report by the Wisconsin Department of Tourism. The table below outlines the County's top employing industries.

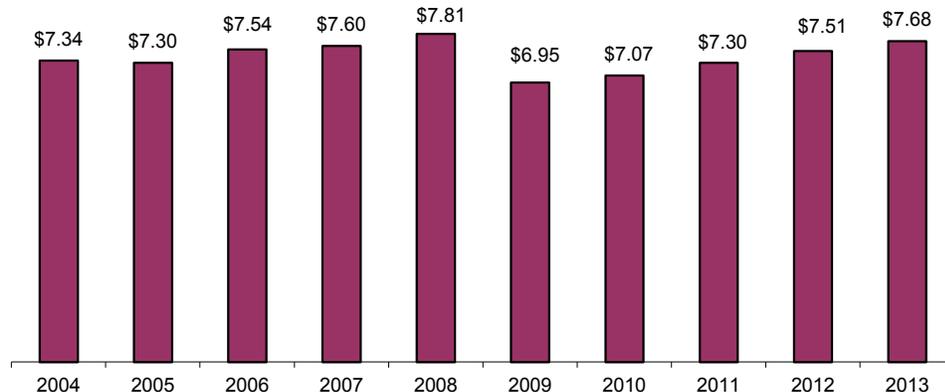
**Top 5 Industries in Walworth County
2013 Third Quarter**

<u>Industry</u>	<u>Employees</u>
Manufacturing	8,789
Leisure and Hospitality	7,739
Education and Health Services	6,988
Trade, Transportation, Utilities	6,752
Professional and Business Services	2,805

Source: Wisconsin Department of Workforce Development

Growth in retail is also a factor in the economic stability of Walworth County. The County imposes a 0.5% sales tax on retail purchases, providing additional revenues to fund County programs. Beginning in 2009, like many other regions, Walworth County experienced a downturn in the economy that was reflected in reduced retail sales. The County has seen modest but steady increases each year since then. Peak sales tax occurred in 2008 at \$7.8 million. A return to previous revenue expectations is upon us as 2013 sales tax revenue reached \$7.7 million.

**Walworth County Sales Tax Revenue
2004 to 2013
(in millions)**



LONG-TERM FINANCIAL PLANNING

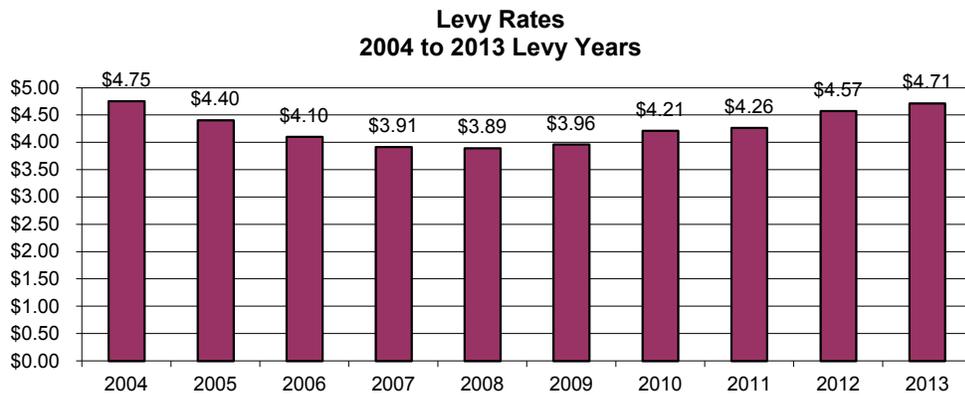
Flexibility under State Levy Caps

A fundamental step in keeping the County in a sound financial position is to maintain flexibility under the state-imposed operating levy rate cap.

State Budget Effects

Wisconsin's state budget has placed a levy limit on local governments. For the County's 2013 budget cycle, the levy limit was adjusted to a 0% levy increase based on the prior year's total levy with an allowable increase for net new construction plus terminated tax incremental financing districts. The levy limit excludes Children with Disabilities Education Board levy, charitable and penal charges, library levy and general obligation principal and interest. The County met the budget levy cap for both its 2013 and 2014 budgets. If the 0% levy limit continues in effect for the 2015 budget cycle, the County expects to meet the established requirements.

In the last four years, the County experienced reductions in its tax base value of 3.6%, 1.1%, 6.7%, and 3.3%, respectively. This loss in value, despite holding the total tax levy amount needed to balance the budget, has resulted in increases in the County's tax levy rate.



Transition of CDEB Service to Local Districts

Walworth County operates a Children with Disabilities Education Board (CDEB). The program has two distinct components. The first component includes services that are provided in the local school districts. The County currently provides limited staff in the local school districts necessary to provide integrated special education services. In August 2006 the County Board adopted, and all participating school districts ratified, an implementation plan for the transfer of County-sponsored CDEB services offered in the local school districts from County oversight to individual school district oversight over a 10-year period ending in 2016. The second component is the County-run school for special education students. The Board completed construction of a new school on a new site in 2008, with the issuance of \$17.1 million in debt. The County sold the existing school facility and its adjoining eight acres to a private developer.

As of the end of the 2012-13 school year, the County has transferred a total of 81.85 FTEs to district responsibility. As part of the Transfer of Service agreement with the individual school districts, 13.5 FTE teaching positions are left to transfer before the agreement's termination deadline of 2016. A summary of transitioned FTEs is shown on the next page.

Transition of FTEs to District Responsibility				
Year	Teachers	Aides	Programmer	Totals
2006	6.50	4.71		11.21
2007	7.00	4.18	1.00	12.18
2008	12.46	3.79		16.25
2009	10.00	3.39		13.39
2010	4.00	11.82		15.82
2011	5.00			5.00
2012	6.00			6.00
2013	2.00			2.00
Totals	52.96	27.89	1.0	81.85

Technology

The County strives to utilize technology that will best serve its citizens. The County Board and Committee meetings may be viewed through streaming video on the Internet, either live or in archived form. Disaster recovery plans for the server and data environments are being addressed through the installation of redundant Server/SAN storage, Virtual Server environment and the use of Cloud technology for off-site disaster preparedness. In addition, the County is currently in the process of implementing County-wide desktop virtualization which will centralize applications on the County servers, thus reducing labor costs, PC hardware costs and providing a secure environment for remote computing. Implementation of new Land Use and Resource Management software will begin the end of 2014 with completion in 2015. Citizen service modules will allow greater on-line access to information for the general public.

The most recent significant software implementation was the new tax system in the Treasurer and Register of Deeds offices. Implementation is complete and printing of tax bills was accomplished through the new system at the end of 2013. The County expects to streamline its tax collection and billing process at both the County and local municipality levels.

Available Fund Balance/Net Position

Walworth County places an emphasis on enacting policies to maintain appropriate fund balance/net position reserves that assist the County in making its current and long-term budgetary projections and decisions. County ordinance defines minimum available fund balance/net position for the General fund, Children with Disabilities Education Board fund, Public Works, Lakeland Health Care Center and the internal service funds. Use of available funds is restricted to one-time expenditures, including but not limited to: capital expenditures, prepayment of outstanding debt, start-up costs for new programs, termination costs of ineffective or inefficient programs, advance payment of multi-year obligations or other nonrecurring expenditures.

Only the General fund unassigned fund balance may be utilized throughout the County within the above restrictions; all other available fund balance/net position must remain within the general purpose of the individual fund. The appropriate unassigned General fund balance is defined to be 15 to 20% of the General fund revenues without transfers plus the property tax revenue allocated to each fund. As of December 31, 2013, the unassigned fund balance is 29.32%, providing excess available funds in the amount of approximately \$7.6 million to be appropriated as authorized by the County Board of Supervisors. The next table depicts the definition of minimum fund balance/net position, the calculated minimum, the actual and the amount available at December 31, 2013 for all other funds with minimums defined in the County ordinance.

<u>Fund</u>	<u>Definition of Minimums</u>	<u>2013 Top of Min. Range</u>	<u>Actual</u>	<u>Available</u>
Children with Disabilities Ed Bd	15-20% revenues less property tax & transfers	\$ 1,104,796	\$ 2,860,954	\$ 1,756,158
Public Works**	15-20% expenses less transfers	\$ 1,851,171	\$ 1,236,319*	\$ (614,852)
Lakeland Health Care Center	15-20% expenses less transfers	\$ 2,299,789	\$ 2,763,529*	\$ 463,740
Health Insurance	Average 3-4 months of claims	\$ 4,500,770	\$14,855,665	\$10,354,895
Dental Insurance	Average 3-4 months of claims	\$ 232,225	\$ 561,789	\$ 329,564
Workers Compensation	Average 3-4 months of claims	\$ 167,050	\$ 541,393	\$ 374,343
Risk Management	\$4,000,000	\$ 4,000,000	\$ 4,809,586	\$ 809,586

* Actual net position amounts are after certain internally designated amounts have been deducted.

**Public Works has made some changes to its definition of minimum and to its internally designated amounts which have caused them to temporarily fall below the minimum range. It is anticipated that it may take a couple of years to build the fund up to its new minimums.

Reducing Current and Future Debt Service

The County's five-year capital plan for road construction has in the past included borrowing funds every other year with planning occurring in the off year. A new plan was initiated with the 2013 budget process to set aside funds from the Public Works fund, road projects completed under budget, and General fund available unassigned fund balance. This plan eliminated the need to borrow over the next five years. The County continues to be in a solid financial position with its available funds.

The County has also been proactive in its use of available General fund unassigned fund balance to call debt obligations, as the cost of debt interest expense exceeds what the current market allows the County to earn on its investments. These early payments have also reduced the levy for debt payments from its high point of \$7.9 million debt service levy in 2006 to an anticipated \$2.9 million debt service levy in 2014.

Schedule of Called Debt Obligations

<u>Debt Obligation</u>	<u>Year Called</u>	<u>Principal Paid</u>	<u>Interest Saved</u>
2002 Borrowing	2010	\$ 1,065,000	\$ 87,330
2003 Borrowing	2011	1,250,000	58,674
2004 Borrowing	2012	1,420,000	73,795
2005 Borrowing	2012	3,335,000	229,058
2006 Borrowing	2013	2,665,000	201,691
2007 Borrowing	2014	<u>570,000</u>	<u>47,770</u>
		<u>\$ 10,305,000</u>	<u>\$ 698,318</u>

Employee Benefits

The County places a significant focus on its health insurance employee benefit as this is generally a major driver in the County's annual budget. The 2008 budget included a 27.5% increase in health insurance premiums due to a complete drain of health reserves and a substantial increase in health care costs. Over the last 6 years, major changes have been made to the health insurance plan. These changes include new wellness initiatives to slow escalation of health care costs; the establishment of an employee premium contribution of 7-12%; tying the premium contribution to participation in the wellness program, resulting in 96% participation; and negotiation of third party vendor contracts. In 2014, the County again made a major change with the establishment of a high deductible health plan option which included a health savings account (HSA) option. Use of this new plan was encouraged through a County contribution to the HSA and a lower premium cost. Employees who do not pay any portion

of their Wisconsin Retirement contribution are required to participate in this new plan and all other employees were given the option to remain in the old plan or select the new high deductible plan. The new plan beginning January, 2014 has 31% of enrolled employees selecting this new health plan option.

As a result of management initiatives and member usage, the fund ended 2013 with an increase to its reserves for its sixth straight year and has an ending balance equivalent to one year of claims. The improved status of the Health Insurance fund has resulted in no premium rate increases for the last 4 years.

Wage Adjustments

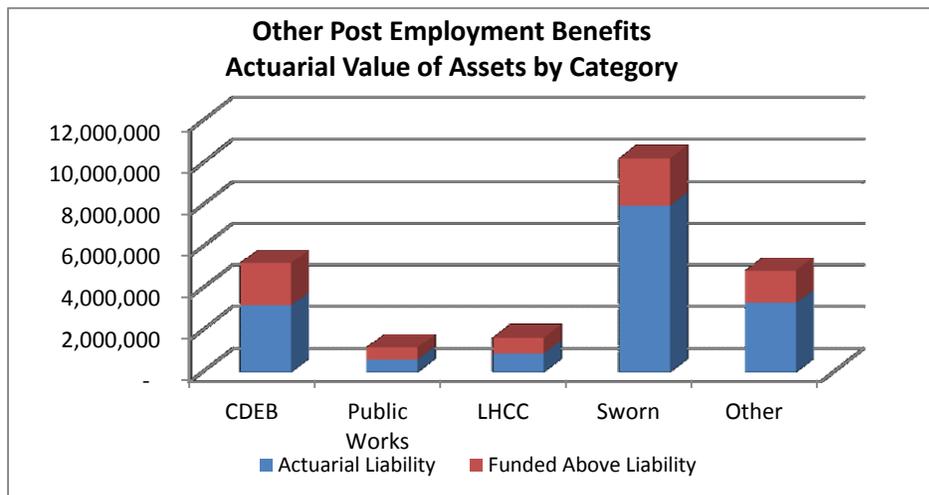
Changes to Wisconsin governments' collective bargaining unit rights have allowed the County human resources department to complete an analysis of all hourly employee base wage rates, other than sworn deputies, to establish market rates. Rates and pay plans have been adjusted to step at a slower pace, match similar job market rates in the area and require a minimum level of performance evaluation criteria to receive annual increases. Former across-the-board increases have been replaced with targeted rate changes based on an annual market analysis.

Other Post Employment Benefits

The County continues to take proactive steps in regards to its Other Post Employment Benefits (OPEB). Shortly after the first actuarial study, steps were taken to eliminate the retiree health insurance benefit for all individuals hired beginning in 2005 and 2006, based upon the various agreements with County labor groups. The effects were not immediate, but the County's commitment to reducing employee eligibility combined with maintaining health care premiums at a flat rate have proven to be effective methods in reducing the liability according to the most recent actuarial study. The following is a brief history of changes from the last five actuarial studies.

	12/31/2005	12/31/2007	12/31/2009	12/31/2011	12/31/2013
Annual Required Contribution	1,726,090	2,009,422	1,862,055	895,681	0
Actuarial Accrued Liability	13,880,268	19,387,673	21,570,387	17,096,898	15,812,329
Number of Participants	941	819	696	626	535

The County has also taken an aggressive approach in funding an OPEB trust account. As of December 31, 2013, the County has available assets of \$22,992,922. The County is currently ahead of its amortization schedule and is reporting an OPEB asset rather than a liability. The following graph shows the five different OPEB reserves tracked individually. The current liability for all five reserves is fully funded with eleven years remaining in the amortization schedule.



FINANCIAL POLICIES

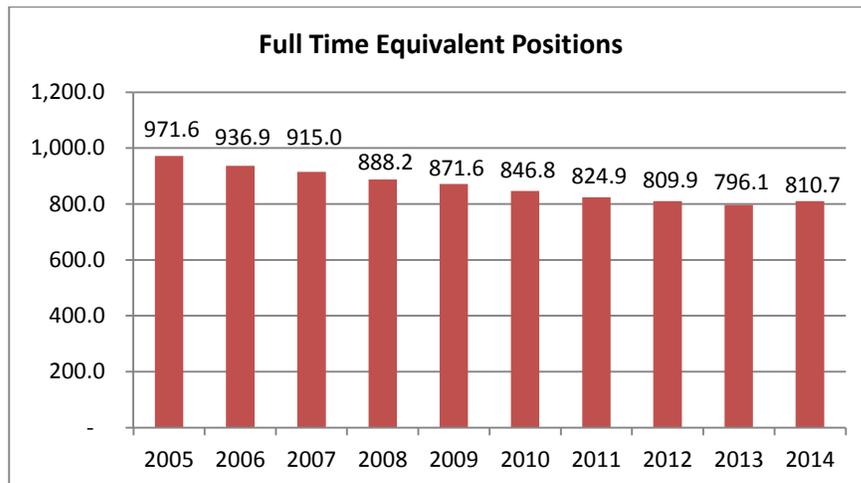
The County continues to follow all accounting requirements issued by the Governmental Accounting Standards Board. Management continues to expand and develop internal administrative procedures that support and uphold both County Board approved and externally required financial policies.

The County's formal fund balance/net position ordinance and policies continue to expand to allow for savings related to specific future purchases and obligations. During the last three years, the County began several new committed fund balance accounts to allocate and save funds for debt service reduction; expected compensated absence bank payouts owed at time of retirements; road construction projects; and future building and equipment replacements and purchases. Committed accounts in the governmental funds have increased by \$7.1 million during 2013. The largest committed addition during 2013 was \$5 million for buildings and equipment in the General Fund. The County places an emphasis on its fund balance policies and continues to list detailed information directly in its governmental basic financial statements regarding fund balance classifications, which signifies the importance of their use in the County's decision-making process.

MAJOR INITIATIVES

Department Consolidations

Significant departmental consolidations or downsizings have occurred in recent years. These changes have resulted in the elimination of several positions, thereby providing significant cost savings, yet maintaining or improving services. Since 2004, budgeted full-time equivalent (FTE) positions have been reduced from 971.6 to 796.1 positions, effective with the 2013 budget. This is a net reduction of 175.5 FTEs. The following chart shows total FTEs for the last 10 years. For the first time in twelve years, staffing has begun to be added with the 2014 budget adoption bringing the total to 810.7. Six of these positions are limited term employees recruited to assist in implementing the Affordable Health Care Act. After years of downsizing, the County has reached a time when staffing levels must be maintained or added in order to continue to provide appropriate levels of service.



Economic Development

In an effort to create good jobs and diversify the tax base, the County introduced an economic development initiative in 2003. That year, a strategic planning process began which involved representatives from each town, city and village in the County, together with representatives of business, higher education and County government. The process resulted in a recommendation that economic development be pursued through a non-profit corporation funded by both government and the private sector. In late 2005, the Walworth County Economic Development Alliance, Inc. (WCEDA) was formed. The County continues to support WCEDA in conjunction with the University of Wisconsin-Whitewater. Some of WCEDA's major achievements in 2013 include the following:

- Committed \$220,000 in working capital and equipment financing to three businesses in Walworth County between October 2012 and December 2013;
- Partnered with Workforce Development to start a program in Walworth County that promotes manufacturing careers to students from ages 14 to 27;
- Participated in over 30 projects representing business retention, expansion and attraction;
- Assisted in the establishment of the Elkhorn Economic Development Ad Hoc committee, which is a group designed to create an economic development vision for the City of Elkhorn, through updating the economic development component of the City's 2030 comprehensive plan;
- Established the East Troy Community Development Alliance, a subsidiary organization with a board of local business owners designed to provide guidance to WCEDA on community development needs in the Village of East Troy;
- Provided wage and benefit data to numerous Walworth County businesses, as well as demographic, commuter, vacancy, exporting and other statistical data to provide businesses with a solid basis for planning;
- Offered educational opportunities, not currently offered in the local market, including:
 - a. Fundamentals of Supervision Series;
 - b. Online Marketing Strategies;
 - c. Worksite Wellness Seminar;
 - d. Business Procurement Assistance Center Online Education;
 - e. Service Corp of Retired Executives (SCORE) business counseling;
- Worked with over ten different businesses looking to relocate or establish a presence in Walworth County in 2013;
- Responded to site selectors evaluating sites for corporate clients.

Intergovernmental Relations

Walworth County continues to promote intergovernmental cooperation. On December 11, 2007, the Board established an Intergovernmental Cooperation Council (ICC). The ICC consists of the chief elected officer of each city, village and town in the County as well as the County Board Chairperson. The ICC meets three times a year and promotes intergovernmental cooperation, including the expanded use of shared services and equipment as well as group purchasing initiatives and training. The ICC also promotes municipal partnership opportunities through its Neighbors newsletter.

AWARDS/RECOGNITION

FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the eleventh consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

BUDGET

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to County of Walworth, Wisconsin for its annual budget for the fiscal year beginning January 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. This is the ninth consecutive year that the County was awarded this noteworthy award.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we have submitted it to GFOA to determine its eligibility for another award.

HEALTHIEST COMPANIES

Interactive Health Solutions (IHS) is the County's third party vendor which administers health assessments for County employees and their spouses enrolled in the County's health insurance plan. The vendor recently named the County as one of the "Healthiest Companies in America" for 2013. This is the fourth consecutive year that the County has met the necessary requirements. Individual results obtained are confidential to the employees; however, the County received an aggregate wellness score in the top 5% of the IHS client base. The County believes that healthier employees generally correspond to less health care costs overall.

MANAGEMENT INVOLVEMENT

The County is very proud of its management staff. County managers and officials are frequently asked to represent and speak at public service related organizational meetings on various topics that demonstrate leadership and share information related to the County's services and programs. In 2013, the County logged 16 speaking engagements in this community outreach program.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the cooperation, dedication and extensive involvement of the entire staff of the Finance Department. We would like to express our appreciation to all County staff who assisted and contributed to the preparation of this report through their ongoing dedication to strong financial management.

Appreciation is also expressed for the assistance received from our independent auditors, Baker Tilly Virchow Krause, LLP. We thank the County Board and Finance Committee Chairpersons, the County Board of Supervisors, and members of the Finance Committee for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



David A. Bretl
County Administrator



Nicole J. Andersen
Deputy County Administrator-Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

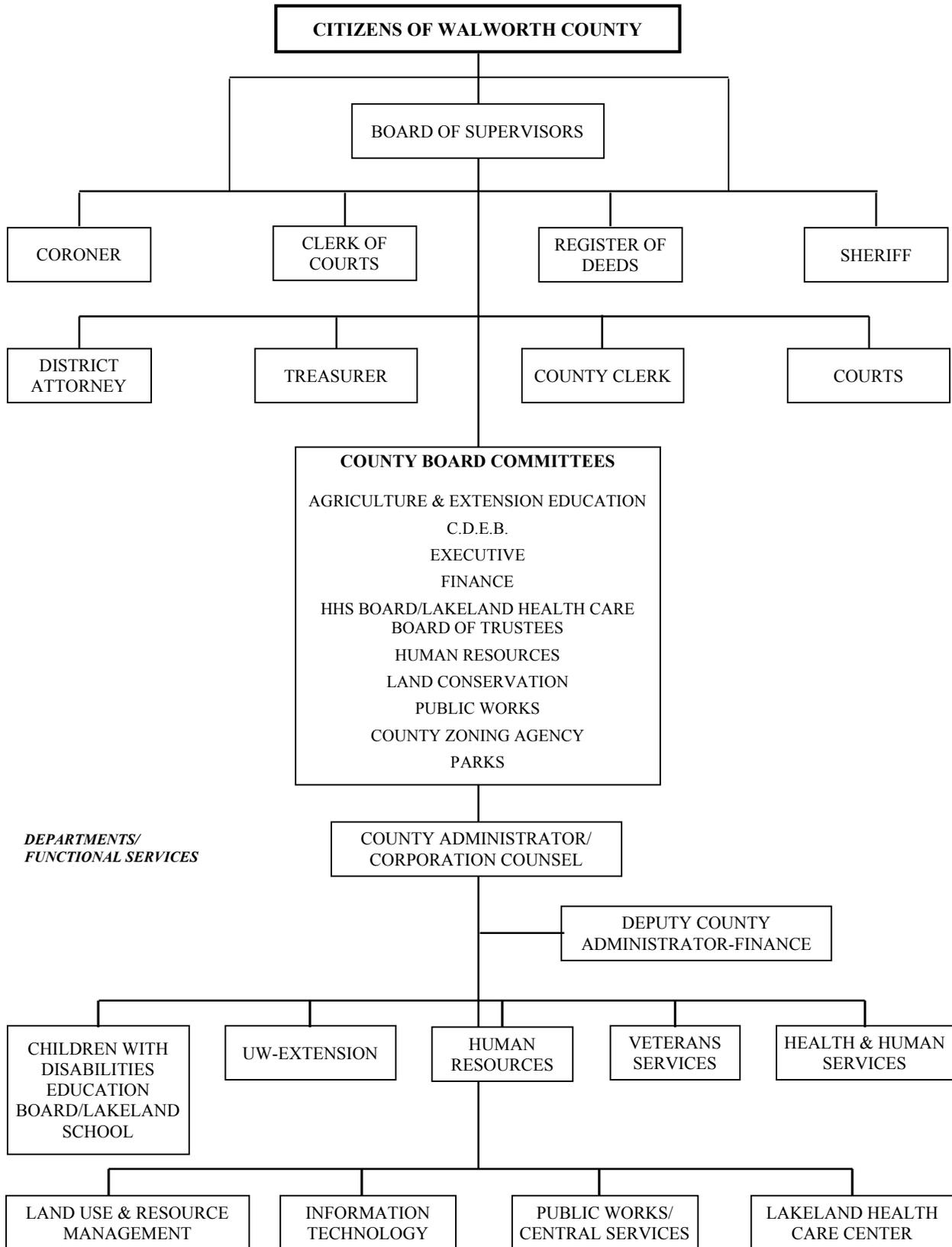
**Walworth County
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

WALWORTH COUNTY ORGANIZATION STRUCTURE



WALWORTH COUNTY, WISCONSIN
LIST OF PRINCIPAL OFFICIALS
As of December 31, 2013

ELECTED OFFICIALS

<u>Office</u>		<u>Name</u>
County Clerk	.....	Kimberly Bushey
Clerk of Courts	.....	Sheila Reiff
Coroner	.....	Vacant pending appointment
District Attorney	.....	Daniel Necci
Register of Deeds	.....	Donna Pruess
Sheriff	.....	David Graves
Treasurer	.....	Valerie Etzel

COUNTY BOARD SUPERVISORS

<u>Supervisory District</u>		<u>Name</u>
1	.....	Rick Stacey
2	.....	Joe Schaefer
3	.....	Tim Brellenthin
4	.....	Jerry Grant
5	.....	Carl Redenius
6	.....	Vacant pending election
7	.....	David A. Weber
8	.....	Daniel G. Kilkenny
9	.....	Richard Brandl
10	.....	Kenneth H. Monroe
11	.....	Nancy Russell

NONELECTED OFFICIALS

<u>Activity</u>		<u>Name</u>
County Administrator	.....	David Bretl
Corporation Counsel	.....	David Bretl
Deputy County Administrator - Finance	.....	Nicole Andersen
Comptroller	.....	Jessica Conley
Deputy County Administrator – Central Services	.....	Kevin Brunner
Health and Human Services Director	.....	Linda Seemeyer
Information Technology Director	.....	John Orr
Lakeland Health Care Center Administrator	.....	Bernadette Janiszewski
Special Education Director	.....	Tracy Moate
Land Use and Resource Management Director	.....	Michael Cotter
University of Wisconsin Extension Department Head	.....	Jennifer Wehmeier
Veterans Service Officer	Christine Jordan

Walworth County
Wisconsin

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**FINANCIAL
SECTION**

Walworth County
Wisconsin

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INDEPENDENT AUDITORS' REPORT

To the Board of County Supervisors
Walworth County, Wisconsin
Elkhorn, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Walworth County, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Walworth County, Wisconsin'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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Walworth County, Wisconsin'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 Walworth County, Wisconsin'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.

To the Board of County Supervisors
Walworth County, Wisconsin

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, each major fund, and the aggregate remaining fund information of Walworth County, Wisconsin as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Health and Human Services Fund and Children with Disabilities Education Board Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note B, Walworth County, Wisconsin adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walworth County, Wisconsin's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents 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 basic financial statements. The 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 combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Board of County Supervisors
Walworth County, Wisconsin

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walworth County, Wisconsin's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Walworth County, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Walworth County, Wisconsin's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 6, 2014

Walworth County
Wisconsin

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**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

Walworth County
Wisconsin

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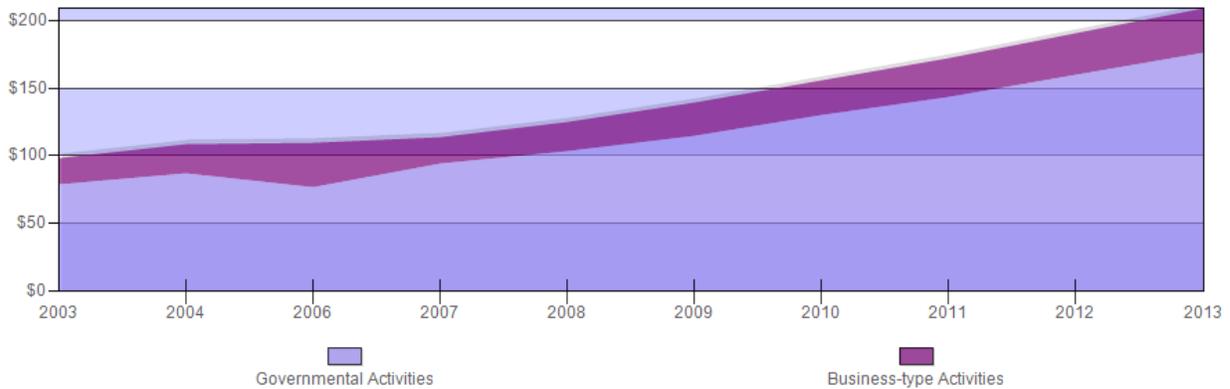
WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2013

As management of Walworth County, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2013. Efforts have been made to provide comparison to prior year data when such data is available.

Financial Highlights

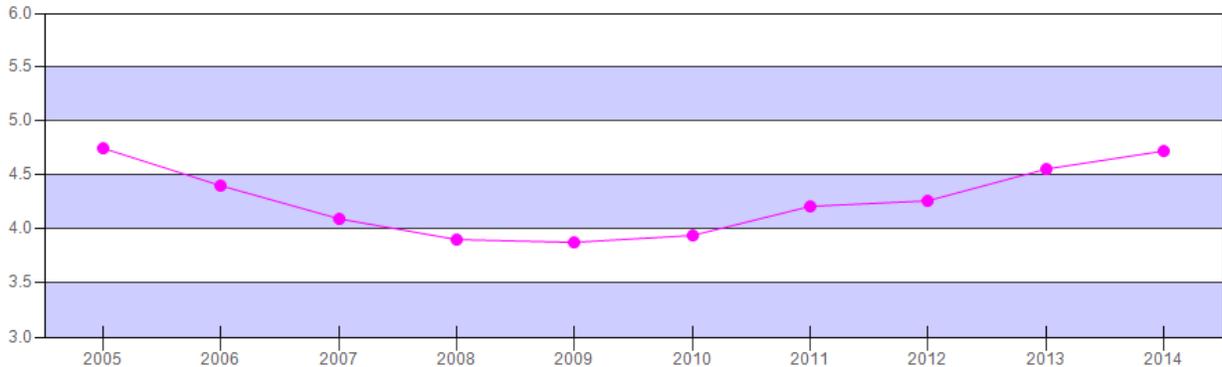
- The assets of the County exceeded its liabilities and deferred inflows of resources as of December 31, 2013 by \$210.2 million (*net position*), \$176.9 million in governmental activities and \$33.3 million in business-type activities. Of this amount, \$104.9 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased \$19.6 million. Governmental activities increased net position by \$17.0 million; business-type activities increased net position by \$2.6 million. This chart shows the history of net position increasing over the last 10 years.

Net Position



- As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$68.4 million. Approximately 35% of this total amount, \$24.1 million, is available for spending at the County's discretion (*unassigned fund balance*).
- The average mill rate increased 3.39% to 4.72 per \$1,000 of property value for the year ended December 31, 2013. The following graph depicts the history of the average mill rate over the last 10 years. The total tax levy has a 0.00% change for the 2013 tax levy appropriated for the 2014 budget.

Average Mill Rate



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2013

Overview of the Basic Financial Statements

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

The *statement of net position* presents information on all of the County's assets, liabilities, and deferred inflows of resources with the difference between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation 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, health and human services, culture, education and recreation, public works, and conservation and development. The business-type activities of the County include Lakeland Health Care Center and the Public Works highway and facility administration.

The government-wide financial statements can be found on pages 51 - 52 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the 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.

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*.

WALWORTH COUNTY, WISCONSIN

Management's Discussion and Analysis

December 31, 2013

The County maintains seven 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, Health and Human Services, Children with Disabilities Education Board, and Debt Service funds, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all its governmental funds, except for the Sheriff Trusts special revenue fund. 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 53 - 60 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *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 Lakeland Health Care Center nursing home and its Public Works highway and facility administration services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its employee benefits and risk management. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide business-type activities financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Lakeland Health Care Center and the Public Works fund, both of which are considered to be major funds of the County. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 61 - 65 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 the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 66 - 67 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 on pages 68 - 97 of this report.

Required supplementary information. The required supplemental information provides information on the funding progress and employer contributions of the County's other postemployment benefit plan. This information can be found on pages 101 - 102 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2013

and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 107 - 131. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 135 - 137.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$210,163,779 at the close of 2013.

Walworth County's Net Position
(In thousands)

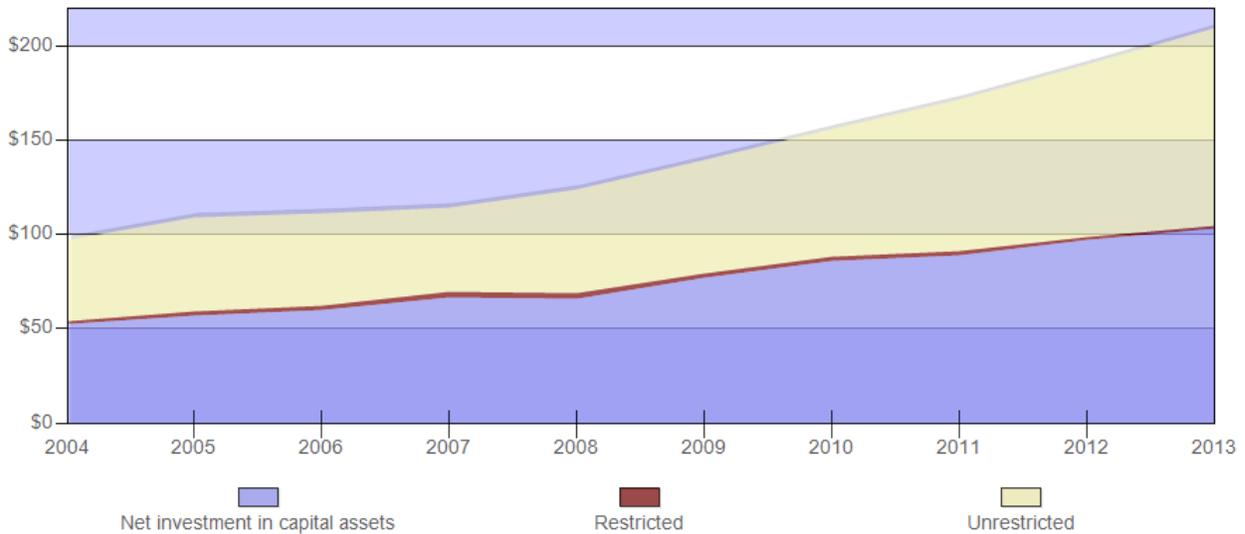
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 155,528	\$ 143,574	\$ 20,321	\$ 20,419	\$ 175,849	\$ 163,993
Capital assets	106,680	105,749	21,658	21,879	128,338	127,628
Other noncurrent assets	8,803	8,477	725	676	9,528	9,153
Total assets	<u>271,011</u>	<u>257,800</u>	<u>42,704</u>	<u>42,974</u>	<u>313,715</u>	<u>300,774</u>
Current liabilities	13,044	14,514	881	819	13,925	15,333
Noncurrent liabilities	27,852	29,986	897	3,924	28,749	33,910
Total liabilities	<u>40,896</u>	<u>44,500</u>	<u>1,778</u>	<u>4,743</u>	<u>42,674</u>	<u>49,243</u>
Deferred inflows of resources	<u>53,165</u>	<u>53,376</u>	<u>7,712</u>	<u>7,585</u>	<u>60,877</u>	<u>60,961</u>
Net position						
Net investment in capital assets	81,206	78,161	21,658	18,848	102,864	97,009
Restricted	2,208	1,922	167	202	2,375	2,124
Unrestricted	93,536	79,839	11,389	11,596	104,925	91,435
Total net position	<u>\$ 176,950</u>	<u>\$ 159,922</u>	<u>\$ 33,214</u>	<u>\$ 30,646</u>	<u>\$ 210,164</u>	<u>\$ 190,568</u>

WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2013

A large portion of the County's net position (48.9%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that is still outstanding. 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 must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (1.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted* net position (\$104,924,648) may be used to meet the County's ongoing obligations to citizens and creditors. Below is a graph of the net position classifications over the last 10 years.

Net Position Classifications (in millions)



Change in net position. At the end of the fiscal year, the County reported total revenues of \$117,104,929 and total expenses of \$97,509,170, resulting in an increase in net position of \$19,595,759 (after considering transfers). The table below and the narrative that follows consider the key elements of this increase broken down by governmental activities and business-type activities. The graph focuses on the change in expenses.

WALWORTH COUNTY, WISCONSIN

Management's Discussion and Analysis

December 31, 2013

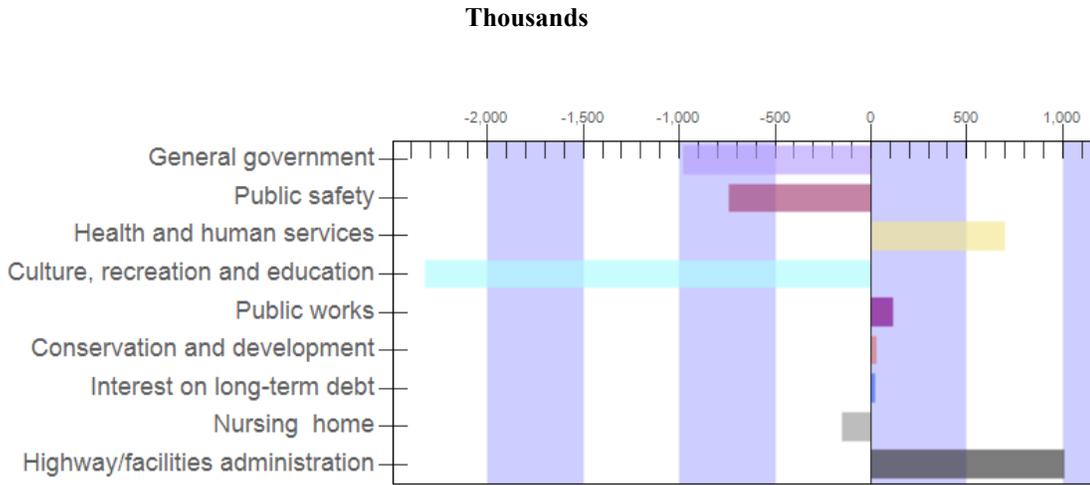
Walworth County's Change in Net Position

(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 8,684	\$ 8,220	\$ 13,918	\$ 12,346	\$ 22,602	\$ 20,566
Operating grants and contributions	19,794	21,095	3,088	3,050	22,882	24,145
Capital grants and contributions	443	1,387	-	-	443	1,387
General revenues:						
Property tax	55,565	55,719	7,214	7,282	62,779	63,001
Other taxes	7,750	7,580	-	-	7,750	7,580
Grants and contributions not restricted to specific programs	329	327	-	-	329	327
Other	271	655	49	53	320	708
Total revenues	<u>92,836</u>	<u>94,983</u>	<u>24,269</u>	<u>22,731</u>	<u>117,105</u>	<u>117,714</u>
Expenses:						
General government	15,350	16,328	-	-	15,350	16,328
Public safety	23,010	23,752	-	-	23,010	23,752
Health and human services	23,679	22,981	-	-	23,679	22,981
Culture, recreation and education	9,933	12,261	-	-	9,933	12,261
Public works	1,968	1,851	-	-	1,968	1,851
Conservation and development	2,145	2,113	-	-	2,145	2,113
Interest on long-term debt	1,037	1,017	-	-	1,037	1,017
Nursing home	-	-	11,282	11,431	11,282	11,431
Highway/facilities administration	-	-	9,105	8,094	9,105	8,094
Total expenses	<u>77,122</u>	<u>80,303</u>	<u>20,387</u>	<u>19,525</u>	<u>97,509</u>	<u>99,828</u>
Increase in net position before transfers	15,714	14,680	3,882	3,206	19,596	17,886
Transfers	1,314	1,056	(1,314)	(1,056)	-	-
Increase in net position	<u>17,028</u>	<u>15,736</u>	<u>2,568</u>	<u>2,150</u>	<u>19,596</u>	<u>17,886</u>
Net position - January 1	<u>159,922</u>	<u>144,186</u>	<u>30,646</u>	<u>28,496</u>	<u>190,568</u>	<u>172,682</u>
Net position - December 31	<u>\$ 176,950</u>	<u>\$ 159,922</u>	<u>\$ 33,214</u>	<u>\$ 30,646</u>	<u>\$ 210,164</u>	<u>\$ 190,568</u>

WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2013

Dollar Change in Functional Expenses between 2012 and 2013



Explanation of Functional Changes.

Major functional changes include the change in culture, recreation and education expenses due primarily to the continued transfer of teachers from County to individual school district responsibility. The increase in highway/facilities administration is due primarily to an increase in winter road maintenance costs. The decrease in general government is due primarily to a one time grant expenditure in 2012 for \$1.3 million.

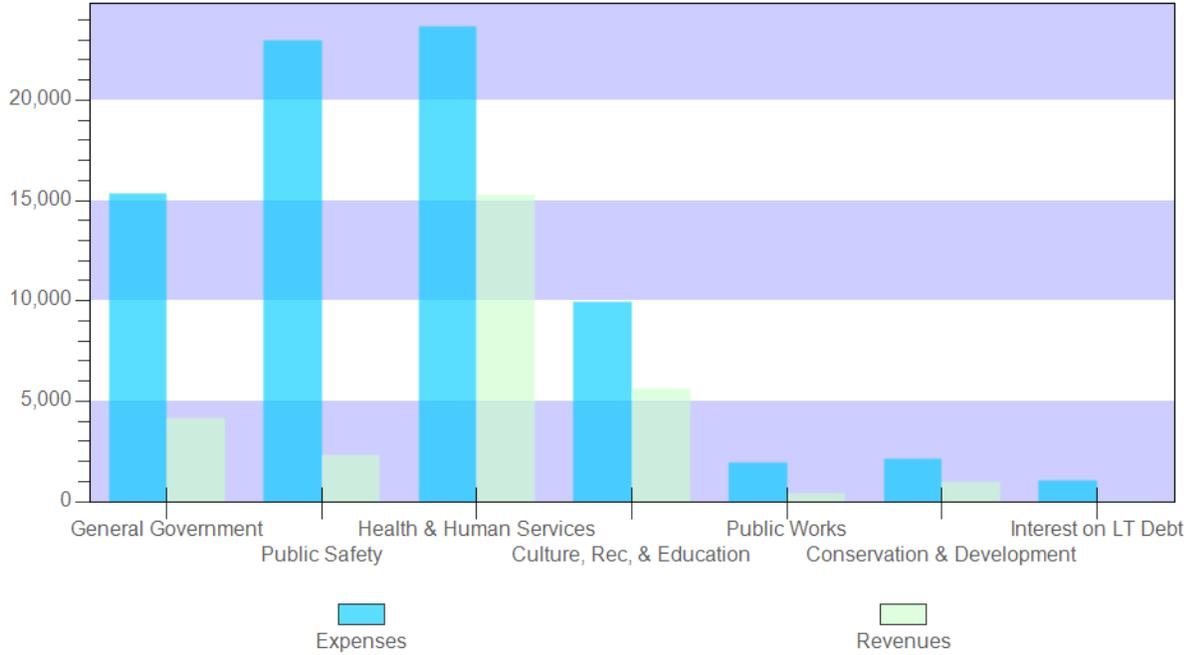
Governmental Activities. Governmental activities increased the County's net position by \$17,027,169, thereby accounting for 87% of the total growth in net position of the County. This growth is due primarily to decreased expenses. Revenues for the County's governmental activities total \$94,149,237, with property taxes accounting for 59.0% of the total revenue, followed by operating grants and contributions at 21.0%. Expenses cover a range of services, with the majority in four areas: 29.8% for public safety, 30.7% for health and human services, 19.9% for general government, and 12.9% for culture, recreation and education.

The internal service funds resulted in an \$885,000 increase in net position due primarily to less claims than historical averages and greater stop loss recoveries. An increase of \$500,000 is due to excess contributions to the other post employment benefit asset. Outstanding debt decreased by \$2.1 million. An increase in tax revenues of \$1.6 million resulted from sales tax, delinquent interest and penalties, and the closing of a tax incremental financing district.

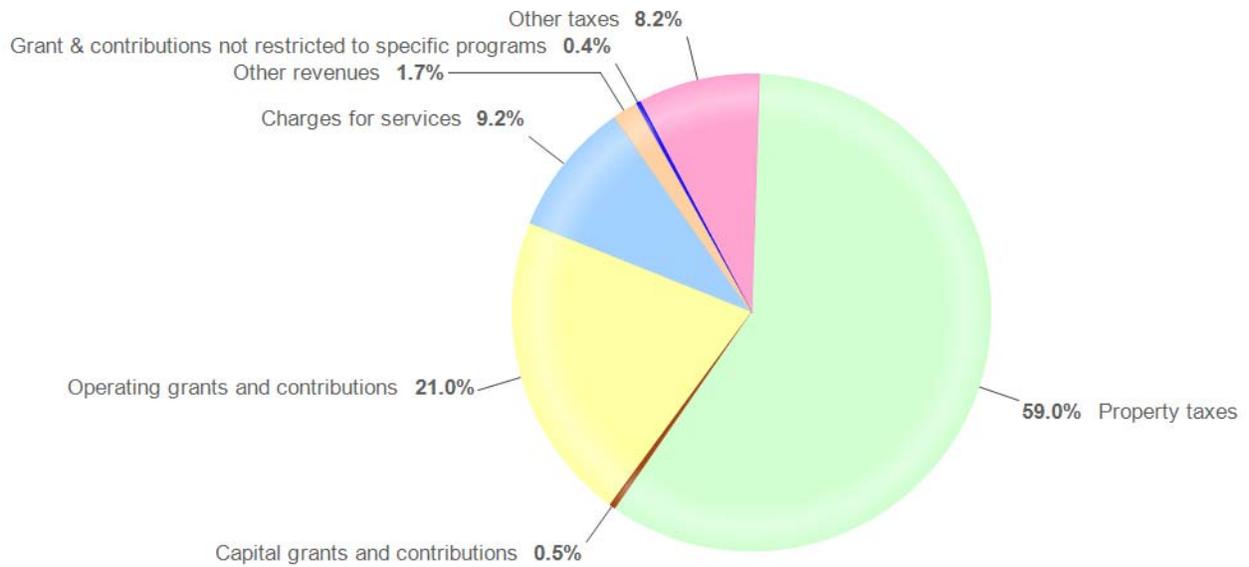
The graphs below compare (1) total governmental activity expenses to program revenue, which does not include general revenues of property and other taxes, or grants and contributions not related to specific programs, and (2) all revenue sources for governmental activities.

WALWORTH COUNTY, WISCONSIN
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Governmental Activities
(1) Expenses and Program Revenues
 (In thousands)



Governmental Activities
(2) Revenues by Source

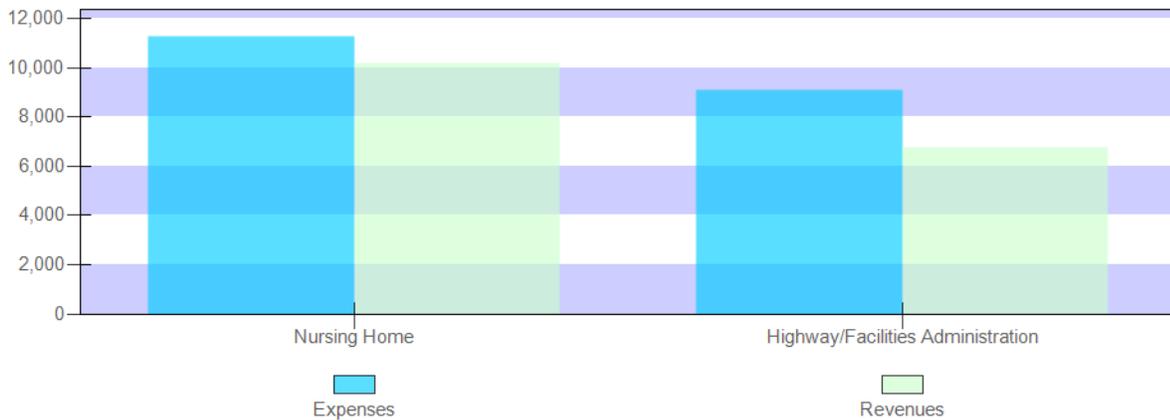


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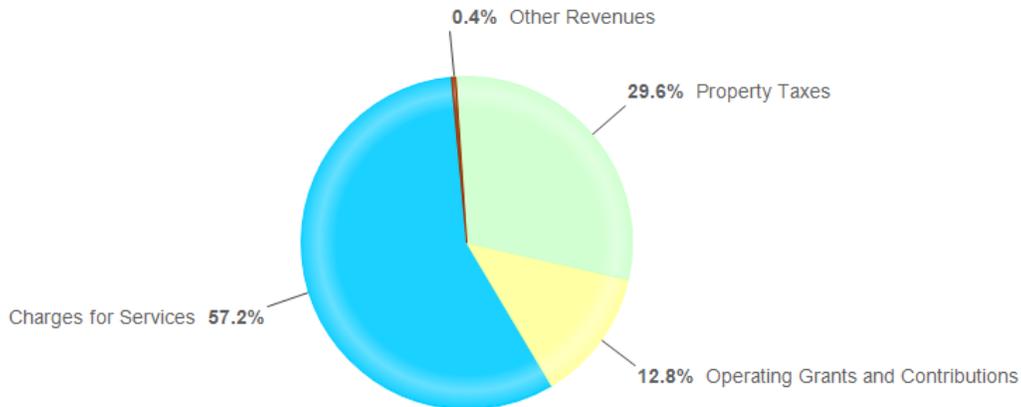
Business-type Activities. Business-type activities increased net position by \$2,568,590, thereby accounting for 13% of the total growth in net position of the County. This growth is due to decreased expenses in comparison to expectations as well as increased revenues. \$550,000 of wage and benefit savings resulted from position vacancies and lower than anticipated health insurance premiums across the County during 2013. The internal service funds resulted in an \$325,000 increase in net position due to less claims than historical averages and greater than expected stop loss recoveries. Revenues increased from expectations in the nursing home by \$682,000 due to an approved change in payor mix to increase Medicare/private pay residents between 3% and 7%.

The graphs below compare (1) total business-type activity expenses to program revenue, which does not include general revenues of property and other taxes, or grants and contributions not related to specific programs and (2) all revenue sources for business-type activities.

Business-type Activities
(1) Expenses and Program Revenues
(In thousands)



Business-type Activities
(2) Revenues by Source



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
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Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$68,384,756, an increase of \$12,573,413 from the prior year. Approximately 35% of this amount (\$24,051,322) constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The following fund balance amounts have been assigned by County Board or management: subsequent year budget items (\$3,628,400), open projects carried forward into the next year (\$6,097,957), non-specific Children with Disabilities Education Board purposes (\$2,860,954), and non-specific capital project purposes (\$152,833). Committed fund balance indicates that it is not available for new spending because it has already been committed by the County Board by ordinance or formal resolution. Commitments include funds set aside for future building and equipment purchases (\$7,192,000), future debt service payments (\$5,377,225), general donations (\$91,686), open encumbrances (\$1,081,382), carryforward projects (\$45,767), future investment market adjustments for potential short-term losses (\$968,767), future road construction (\$3,200,271), transfers to be made to the General fund (\$2,854,415), parks (\$272,801), and for anticipated retirement severance payments (\$1,269,212). Restricted fund balance accounts for funds with a funding source specifically restricted by a third party. Restricted amounts include Alpine Valley fees for future concert public safety needs (\$190,945), carryforward projects with restricted revenue funding (\$890), donations for school, sheriff, health and human services, and parks (\$360,299), encumbrances (\$12,801), land information projects (\$589,415), non-metallic mining fees collected and held by statute (\$836), redaction fees collected and held by statute (\$243,851), Sheriff Trust funds collected and held by statute (\$801,518). Nonspendable fund balance are portions of fund balance that cannot be spent because of their non-cash form including inventory and prepaid expenses that benefit periods beyond the end of the current year (\$1,304,730), delinquent taxes, not yet collected (\$4,219,377), and advances to other funds (\$1,515,102).

The General fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General fund was \$24,051,322, while total fund balance reached \$44,737,298. 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 and transfers. Unassigned fund balance represents 54% of total General fund expenditures and transfers, while total fund balance represents 101% of that same amount.

The fund balance of the County's General fund increased by \$5,721,648. The fund was budgeted to decrease by \$1,116,477. Many of the capital outlay expenditures and related grants have been carried forward into 2014. Lapsing individual General fund department savings of \$6,838,125 existed at year end. The largest excess revenue contributions were due to interest and penalties on delinquent taxes of \$444,000, excess sales tax received of \$576,000, and returned taxes from a closure of a tax incremental financing district for \$345,000. The largest expenditure savings was in wage and benefits due primarily to position vacancies and health insurance savings incurred from not raising premiums as anticipated. This resulted in a savings of \$2.3 million by the General fund. Additionally, \$338,019 of expected expenditure budget was encumbered into 2014.

Per County resolution, the assigned fund balance for non-specific purposes remaining in a governmental special revenue fund balance at year-end is transferred to/from the General fund during the subsequent year. The exception is Children with Disabilities Education Board, which maintains its fund balance for future years.

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The Health and Human Services special revenue fund has a total fund balance of \$3,661,714. Of this total, \$205,669 is restricted for donations, \$96,971 is restricted/committed to encumbrances, \$311,144 is nonspendable for inventory and prepaid expenses, and \$201,370 is committed/assigned to fund projects carried forward to future years. The fund balance increased by \$681,281, which is \$3,155,086 better than budgeted net change in fund balance due primarily to improved service and programs of \$1.5 million in professional services. \$1.1 million was additional savings for position vacancies. Health and Human Services net change in fund balance will result in a 2014 transfer to the General fund in the amount of \$2,846,560 which has been committed in the fund balance.

The Children with Disabilities Education Board special revenue fund has a total fund balance of \$8,966,234. Of this fund balance, \$179,980 is nonspendable for inventory and prepaid expenses, \$2,600 is committed for encumbrances, \$600,000 is committed for building/equipment purchases, \$4,668,681 is committed for future debt service payments, \$334,937 is committed for anticipated retirement/severance payments, and \$208,832 is committed/restricted for donations. The fund balance increased by \$1,484,312 over budgeted expectations, primarily due to the early implementation of school district transfers of teachers, resulting in savings of payroll costs, supplies, professional services, and transfer costs paid to other school districts. Although grant revenues were under budget, corresponding expenditure budgets were also under budget.

The Debt Service fund has a total fund balance of \$708,544, which is committed to future debt service payments. The fund balance decrease of \$2,577 was due primarily to a reduction of Build America Bond federal grant program funding expected during 2013.

Proprietary funds. The County's proprietary funds provide the same type of information found in the County's government-wide financial statements, but in more detail.

Unrestricted net position of Lakeland Health Care Center at the end of the year amounted to \$3,919,341. The total growth in net position was \$2,430,344.

Unrestricted net position of the Public Works fund at the end of the year amounted to \$4,650,900. The total loss in net position was \$207,619.

Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

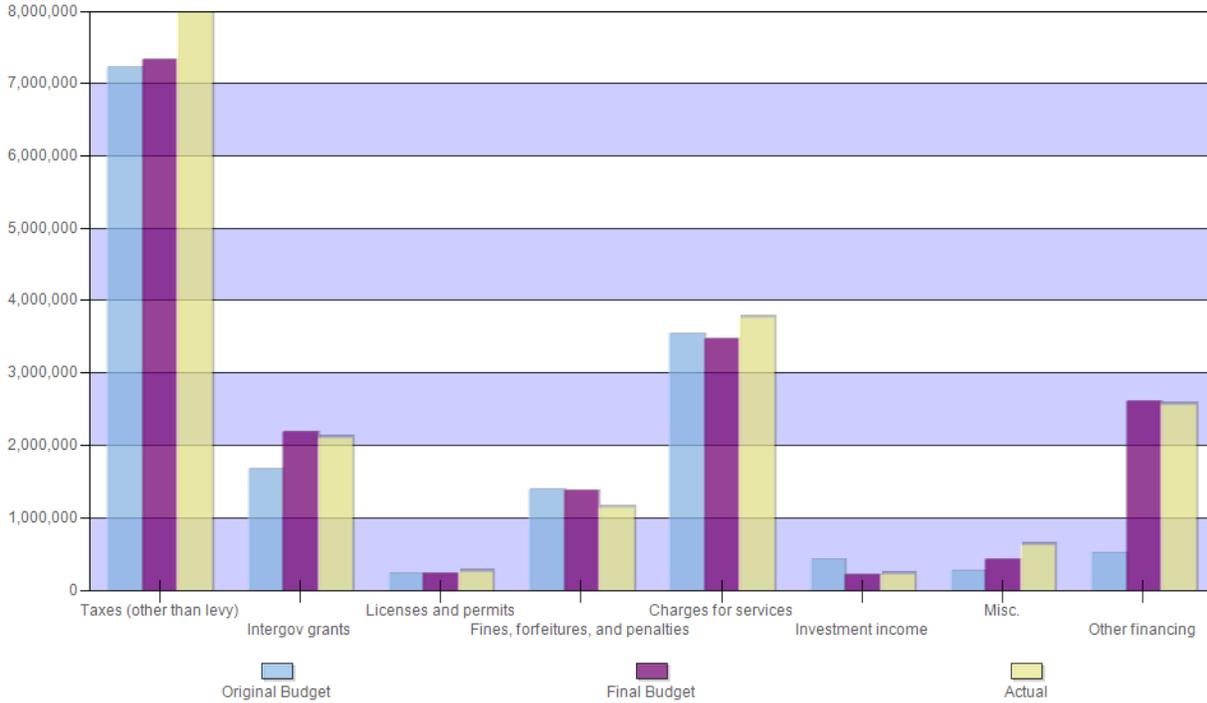
General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in a decrease of \$5,131,081 in appropriations; major changes in fund balance additions/uses during the year included a transfer from health and human services 2012 net income of \$2,416,658 million, a transfer of funds to the Lakeland Health Care Center which became a loan rather than a transfer for \$1,515,102, and the wellness center capital project cancelled resulting in a savings of expected use of fund balance of \$1,173,000. The following graphs depict actual revenue and expenditure categories compared to original and final budget.

During the year, actual revenues and transfers exceeded budgeted revenues by \$1,683,228. The largest increase in revenues compared to budget of \$1,596,302 is in tax revenue primarily due to excess interest and penalties on delinquent taxes and excess sales tax collections.

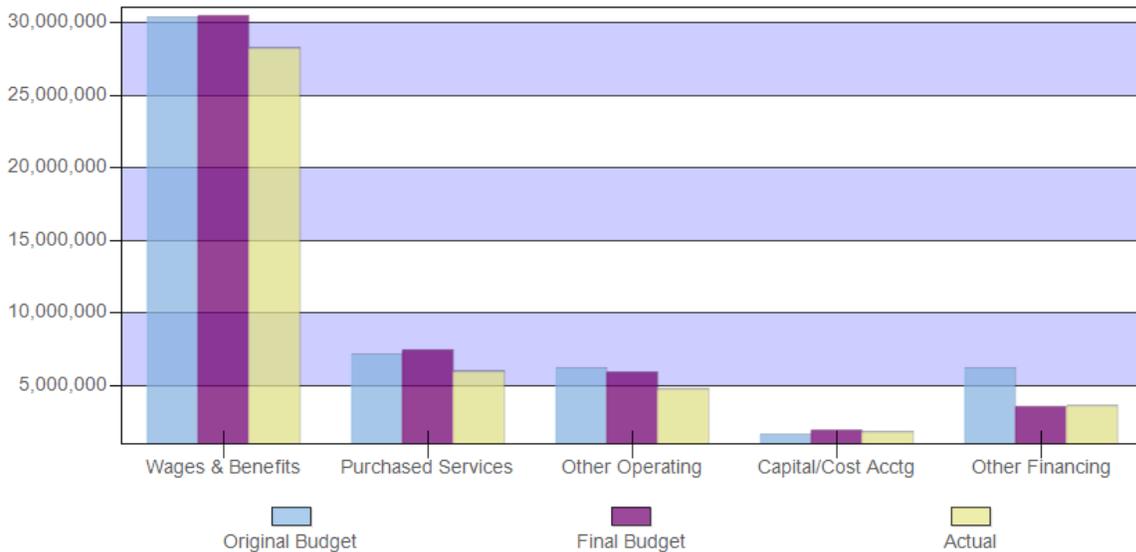
WALWORTH COUNTY, WISCONSIN
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General Fund Budget to Actual by Revenue Categories (excluding tax levy)



Actual expenditures were less than budgeted expenditures by \$5,154,897, primarily due to operational efficiencies from each department. Wages and benefits account for \$2.16 million of this savings due to position vacancies and health insurance premium savings. Open operating encumbrances carried forward for expenditures not completed at year end account for \$338,019 of the total.

General Fund Budget to Actual by Expenditure Categories



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2013

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2013 amounts to \$128,337,778 (net of accumulated amortization/depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, intangible assets, public domain infrastructure (highways and bridges), and construction in progress. The total change in value in the County's investment in capital assets for the current fiscal year was 1%.

Major capital asset events completed during the current fiscal year included the following:

- Completed road and bridge construction, at a cost of \$2,189,478.
- Replacement of 14 sheriff vehicles, at a cost of \$387,471.
- Replacement of a SWAT vehicle for the Sheriff department of \$278,396.
- Purchase of tax parcel management software, at a cost of \$256,960.
- Completion of Government Center second floor meeting rooms expansion, at a total cost of \$344,309.

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements, using the depreciation method of reporting capital assets.

Further details of the County's capital assets can be found in the notes to the financial statements on pages 83 - 84.

Long-term debt. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$25,415,000. Moody's Investors Service rates Walworth County for its general obligation debt as an Aa1. Under current state statutes, the County's general obligation debt is subject to a legal limitation, based on 5% of the total equalized value of taxable property in the County. The current debt limitation for the County is \$634,461,529, which is significantly in excess of the County's \$25,415,000 in authorized general obligation debt.

The County's total general obligation debt decreased by \$5,140,000 for debt principal payments. A called portion of debt is included in the principal retirement total for outstanding 2006 general obligation notes in the amount of \$2,665,000.

Further details of the County's long-term debt activity can be found in the notes to the financial statements on pages 85 - 88.

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2013

Economic Factors and Next Year's Budget and Rates

- The economic downturn of the nation over the last several years has affected many aspects of the County's economy including employment and revenue declines. The County is based on a relatively healthy mix of manufacturing, tourism, service industry, retail, and farming activities that support our tax base, and therefore has been steadily making improvements to return to a stable environment.
- Inflationary trends in our region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2014 fiscal year.

Limits have been imposed on the property tax levy rates for Wisconsin counties. The limit excludes the Children with Disabilities Education Board tax levy, bridge aid, libraries, and certain increases in debt service. 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 establishes 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.

The County continues to review and analyze long and short term budget needs carefully to make the important decisions related to serving the needs of Walworth County citizens in the most effective manner while continuing to keep spending within statutory limits.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Walworth County Finance Department, 100 West Walworth, P.O. Box 1001, Elkhorn, WI 53121.

BASIC FINANCIAL STATEMENTS

Walworth County
Wisconsin

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WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET POSITION

December 31, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 86,397,342	\$ 8,365,622	\$ 94,762,964
Restricted cash and investments	1,570,225	24,122	1,594,347
Receivables (net of allowance for uncollectibles):			
Taxes	53,165,447	7,712,413	60,877,860
Delinquent taxes	6,519,024	-	6,519,024
Accounts	3,557,552	902,438	4,459,990
Internal balances	(1,292,312)	1,292,312	-
Due from other governments	4,180,178	733,800	4,913,978
Inventories	19,803	915,256	935,059
Prepaid items	1,410,262	375,405	1,785,667
Long-term receivable	80,000	-	80,000
Restricted investments			
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	1,563,000	-	1,563,000
Other post employment benefits	7,160,695	724,849	7,885,544
Capital assets:			
Land and construction in progress	4,127,697	433,220	4,560,917
Other capital assets (net of accumulated depreciation)	102,552,142	21,224,719	123,776,861
Total assets	<u>271,011,055</u>	<u>42,704,156</u>	<u>313,715,211</u>
LIABILITIES			
Accounts payable	3,192,498	486,071	3,678,569
Accrued interest payable	214,408	-	214,408
Accrued liabilities	1,976,340	370,762	2,347,102
Claims payable	5,277,244	-	5,277,244
Deposits	1,602,352	24,122	1,626,474
Due to other governments	762,864	-	762,864
Unearned revenues	18,124	-	18,124
Noncurrent liabilities:			
Due within one year	3,949,229	565,623	4,514,852
Due in more than one year	23,902,971	330,964	24,233,935
Total liabilities	<u>40,896,030</u>	<u>1,777,542</u>	<u>42,673,572</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues-property taxes	<u>53,165,447</u>	<u>7,712,413</u>	<u>60,877,860</u>
NET POSITION			
Net investment in capital assets	81,206,435	21,657,939	102,864,374
Restricted for:			
Donations	367,801	87,164	454,965
Grants	11,865	-	11,865
Third party fees	1,828,391	79,536	1,907,927
Unrestricted	93,535,086	11,389,562	104,924,648
Total net position	<u>\$ 176,949,578</u>	<u>\$ 33,214,201</u>	<u>\$ 210,163,779</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 15,350,277	\$ 3,012,501	\$ 1,177,212	\$ 3,951	\$ (11,156,613)	\$ -	\$ (11,156,613)
Public safety	23,010,107	1,372,952	944,733	34,710	(20,657,712)	-	(20,657,712)
Health and human services	23,678,852	3,069,637	12,247,160	5,323	(8,356,732)	-	(8,356,732)
Culture, recreation and education	9,933,053	479,666	5,126,020	1,900	(4,325,467)	-	(4,325,467)
Public works	1,967,868	4,578	-	397,092	(1,566,198)	-	(1,566,198)
Conservation and development	2,144,955	744,341	245,103	-	(1,155,511)	-	(1,155,511)
Interest on long-term debt	1,036,956	-	53,564	-	(983,392)	-	(983,392)
Total governmental activities	<u>77,122,068</u>	<u>8,683,675</u>	<u>19,793,792</u>	<u>442,976</u>	<u>(48,201,625)</u>	<u>-</u>	<u>(48,201,625)</u>
Business-type activities:							
Nursing home	11,281,889	9,216,018	989,480	-	-	(1,076,391)	(1,076,391)
Highway/facilities administration	9,105,213	4,701,887	2,098,659	-	-	(2,304,667)	(2,304,667)
Total business-type activities	<u>20,387,102</u>	<u>13,917,905</u>	<u>3,088,139</u>	<u>-</u>	<u>-</u>	<u>(3,381,058)</u>	<u>(3,381,058)</u>
Total primary government	<u>\$ 97,509,170</u>	<u>\$ 22,601,580</u>	<u>\$ 22,881,931</u>	<u>\$ 442,976</u>	<u>(48,201,625)</u>	<u>(3,381,058)</u>	<u>(51,582,683)</u>
General revenues:							
General property taxes					\$ 54,206,675	\$ 7,213,677	\$ 61,420,352
Property taxes for debt service					1,358,777	-	1,358,777
County share of sales taxes					7,676,492	-	7,676,492
Other taxes					73,393	-	73,393
Grants and contributions not restricted to specific programs					328,672	-	328,672
Unrestricted investment earnings					270,905	10,832	281,737
Miscellaneous					-	39,019	39,019
Transfers					1,313,880	(1,313,880)	-
Total general revenues and transfers					<u>65,228,794</u>	<u>5,949,648</u>	<u>71,178,442</u>
Changes in net position					17,027,169	2,568,590	19,595,759
Net position - beginning					159,922,409	30,645,611	190,568,020
Net position - ending					<u>\$ 176,949,578</u>	<u>\$ 33,214,201</u>	<u>\$ 210,163,779</u>

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

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service		
ASSETS						
Cash and investments	\$ 37,785,680	\$ 4,085,250	\$ 8,251,302	\$ 708,544	\$ 9,794,362	\$ 60,625,138
Receivables (net of allowance for uncollectibles):						
Taxes	29,180,346	11,337,863	7,460,976	2,000,198	3,186,064	53,165,447
Delinquent taxes	6,519,024	-	-	-	-	6,519,024
Accounts	2,514,233	523,279	595	-	3,042	3,041,149
Due from other governments	1,614,042	1,538,616	820,472	-	207,048	4,180,178
Inventories	13,773	6,005	-	-	-	19,778
Prepaid items	797,807	305,139	179,980	-	2,026	1,284,952
Advances to other funds	1,515,102	-	-	-	-	1,515,102
Long-term receivables	80,000	-	-	-	-	80,000
Restricted cash and investments						
Bonds and unclaimed funds	177,874	-	-	-	-	177,874
Patient deposits	-	156,962	-	-	-	156,962
Land information	-	-	-	-	558,260	558,260
Sheriff trusts	-	-	-	-	312,820	312,820
Total assets	<u>\$ 80,197,881</u>	<u>\$ 17,953,114</u>	<u>\$ 16,713,325</u>	<u>\$ 2,708,742</u>	<u>\$ 14,063,622</u>	<u>\$ 131,636,684</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,207,183	\$ 1,327,466	\$ 120,993	\$ -	\$ 366,712	\$ 3,022,354
Accrued liabilities	1,376,355	443,518	154,536	-	1,931	1,976,340
Due to other governments	39,248	723,429	-	-	28	762,705
Due to other funds	10,467	1,911	2,229	-	1	14,608
Deposits	11,509	1,076	-	-	-	12,585
Unearned revenues-other	-	18,124	-	-	-	18,124
Liabilities payable from restricted assets	177,874	156,962	-	-	-	334,836
Total liabilities	<u>2,822,636</u>	<u>2,672,486</u>	<u>277,758</u>	<u>-</u>	<u>368,672</u>	<u>6,141,552</u>
Deferred Inflows of Resources:						
Unearned revenues-property taxes	29,180,346	11,337,863	7,460,976	2,000,198	3,186,064	53,165,447
Unavailable revenues	3,457,601	281,051	8,357	-	197,920	3,944,929
Total deferred inflows of resources	<u>32,637,947</u>	<u>11,618,914</u>	<u>7,469,333</u>	<u>2,000,198</u>	<u>3,383,984</u>	<u>57,110,376</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET (CONCLUDED)
GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service		
Fund balances:						
Nonspendable for:						
Advances	\$ 1,515,102	\$ -	\$ -	\$ -	\$ -	\$ 1,515,102
Delinquent taxes	4,219,377	-	-	-	-	4,219,377
Inventory and prepaids	811,580	311,144	179,980	-	2,026	1,304,730
Restricted for:						
Alpine Valley	190,945	-	-	-	-	190,945
Carryforward projects	890	-	-	-	-	890
Donations	37,484	205,669	117,146	-	-	360,299
Encumbrances	5,971	6,830	-	-	-	12,801
Modernization fees	-	-	-	-	311,242	311,242
Public access fees	-	-	-	-	278,173	278,173
Non-metallic mining fees	836	-	-	-	-	836
Redaction fees	243,851	-	-	-	-	243,851
Sheriff trusts	-	-	-	-	801,518	801,518
Committed for:						
Building/equipment	6,592,000	-	600,000	-	-	7,192,000
Carryforward projects	10,579	35,188	-	-	-	45,767
Debt service	-	-	4,668,681	708,544	-	5,377,225
Donations	-	-	91,686	-	-	91,686
Encumbrances	332,048	90,141	2,600	-	656,593	1,081,382
Investment market adjustments	968,767	-	-	-	-	968,767
Road construction	-	-	-	-	3,200,271	3,200,271
Transfer to General fund	-	2,846,560	-	-	7,855	2,854,415
Parks	272,801	-	-	-	-	272,801
Severance	934,275	-	334,937	-	-	1,269,212
Assigned for:						
Subsequent year budget items	3,628,400	-	-	-	-	3,628,400
Carryforward projects	921,070	166,182	110,250	-	4,900,455	6,097,957
Children with Disabilities Education Board	-	-	2,860,954	-	-	2,860,954
Capital projects	-	-	-	-	152,833	152,833
Unassigned	24,051,322	-	-	-	-	24,051,322
Total fund balances	<u>44,737,298</u>	<u>3,661,714</u>	<u>8,966,234</u>	<u>708,544</u>	<u>10,310,966</u>	<u>68,384,756</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 80,197,881</u>	<u>\$ 17,953,114</u>	<u>\$ 16,713,325</u>	<u>\$ 2,708,742</u>	<u>\$ 14,063,622</u>	<u>\$ 131,636,684</u>

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

WALWORTH COUNTY, WISCONSIN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2013

Total fund balances-governmental funds	\$ 68,384,756
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. In the statement of net position, the cost of these assets are capitalized and expensed over their estimated lives.

Land	\$ 1,091,454	
Construction in progress	3,036,243	
Buildings	66,104,100	
Improvements other than buildings	4,889,554	
Machinery and equipment	15,101,935	
Intangible assets	7,389,885	
Infrastructure	59,244,101	
Less: Accumulated amortization/depreciation	<u>(50,177,433)</u>	
		106,679,839

Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenues in the funds.

Interest and penalties for delinquent taxes	1,227,825	
Court assessments	338,225	
Delinquent real estate taxes - county share	1,272,129	
City of Elkhorn receivable	282,771	
Walworth County Historical Society receivable	90,000	
Charges for services	189,168	
Grant revenue	<u>544,811</u>	
		3,944,929

Other post employment benefits asset is not an available resource, and, therefore, is not reported in the funds. 7,160,695

Internal services funds are used by management to charge the cost of health insurance, dental insurance, workers compensation, and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 20,775,935

Due from business-type activities related to internal service funds (2,819,321)

Long-term liabilities, including bond payable and notes payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(25,415,000)	
Debt premium	(58,404)	
Compensated absences	(2,378,796)	
Health insurance retiree sick leave credits	889,353	
Accrued interest on long-term obligations	<u>(214,408)</u>	
		<u>(27,177,255)</u>

Net position of governmental activities as reported on the statement of net position (page 51) \$ 176,949,578

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service		
REVENUES						
Taxes	\$ 39,353,150	\$ 11,400,909	\$ 8,270,312	\$ 1,358,777	\$ 3,785,160	\$ 64,168,308
Intergovernmental	2,099,202	11,904,034	4,653,410	53,564	199,472	18,909,682
Licenses and permits	252,859	-	-	-	-	252,859
Fines, forfeitures and penalties	1,129,419	-	-	-	-	1,129,419
Public charges for services	2,310,091	2,721,471	42,731	-	192,676	5,266,969
Intergovernmental charges for services	1,447,950	161,173	721,489	-	48,459	2,379,071
Investment income	226,824	-	11,664	-	550	239,038
Miscellaneous	624,053	272,684	94,691	-	237,183	1,228,611
Total revenues	<u>47,443,548</u>	<u>26,460,271</u>	<u>13,794,297</u>	<u>1,412,341</u>	<u>4,463,500</u>	<u>93,573,957</u>
EXPENDITURES						
Current:						
General government	14,318,090	-	-	-	-	14,318,090
Public safety	22,346,985	-	-	-	75,253	22,422,238
Health and human services	172,994	23,447,816	-	-	-	23,620,810
Culture, recreation, and education	617,247	-	10,336,963	-	3,525	10,957,735
Public works	-	-	-	-	4,453	4,453
Conservation and development	1,611,452	-	-	-	285,167	1,896,619
Capital outlay	1,660,609	254,515	100,518	-	4,132,905	6,148,547
Debt service:						
Principal retirement	-	-	-	2,105,443	-	2,105,443
Interest and fiscal charges	-	-	-	943,557	-	943,557
Total expenditures	<u>40,727,377</u>	<u>23,702,331</u>	<u>10,437,481</u>	<u>3,049,000</u>	<u>4,501,303</u>	<u>82,417,492</u>
Excess (deficiency) of revenues over expenditures	<u>6,716,171</u>	<u>2,757,940</u>	<u>3,356,816</u>	<u>(1,636,659)</u>	<u>(37,803)</u>	<u>11,156,465</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,476,240	340,000	-	1,634,082	4,264,205	8,714,527
Transfers out	(3,562,981)	(2,416,659)	(1,289,626)	-	(120,531)	(7,389,797)
Sale of capital assets	92,218	-	-	-	-	92,218
Total other financing sources (uses)	<u>(994,523)</u>	<u>(2,076,659)</u>	<u>(1,289,626)</u>	<u>1,634,082</u>	<u>4,143,674</u>	<u>1,416,948</u>
Net change in fund balances	5,721,648	681,281	2,067,190	(2,577)	4,105,871	12,573,413
Fund balances - beginning	39,015,650	2,980,433	6,899,044	711,121	6,205,095	55,811,343
Fund balances - ending	<u>\$ 44,737,298</u>	<u>\$ 3,661,714</u>	<u>\$ 8,966,234</u>	<u>\$ 708,544</u>	<u>\$ 10,310,966</u>	<u>\$ 68,384,756</u>

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

WALWORTH COUNTY, WISCONSIN

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Net change in fund balances-total governmental funds (page 56)		\$ 12,573,413
Amounts reported for governmental activities in the statement of activities (page 52) are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays exceeded depreciation in the current period.		
Depreciation expense	\$ (4,322,528)	
Capital outlay	<u>6,148,547</u>	1,826,019
The net effect of various miscellaneous transactions involving capital assets (i.e. trade-ins, and donations) is to decrease net position.		
Loss on disposal of assets	(117,668)	
Proceeds from the sale of assets/insurance recoveries	(92,218)	
Repair and maintenance projects not capitalized	<u>(685,155)</u>	(895,041)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in revenue from the prior year is reported here.		
Interest and penalties for delinquent taxes	(553,406)	
Court assessments	40,850	
Delinquent real estate taxes-county share	(27,087)	
Walworth County Historical Society receivable	(10,000)	
Local governments charges for services not yet received	172,244	
Grant revenues not yet received	<u>407,125</u>	29,726
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, has any effect on net position.		
Repayment of general obligation debt	<u>2,105,443</u>	2,105,443
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Net issuance costs	(116,777)	
Net premiums	<u>8,550</u>	(108,227)
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 governmental funds.		
Accrued interest expense	14,828	
Compensated absences	19,778	
Health insurance retiree sick leave credits	(43,132)	
Other post employment benefits	<u>619,551</u>	611,025
The net effect of certain activities of internal service funds is reported with governmental activities.		
		<u>884,811</u>
Change in net position of governmental activities as reported on the statement of activities (page 52)		<u><u>\$ 17,027,169</u></u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 37,363,150	\$ 37,756,848	\$ 39,353,150	\$ 1,596,302
Intergovernmental	1,688,774	2,197,489	2,099,202	(98,287)
Licenses and permits	246,452	245,977	252,859	6,882
Fines, forfeitures and penalties	1,406,496	1,385,506	1,129,419	(256,087)
Public charges for services	2,265,286	2,069,454	2,310,091	240,637
Intergovernmental charges for services	1,283,151	1,404,589	1,447,950	43,361
Investment income	428,600	213,253	226,824	13,571
Miscellaneous	279,370	432,995	624,053	191,058
Total revenues	<u>44,961,279</u>	<u>45,706,111</u>	<u>47,443,548</u>	<u>1,737,437</u>
EXPENDITURES				
Current:				
General government	17,218,342	17,345,254	14,318,090	3,027,164
Public safety	23,972,573	23,900,036	22,346,985	1,553,051
Health and human services	181,400	181,557	172,994	8,563
Culture, recreation, and education	694,615	705,808	617,247	88,561
Conservation and development	1,828,474	1,883,047	1,611,452	271,595
Capital outlay:				
General government	289,225	733,624	570,368	163,256
Public safety	1,265,580	1,069,711	1,050,651	19,060
Culture, recreation, and education	28,000	28,000	28,000	-
Conservation and development	-	35,237	11,590	23,647
Total expenditures	<u>45,478,209</u>	<u>45,882,274</u>	<u>40,727,377</u>	<u>5,154,897</u>
Excess (deficiency) of revenues over expenditures	<u>(516,930)</u>	<u>(176,163)</u>	<u>6,716,171</u>	<u>6,892,334</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	411,430	2,523,167	2,476,240	(46,927)
Transfers out	(6,247,558)	(3,562,981)	(3,562,981)	-
Sale of capital assets	105,500	99,500	92,218	(7,282)
Total other financing sources (uses)	<u>(5,730,628)</u>	<u>(940,314)</u>	<u>(994,523)</u>	<u>(54,209)</u>
Net change in fund balances	(6,247,558)	(1,116,477)	5,721,648	6,838,125
Fund balances - beginning	39,015,650	39,015,650	39,015,650	-
Fund balances - ending	<u>\$ 32,768,092</u>	<u>\$ 37,899,173</u>	<u>\$ 44,737,298</u>	<u>\$ 6,838,125</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,329,131	\$ 11,400,909	\$ 11,400,909	\$ -
Intergovernmental	10,460,656	11,333,420	11,904,034	570,614
Public charges for services	2,562,297	2,941,619	2,721,471	(220,148)
Intergovernmental charges for services	131,910	150,359	161,173	10,814
Miscellaneous	137,350	206,491	272,684	66,193
Total revenues	<u>24,621,344</u>	<u>26,032,798</u>	<u>26,460,271</u>	<u>427,473</u>
EXPENDITURES				
Current:				
Health and human services	24,864,344	26,141,327	23,447,816	2,693,511
Capital outlay:				
Health and human services	22,000	288,617	254,515	34,102
Total expenditures	<u>24,886,344</u>	<u>26,429,944</u>	<u>23,702,331</u>	<u>2,727,613</u>
Excess (deficiency) of revenues over expenditures	<u>(265,000)</u>	<u>(397,146)</u>	<u>2,757,940</u>	<u>3,155,086</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	265,000	340,000	340,000	-
Transfers out	-	(2,416,659)	(2,416,659)	-
Total other financing sources (uses)	<u>265,000</u>	<u>(2,076,659)</u>	<u>(2,076,659)</u>	<u>-</u>
Net change in fund balances	-	(2,473,805)	681,281	3,155,086
Fund balances - beginning	2,980,433	2,980,433	2,980,433	-
Fund balances - ending	<u>\$ 2,980,433</u>	<u>\$ 506,628</u>	<u>\$ 3,661,714</u>	<u>\$ 3,155,086</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CHILDREN WITH DISABILITIES EDUCATION BOARD SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,270,312	\$ 8,270,312	\$ 8,270,312	\$ -
Intergovernmental	5,950,617	5,402,915	4,653,410	(749,505)
Public charges for services	74,175	75,295	42,731	(32,564)
Intergovernmental charges for services	225,000	776,622	721,489	(55,133)
Investment income	4,615	4,615	11,664	7,049
Miscellaneous	30,700	96,984	94,691	(2,293)
Total revenues	<u>14,555,419</u>	<u>14,626,743</u>	<u>13,794,297</u>	<u>(832,446)</u>
EXPENDITURES				
Current:				
Culture, recreation, and education	13,155,542	12,651,768	10,336,963	2,314,805
Capital outlay:				
Culture, recreation, and education	110,250	102,470	100,518	1,952
Total expenditures	<u>13,265,792</u>	<u>12,754,238</u>	<u>10,437,481</u>	<u>2,316,757</u>
Excess of revenues over expenditures	<u>1,289,627</u>	<u>1,872,505</u>	<u>3,356,816</u>	<u>1,484,311</u>
OTHER FINANCING USES				
Transfers out	(1,289,627)	(1,289,627)	(1,289,626)	1
Total other financing uses	<u>(1,289,627)</u>	<u>(1,289,627)</u>	<u>(1,289,626)</u>	<u>1</u>
Net change in fund balances	-	582,878	2,067,190	1,484,312
Fund balances - beginning	6,899,044	6,899,044	6,899,044	-
Fund balances - ending	<u>\$ 6,899,044</u>	<u>\$ 7,481,922</u>	<u>\$ 8,966,234</u>	<u>\$ 1,484,312</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities-
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service
ASSETS				
Current assets:				
Cash and investments	\$ 5,077,655	\$ 3,287,967	\$ 8,365,622	\$ 25,772,204
Restricted cash and investments:				
Resident deposits	24,122	-	24,122	-
Deposits held with fiscal agents	-	-	-	364,309
Taxes receivable	3,684,975	4,027,438	7,712,413	-
Accounts receivable (net of allowance for uncollectibles)	864,569	37,869	902,438	516,403
Due from other funds	-	-	-	26,515
Due from other governments	3,278	730,522	733,800	-
Inventories	21,106	894,150	915,256	25
Prepaid items	172,075	203,330	375,405	125,310
Total current assets	<u>9,847,780</u>	<u>9,181,276</u>	<u>19,029,056</u>	<u>26,804,766</u>
Noncurrent assets:				
Restricted cash and investments:				
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	-	-	-	1,563,000
Other post employment benefits	361,817	363,032	724,849	-
Capital assets:				
Land	36,260	62,226	98,486	-
Construction in progress	-	334,734	334,734	-
Other capital assets	15,543,907	17,444,010	32,987,917	-
Less: Accumulated amortization/depreciation	(2,595,864)	(9,167,334)	(11,763,198)	-
Net capital assets	<u>12,984,303</u>	<u>8,673,636</u>	<u>21,657,939</u>	<u>-</u>
Total noncurrent assets	<u>13,346,120</u>	<u>9,036,668</u>	<u>22,382,788</u>	<u>1,563,000</u>
Total assets	<u>23,193,900</u>	<u>18,217,944</u>	<u>41,411,844</u>	<u>28,367,766</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET POSITION (concluded)
 PROPRIETARY FUNDS
 December 31, 2013

	Business-type Activities -			Governmental
	Enterprise Funds		Total Enterprise Funds	Activities-
	Lakeland Health Care Center	Public Works		Internal Service
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 305,800	\$ 180,271	\$ 486,071	\$ 170,144
Accrued liabilities	190,208	180,554	370,762	-
Claims payable	-	-	-	5,277,244
Due to other governments	-	-	-	159
Due to other funds	5,540	6,367	11,907	-
Deposits	24,122	-	24,122	1,254,931
Compensated absences - current	290,733	274,890	565,623	-
Advance from other funds	1,515,102	-	1,515,102	-
Retiree health credits - current	-	-	-	130,100
Total current liabilities	<u>2,331,505</u>	<u>642,082</u>	<u>2,973,587</u>	<u>6,832,578</u>
Noncurrent liabilities:				
Compensated absences	186,610	144,354	330,964	-
Retiree health credits	-	-	-	759,253
Total noncurrent liabilities	<u>186,610</u>	<u>144,354</u>	<u>330,964</u>	<u>759,253</u>
Total liabilities	<u>2,518,115</u>	<u>786,436</u>	<u>3,304,551</u>	<u>7,591,831</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues-property taxes	<u>3,684,975</u>	<u>4,027,438</u>	<u>7,712,413</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	12,984,305	8,673,634	21,657,939	-
Restricted for donations	87,164	-	87,164	7,502
Restricted for solid waste	-	79,536	79,536	-
Unrestricted	<u>3,919,341</u>	<u>4,650,900</u>	<u>8,570,241</u>	<u>20,768,433</u>
Total net position	<u>\$ 16,990,810</u>	<u>\$ 13,404,070</u>	<u>\$ 30,394,880</u>	<u>\$ 20,775,935</u>

Amounts reported for business-type activities in the statement of net position are different because:

Internal service funds are used by management to charge the costs of employee benefits and risk management to individual funds. The assets and liabilities of the internal service fund are primarily included in the governmental activities in the statement of net position. Some assets, however, are reported as business-type activities.

2,819,321

Net position of business-type activities as reported on the statement of net position (see page 51)

\$ 33,214,201

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Charges for services	\$ 9,216,018	\$ 4,671,200	\$ 13,887,218	\$ 2,069,621
Interdepartmental	-	-	-	16,161,039
Total operating revenues	<u>\$ 9,216,018</u>	<u>\$ 4,671,200</u>	<u>\$ 13,887,218</u>	<u>\$ 18,230,660</u>
Operating expenses:				
Operation and maintenance	11,128,723	8,447,321	19,576,044	-
Insurance services	-	-	-	17,067,214
Amortization/depreciation	326,665	775,028	1,101,693	-
Total operating expenses	<u>11,455,388</u>	<u>9,222,349</u>	<u>20,677,737</u>	<u>17,067,214</u>
Operating income (loss)	<u>(2,239,370)</u>	<u>(4,551,149)</u>	<u>(6,790,519)</u>	<u>1,163,446</u>
Nonoperating revenues (expenses):				
Property taxes	3,692,632	3,521,045	7,213,677	-
Intergovernmental grants	989,480	2,098,659	3,088,139	-
Investment income	8,242	2,590	10,832	31,867
Interest expense	(31,329)	-	(31,329)	-
Debt issuance costs and discounts	(12,229)	-	(12,229)	-
Net gain on disposal of assets	380	18,137	18,517	-
Insurance recoveries	-	5,809	5,809	37,825
Legal claim settlement	-	3,403	3,403	-
Rent, rebates, and donations	24,322	5,983	30,305	8,388
Total nonoperating revenues	<u>4,671,498</u>	<u>5,655,626</u>	<u>10,327,124</u>	<u>78,080</u>
Income before transfers	2,432,128	1,104,477	3,536,605	1,241,526
Transfers in	-	1,784	1,784	3,200
Transfers out	(1,784)	(1,313,880)	(1,315,664)	(14,050)
Change in net position	2,430,344	(207,619)	2,222,725	1,230,676
Total net position - beginning	14,560,466	13,611,689	28,172,155	19,545,259
Total net position - ending	<u>\$ 16,990,810</u>	<u>\$ 13,404,070</u>	<u>\$ 30,394,880</u>	<u>\$ 20,775,935</u>

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net position-total enterprise funds	2,222,725
The net revenue of certain activities of internal service funds is reported within business-type activities	<u>345,865</u>
Net change in net position of business-type activities as reported on the statement of activities (see page 52)	<u>\$ 2,568,590</u>

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

WALWORTH COUNTY, WISCONSIN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013**

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,199,623	\$ 3,451,647	\$ 12,651,270	\$ 2,471,006
Receipts from interfund services provided	2,040	737,950	739,990	16,002,004
Payments to suppliers	(2,593,082)	(3,254,445)	(5,847,527)	(17,277,197)
Payments to employees	(8,613,464)	(4,884,132)	(13,497,596)	-
Payments for interfund services used	(26,037)	(4,866)	(30,903)	-
Payments of patient trust deposits	(3,559)	-	(3,559)	-
Net cash provided by (used in) operating activities	<u>(2,034,479)</u>	<u>(3,953,846)</u>	<u>(5,988,325)</u>	<u>1,195,813</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
General property taxes	3,692,632	3,521,045	7,213,677	-
Intergovernmental grants	989,480	2,098,659	3,088,139	-
Insurance recovery	-	-	-	37,825
Legal claim settlements	-	3,403	3,403	-
Rent, rebates, and donations	24,322	5,983	30,305	8,388
Transfer from other funds	-	1,784	1,784	3,200
Transfer to other funds	(1,784)	(1,313,880)	(1,315,664)	(14,050)
Net cash provided by non-capital financing activities	<u>4,704,650</u>	<u>4,316,994</u>	<u>9,021,644</u>	<u>35,363</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(27,183)	(853,185)	(880,368)	-
Capital asset insurance recovery	-	5,809	5,809	-
Net proceeds from the sale of assets	380	18,137	18,517	-
Advance from other funds, capital related	1,515,102	-	1,515,102	-
Principal paid on capital debt	(3,034,557)	-	(3,034,557)	-
Interest paid on capital debt	(59,976)	-	(59,976)	-
Net cash used in capital and related financing activities	<u>(1,606,234)</u>	<u>(829,239)</u>	<u>(2,435,473)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	8,242	2,590	10,832	31,867
Net cash provided by investing activities	<u>8,242</u>	<u>2,590</u>	<u>10,832</u>	<u>31,867</u>
Net increase (decrease) in cash and investments	1,072,179	(463,501)	608,678	1,263,043
Cash and investments - beginning	4,029,598	3,751,468	7,781,066	26,436,470
Cash and investments - ending	<u>\$ 5,101,777</u>	<u>\$ 3,287,967</u>	<u>\$ 8,389,744</u>	<u>\$ 27,699,513</u>
Cash and investments on December 31 are reconciled from the Statement of Net Position as follows:				
Cash and investments	\$ 5,077,655	\$ 3,287,967	\$ 8,365,622	\$ 25,772,204
Restricted cash and investments	24,122	-	24,122	1,927,309
	<u>\$ 5,101,777</u>	<u>\$ 3,287,967</u>	<u>\$ 8,389,744</u>	<u>\$ 27,699,513</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS (concluded)
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (2,239,370)	\$ (4,551,149)	\$ (6,790,519)	\$ 1,163,446
Noncash items included in operating income (loss)				
Depreciation	326,665	775,028	1,101,693	-
Change in assets, liabilities and deferred inflows of resources:				
Accounts receivable	(12,095)	(24,853)	(36,948)	401,226
Due from other funds	-	-	-	(3,453)
Due from other governments	(2,260)	(450,356)	(452,616)	-
Inventories	(517)	515,125	514,608	(25)
Prepaid items	(171,976)	(193,126)	(365,102)	(116,446)
Other post employment benefits	(41,280)	(7,859)	(49,139)	-
Accounts payable	82,042	(47,864)	34,178	(120,022)
Accrued liabilities	29,254	30,514	59,768	-
Due to other governments	-	-	-	159
Due to other funds	796	1,167	1,963	-
Unearned revenues	-	(6,394)	(6,394)	-
Claims payable	-	-	-	46,576
Compensated absences	(2,179)	5,921	3,742	-
Deposits	(3,559)	-	(3,559)	(132,516)
Retiree health credits	-	-	-	(43,132)
Net cash provided by (used in) operating activities	<u>\$ (2,034,479)</u>	<u>\$ (3,953,846)</u>	<u>\$ (5,988,325)</u>	<u>\$ 1,195,813</u>
Noncash investing, capital and related financing activities:				
None				

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	Other Post Employment Benefits Trust Fund	Private Purpose Trusts	Agency Funds
ASSETS			
Cash and short-term investments	\$ 45,795	\$ 40,350	\$ 1,117,889
Mutual funds-equity	12,778,661	-	-
Mutual funds-fixed income	10,175,204	-	-
Accounts receivable	-	-	14
Total assets	<u>22,999,660</u>	<u>40,350</u>	<u>1,117,903</u>
LIABILITIES			
Accounts payable	6,738	-	384,676
Due to other governments	-	-	20,903
Deposits	-	-	712,324
Total liabilities	<u>6,738</u>	<u>-</u>	<u>1,117,903</u>
NET POSITION			
Held in trust for post employment benefits:			
Children with Disabilities Education Board	5,147,317	-	-
Public Works	1,156,615	-	-
Lakeland Health Care Center	1,640,317	-	-
Sworn	10,231,732	-	-
Other	4,816,941	-	-
Held in trust for private purposes	<u>-</u>	<u>40,350</u>	<u>-</u>
Total net position	<u>\$ 22,992,922</u>	<u>\$ 40,350</u>	<u>\$ -</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2013

	<u>Other Post Employment Benefits Trust Fund</u>	<u>Private Purpose Trusts</u>
ADDITIONS		
Contributions:		
Employer	\$ 500,000	\$ -
Donations	<u>-</u>	<u>500</u>
Total contributions	<u>500,000</u>	<u>500</u>
Investment earnings:		
Interest and dividends	1,471,603	39
Increase in the fair value of investments	<u>1,025,540</u>	<u>-</u>
Total investment earnings	2,497,143	539
Less investment expense	<u>78,690</u>	<u>-</u>
Net investment earnings	<u>2,418,453</u>	<u>39</u>
Total additions	<u>2,918,453</u>	<u>539</u>
DEDUCTIONS		
Benefits	309,810	-
Administrative expenses	<u>2,500</u>	<u>-</u>
Total deductions	<u>312,310</u>	<u>-</u>
Change in net position	2,606,143	539
Net position - beginning	<u>20,386,779</u>	<u>39,811</u>
Net position - ending	<u>\$ 22,992,922</u>	<u>\$ 40,350</u>

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE A - REPORTING ENTITY

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

Reporting Entity

The County board is governed by 11 supervisors elected every two years from each of 11 supervisory districts. 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 County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statements No. 14, No. 39, and No. 61.

Related Organization

The Walworth County Housing Authority is a related organization of Walworth County. Walworth County is responsible for appointing the Board of the Housing Authority but the Housing Authority is not financially accountable to Walworth County nor is the County able to impose its will on the organization.

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 normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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. Each fund is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitutes assets, liabilities, deferred inflows of resources, net position/fund equity, revenues and expenditures/expenses. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria.

1. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE A - REPORTING ENTITY (continued)

Government-wide and Fund Financial Statements (continued)

The County reports the following major governmental funds:

GENERAL FUND

This is the County's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND

This fund accounts for the financial activity of the Health and Human Services department. Many of its services are funded with state and federal money used to provide the County's taxpayers with health information and assistance.

CHILDREN WITH DISABILITIES EDUCATION BOARD SPECIAL REVENUE FUND

This fund accounts for the financial activity of the Children with Disabilities Education Board. Many of its services are funded with state and federal money used to provide the County's disabled children with public and special education.

DEBT SERVICE FUND

This fund is used to accumulate monies for the payment of long-term debt obligations of the governmental funds (general, special revenue, and capital projects funds). Financing for debt service is generally provided by property taxes and transfers from other funds.

The County reports the following major enterprise funds:

LAKELAND HEALTH CARE CENTER FUND

This fund accounts for the provision of health care delivery services to its elderly residents. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, nursing, rehabilitation, dental, medical, related services, and administration. Most of the funding comes from Federal Medicare and Medicaid Programs as well as private billing of the residents.

PUBLIC WORKS FUND

This fund accounts for the maintenance and construction of state highways and local roads, as well as services provided to other County departments. The costs are billed to the state, towns and cities, and other departments at actual cost plus an overhead factor. This fund also accounts for the administration costs in maintaining County property and buildings and the administration of the solid waste program.

Additionally, the County reports the following:

Nonmajor governmental funds consist of Land Information special revenue fund, Sheriff Trusts special revenue fund, and Capital Projects fund.

Internal service funds account for the employee benefits of health insurance, dental insurance, and workers compensation. Risk management is also provided to other departments of the County on a cost reimbursement basis.

Other post employment benefits fund is used to account for resources legally held in trust for health insurance benefits for retirees of the County.

The *private-purpose trust* funds are used to account for resources legally held in trust for educational betterment of the nursing staff of the Lakeland Health Care Center in the G. Charter Harrison Trust and for the tricentennial celebration to be held in 2076 in the Tricentennial Trust.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE A - REPORTING ENTITY (continued)

Government-wide and Fund Financial Statements (continued)

The County accounts for assets held as an agent for receipt of forfeitures, fines and court costs paid in advance for pending court cases, holding of Huber prisoners' funds, and various fees collected due to the state in an *agency fund*.

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 private purpose trust financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are direct charges for services between the County's departments. 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 enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards

The County has implemented the Governmental Accounting Standards Board Statement No. 61: *Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34* for the year ended December 31, 2013. This statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units presentation, and certain disclosure requirements. No component units are required to be reported for Walworth County under this statement.

The County has implemented the Governmental Accounting Standards Board Statement No. 65: *Items Previously Reported as Assets and Liabilities* for the year ended December 31, 2013. This statement specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards (continued)

The County has implemented the Governmental Accounting Standards Board Statement No. 66: *Technical Corrections-2012; an Amendment of GASB Statement No. 10 and No. 62* for the year ended December 31, 2013.

In addition, the Governmental Accounting Standards Board issued statements 67, 68, 69, 70 and 71, which will be required in future years. The County has not yet implemented these standards.

Cash and Investments

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

Receivables

A majority of accounts receivable are recorded at gross with uncollectible amounts recognized under the direct write-off method, since it is believed that the amount of such allowances would not be material. For accounts receivable that expect to have material uncollectible amounts, balances have been shown net of these allowances. The details of uncollectible amounts are listed in Note E.

Property taxes are due, in the year subsequent to the levy, on the last day of January, and collected by local treasurers through that date, at which time unpaid property taxes are assigned to the County and appropriate receivables and payables are recorded. Tax collections become the responsibility of the County and taxes receivable include unpaid taxes levied for all taxing entities within the County. The County makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1.

Restricted Assets/Deposits

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

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" on the balance sheet. Noncurrent portions of the interfund receivables described as "advances to" and "advances from" governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental activities and business-type activities. Balances existing between governmental funds and between proprietary funds have been eliminated for the government-wide statement of net position.

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. Inventory quantities are confirmed by physical counts once annually. For 2013, these were completed on December 31, for Lakeland Health Care Center and November 8, for Public Works.

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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. Governmental fund 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 one year. In addition, the Lakeland Health Care Center will follow Medicare guidelines and include capital assets with a value greater than \$1,000. The Public Works fund will follow the governmental funds threshold but will also include all state-classified equipment regardless of the value. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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. Donated capital assets are recorded at estimated fair value at the date of donation.

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

<u>Assets</u>	Governmental	Business - Type
	Activities	Activities
	Years	
Buildings	7-60	7-60
Improvements other than buildings	25	25
Machinery and equipment	2-60	3-30
Infrastructure - roads	20-60	N/A
Infrastructure - bridges/dams	50	N/A

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory time and holiday banked benefits in accordance with county policy and bargaining unit agreements. Unused sick leave is accumulated and reported for those employees who will not convert their banks to other post employment benefits, but are eligible for a cash payout upon retirement. A liability for the sick leave amount is reported within the other post employment benefits liability only if the sick leave banks may be converted to health credits, as a result of employee retirements. Vacation, sick, compensatory and holiday banks subject to payouts or eligible for the other post employment benefits liability are accrued when incurred in the government-wide and proprietary fund financial statements.

Compensated absences are paid from the governmental fund that incurs the associated payroll expense. This would include the General fund, Health and Human Services fund, Children with Disabilities Education Board fund, and the Nonmajor governmental fund of Land Information.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources for December 31, 2013.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly the item, unavailable revenues, is reported in the governmental funds balance sheet. The governmental funds report unavailable

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources (continued)

revenues from two primary sources: property taxes and revenues earned but not received within 60 days of the year end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts are earned or become available. The County has both unearned and unavailable revenues under GASB No. 65.

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.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

Fund Equity

In the government-wide statements, equity is classified as net position and displayed in three components.

1. Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds and related borrowing discounts/premiums.
2. Restricted net position - Amount of net position subject to restrictions 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.
3. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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 needed.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components.

1. Nonspendable fund balance – Amounts that cannot be spent because they are 1) not in spendable form, or 2) legally or contractually required to be maintained intact. The County reports nonspendable inventories and delinquent personal property taxes which meet the requirement of not in spendable form.
2. Restricted fund balance – Amount constraints requiring use for a specific purpose and are either: 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. Fund balance restrictions are legally enforceable when a third party can enforce the resources to be used appropriately.
3. Committed fund balance – Amounts used for specific purposes based on constraints imposed by formal action of the County Board in an ordinance. The commitment purposes must be made during the County's fiscal year ended December 31, 2013 and can only be amended by the same formal legal action creating the original commitments.
4. Assigned fund balance - Funds that are constrained by the county administrator as established by county ordinance with the intent for the amount to be used for specific purposes, but is neither restricted nor committed.
5. Unassigned fund balance – The balance of General fund's fund balance available for appropriation.

Proprietary fund equity is classified the same as in the government-wide statements.

It is the County's policy to use fund balance resources in the following manner, first, restricted, then committed, assigned and finally unassigned.

Fiduciary fund equity is classified as restricted on the statement of fiduciary net position. Various donor restrictions apply, and the County believes it is in compliance with all significant restrictions.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity (continued)

Fiduciary fund equity is classified as restricted on the statement of fiduciary net position. Various donor restrictions apply, and the County believes it is in compliance with all significant restrictions.

Minimum Available Fund Balance

County ordinance defines minimum available fund balance for the General fund as 15 to 20% of the General fund revenues without transfers plus the property tax revenue allocated to each fund. Children with Disabilities Education Board fund minimum available fund balance is defined as 15 to 20% of the individual fund's revenues without property tax or transfer revenue. Use of available funds is restricted to one-time expenditures, including but not limited to: capital expenditures, prepayment of outstanding debt, start-up costs for new programs, termination costs of ineffective or inefficient programs, advance payment of multi-year obligations or other nonrecurring expenditures. Only the General fund unassigned fund balance may be utilized throughout the County. No formal policy exists to replenish these funds, however funds are typically replenished with lapsing funds in the next year. Required minimum balances are met as of December 31, 2013.

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 estimates.

NOTE C - STEWARDSHIP AND COMPLIANCE

Budget and Budgetary Accounting

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

1. During November, 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 the general, special revenue and debt service funds, with the exception of the Sheriff Trusts special revenue fund. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the next year's budget.

The Capital Projects fund is considered a multi-year fund. The original budget accounts for current year budgeted projects only. Revised budget reflects remaining budget on all open projects while actual amounts appropriately reflect only 2013 related activity.

3. During the year, formal budgetary integration is employed as a management control device for the general, special revenue, and debt service funds, with the exception of the Sheriff Trusts special revenue fund.
4. Expenditures may not exceed appropriations provided to each department of the County. Amendments to the budget during the year require initial approval by management. Transfers require submission of a resolution to the County Board. Transfers are defined as:
 - a. Transfers exceeding 10% in the aggregate of the funds originally provided for such office or department.
 - b. Transfers exceeding the amount adopted in the contingency funds budget.
 - c. Transfers from the contingency funds.
 - d. Transfers from the unassigned General fund's fund balance.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE C - STEWARDSHIP AND COMPLIANCE (continued)

Supplemental Appropriations

Supplemental appropriations for expenditures that were necessary for 2013 are as follows:

Department/Fund	Adopted Budget	Modified Budget	Increase/ (Decrease)
County board	\$ 198,800	\$ 216,883	\$ 18,083
County clerk	340,152	338,626	(1,526)
Elections	125,484	75,484	(50,000)
Administration	1,519,301	1,688,483	169,182
Human Resources	528,799	541,220	12,421
Finance	1,601,951	1,596,391	(5,560)
Treasurer	475,350	668,552	193,202
Coroner	424,026	426,945	2,919
Clerk of courts	3,153,000	3,248,003	95,003
District attorney	858,817	862,335	3,518
Register of deeds	662,992	585,164	(77,828)
Information systems	2,201,555	2,243,480	41,925
Central services	1,371,139	1,672,020	300,881
Non-departmental	10,033,319	7,216,533	(2,816,786)
Community initiative	260,440	261,740	1,300
Sheriff	25,238,153	24,969,747	(268,406)
Veterans services	181,400	181,557	157
UW extension	582,975	587,799	4,824
Parks	139,640	146,009	6,369
Land use & resource management	1,828,474	1,918,284	89,810
Total General fund	<u>51,725,767</u>	<u>49,445,255</u>	<u>(2,280,512)</u>
Health and Human Services fund	24,886,344	28,846,603	3,960,259
Children with Disabilities Education Board fund	14,555,419	14,043,865	(511,554)
Land Information fund	468,627	490,264	21,637

Encumbrances

Encumbrance accounting is employed in the governmental fund statements. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as restrictions of fund balance when encumbrances are budgeted to be paid from restricted resources, and reported as committed fund balance for all other encumbrances per county board ordinance. Encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Excess of Expenditures Over Budget Appropriations

The County did not have any major violation of legal or contractual provisions for the fiscal year ended December 31, 2013.

The County maintains the expenditure budget at a department level for budgeted accounts of the general, debt service, and special revenue funds with the exception of the Sheriff Trusts fund. At December 31, 2013, no department total actual expenditures exceeded total budgeted appropriations.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE D - CASH AND INVESTMENTS

Cash Investments

The County maintains various cash and investment accounts, which are pooled and available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statute 66.0603. County ordinance further restricts investments to the following:

Time deposits; repurchase agreements; securities issued by federal government and federally supported agency entities; government bonds/debt securities; collateralized money markets; treasury separate trading of registered interest and principal securities (STRIPS), and the Wisconsin Local Government Investment Pool.

The other post employment benefit (OPEB) trust investments may be invested pursuant to the Uniform Investor Act as set forth in Wisconsin statute 88.01, as these shall be considered long-term investments that do not need to be liquidated for current operations. The following OPEB investment exceptions apply:

- (1) Letter stock and other unregistered securities, direct commodities or commodity contracts, short sales, margin transactions, private placements (with the exception of Rule 144A securities), venture capital funds, private equity, or hedge funds.
- (2) Derivatives, options or futures for the purpose of portfolio leveraging.
- (3) Neither direct real estate equity nor natural resource properties such as oil, gas or timber may be held except by purchase of publicly traded securities or within pooled vehicles, except for existing real estate holdings.
- (4) The purchase of collectibles.

The carrying amount of the County's cash and investments totaled \$122,078,210 on December 31, 2013 as summarized:

Petty cash	\$ 5,790
Demand deposits	1,550,749
Certificates of deposit	9,777,597
Deposits with fiscal agents	364,309
Wisconsin Municipal Mutual Insurance Company (WMMIC) Deposit	1,563,000
Investments	<u>108,816,765</u>
	<u>\$ 122,078,210</u>
 Reconciliation to the basic financial statements:	
Basic financial statements	
Cash and investments	\$ 94,762,964
Restricted cash and investments	1,594,347
Restricted investment - deposit with WMMIC	1,563,000
Fiduciary funds	
Other post employment benefits trust fund	22,999,660
Private purpose trust funds	40,350
Agency funds	<u>1,117,889</u>
	<u>\$ 122,078,210</u>

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE D - CASH AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The County's investment policy addresses custodial credit risk by requiring all financial institutions acting as a depository for the County to enter into a depository agreement, requiring the depository to pledge collateral to secure amounts over and above those guaranteed through a combination of the FDIC and state deposit guarantee fund for banks or NCUA for credit unions. The depository agreement requires all securities serving as collateral shall be specifically pledged to the County and placed in a custodial account at a Federal Reserve bank, a trust department of a commercial bank, or through another financial institution.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), and \$250,000 for interest and non-interest bearing demand deposit accounts. Deposits in each local and area credit union are insured by the NCUA in the amount of \$250,000.

Bank accounts, not including credit unions, are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered for custodial credit risk.

On December 31, 2013, none of the County's deposits with financial institutions were in excess of federal depository insurance limits or uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name) for its governmental or business-type funds. The OPEB trust does not require collateralization per the County's OPEB investment policy.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County's investment policy specifically addresses credit risk by limiting the types of allowable investments, pre-qualifying financial institutions and investment advisors and by diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual financial institution will be minimized. Presented below is the actual rating as of year end by investment type for all investments not in the OPEB trust.

Investment Type	Amount	Rating as of Year End		
		AAA	Aa	Not Rated
Federal agency securities	\$ 34,467,886	\$ 28,840,241	\$ 1,010,290	\$ 4,617,355
U.S. Treasury Notes	1,315,743	1,315,743	-	-
Wisconsin Municipal Bonds	7,086,681	456,985	6,629,696	-
Wisconsin Local Government				
Investment Pool	13,813,677	-	-	13,813,677
JP Morgan Repurchase	3,702,698	-	-	3,702,698
JP Morgan Money Market fund	1,602,872	-	-	1,602,872
Associated Money Market fund	15,256,831	-	-	15,256,831
BMO Trust Money Market fund	33,601	-	-	33,601
Pershing Money Market fund	1,875	-	-	1,875
Mid America Money Market fund	8,282,137	-	-	8,282,137
Peoples Bank Money Market fund	253,104	-	-	253,104
	<u>\$ 85,817,105</u>	<u>\$ 30,612,969</u>	<u>\$ 7,639,986</u>	<u>\$ 47,564,150</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE D - CASH AND INVESTMENTS (continued)

Credit Risk (continued)

The OPEB trust has various fixed income mutual funds totaling \$10,220,999. The funds are made up of fixed income bonds and securities with the following average ratings: 48.4% with an AAA average rating, 5.4% with an AA average rating, 9.5% with an A average rating, 10.6% with a BBB average rating, 8.5% with a BB average rating, 9.6% with a B average rating, 6.6% with below a B average rating, and 1.3% not rated. The remaining OPEB trust mutual funds are equity investment funds of \$12,778,661 of which are unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification of having significant funds invested in a few individual issuers, thereby exposing the County to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments.

The County's investment officer as appointed by the County Board, develops and adheres to the following administrative policy limits for the amount that can be invested in any one issuer. For securities or specific financial institution investments, a single agency shall be limited to 50% of the core portfolio, currently \$26,898,000. For Wisconsin debt instruments, a single district/government shall be limited to \$3 million. The governing body is provided a report on a quarterly basis, detailing the County's investments and their adherence to County and administrative investment policies. For 2013, no policy limits were exceeded.

At year end, the County held greater than five percent of its total investments (all investments, including certificates of deposit, less OPEB trust investments) in its portfolio (other than money market funds, and external investment pools) from these issuers:

Issuer Type	Percent of Total Investments	Amount
Federal National Mortgage Association (FNMA)	15.95 %	\$ 15,244,723
Federal Home Loan Mortgage Corporation (FHLMC)	7.82 %	\$ 7,476,817

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's investment policy limits security purchases to securities that mature or may be tendered for purchase at the option of the holder for a term not to exceed five years from the date the security is acquired. Individual investments in certificates of deposit are restricted to maturities of 3 years or less. Additionally, total investments with a maturity between 3 and 12 months shall not exceed 95% of total cash and investment portfolio. Total investments with a maturity of greater than 12 months and less than 60 months shall not exceed 50% of total cash and investment portfolio.

The OPEB trust shows mutual funds of \$10,175,204 with a maturity greater than 60 months due to the long-term nature of the trust fund. The \$12,824,456 remaining in the OPEB trust includes \$45,795 in a cash management fund and \$12,778,661 invested in equity funds that, by definition, do not have maturities.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE D - CASH AND INVESTMENTS (continued)

Interest Rate Risk (continued)

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

Investment Type	Amount	Remaining Maturity (in Months)		
		3 Months Or Less	4 to 12 Months	13 to 60 Months
Federal agency securities	\$ 34,467,886	\$ 65,117	\$ 594,290	\$ 33,808,479
U.S. Treasury Notes	1,315,743	75,103	453,439	787,201
Wisconsin Municipal Bonds	7,086,681	1,042,641	1,612,541	4,431,499
JP Morgan Repurchase	3,702,698	3,702,698	-	-
Wisconsin Local Government				
Investment Pool	13,813,677	13,813,677	-	-
JP Morgan Money Market	1,602,872	1,602,872	-	-
Associated Money Market	15,256,831	15,256,831	-	-
BMO Trust Money Market	33,601	33,601	-	-
Pershing Money Market	1,875	1,875	-	-
Mid America Money Market	8,282,137	8,282,137	-	-
Peoples Bank Money Market	253,104	253,104	-	-
Totals	<u>85,817,105</u>	<u>44,129,656</u>	<u>2,660,270</u>	<u>39,027,179</u>
Percent of Total Investments	100.0 %	51.4 %	3.1 %	45.5 %

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County's investments include U.S. government, agency and municipal securities that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above). The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates. The fair value at December 31, 2013 is \$42,870,310. Of this amount, \$10,425,250 are callable, and therefore subject to early payment in a period of declining interest rates. The OPEB trust fund fair value of \$10,220,999 invested in fixed income mutual funds are also highly sensitive to interest rate fluctuations.

Investment in Wisconsin Local Investment Pool

The County has investments in the Wisconsin Local Government Investment Pool of \$13,813,677 at year end. The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. Certificates of deposit held in the LGIP are covered by FDIC insurance, which applies to the proportionate public unit account share. At December 31, 2013, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE E - RECEIVABLES

Allowance for Uncollectible Receivables

An allowance for uncollectible accounts has been provided for the funds listed below. No other allowances have been made, since it is believed that the amount of such allowances would not be material.

<u>Governmental activities</u>	
General fund	
Clerk of courts	\$ 422,521
Sheriff	339,295
Health and Human Services fund	<u>1,913,824</u>
Total	\$ 2,675,640
<u>Business-type activities</u>	
Lakeland Health Care Center fund	\$ 190,000

Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as unearned revenue at year end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are acquired by the County's General fund in accordance with state statutes, providing the County with a statutory lien.

The County's apportionment of \$60,877,860 is for financing 2014 operations and will be transferred in 2014 from unearned revenues to current revenues of the County's governmental and proprietary funds.

Delinquent Property Taxes - General Fund

General fund delinquent property taxes represent unpaid property taxes on real estate and unpaid taxes on commercial personal property, including state and local government equities therein. In regards to real estate taxes, 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. In regards to personal property taxes, delinquent taxes remain recorded for one year. If collection efforts remain unsuccessful, the amounts are then submitted to the County Board for write-off approval.

On December 31, 2013 the General fund showed an investment of \$6,519,024 in delinquent taxes as follows:

Tax certificates	\$ 6,495,386
Tax deeds	12,949
Personal property taxes	<u>10,689</u>
Total	<u><u>\$ 6,519,024</u></u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE E - RECEIVABLES (continued)

Delinquent Property Taxes - General Fund (continued)

An aging of the total delinquent taxes of \$6,519,024 on December 31, 2013 follows:

<u>Years Acquired</u>	<u>Tax</u>			<u>Personal Property Taxes</u>
	<u>Total</u>	<u>Certificates</u>	<u>Tax Deeds</u>	
Prior to 2001	\$ 107	\$ -	\$ 107	\$ -
2006	629	629	-	-
2007	3,268	3,268	-	-
2008	7,311	7,311	-	-
2009	2,255	2,255	-	-
2010	12,096	12,096	-	-
2011	618,016	618,012	4	-
2012	1,975,569	1,952,042	12,838	10,689
2013	3,899,773	3,899,773	-	-
	<u>\$ 6,519,024</u>	<u>\$ 6,495,386</u>	<u>\$ 12,949</u>	<u>\$ 10,689</u>

Of the total of \$6,495,386 for delinquent real estate tax certificates, the County collected \$1,003,880 within 60 days after December 31, 2013. The remaining unpaid balance of \$5,491,506 is reported as nonspendable fund balance for the General fund for the County purchased portion of \$4,219,377 and reported as unavailable revenues for the County levied portion of \$1,272,129.

The County holds \$12,949 of foreclosed tax deeds with the intent to sell the properties to recoup losses incurred on any tax related payments owed by the former property owners. At December 31, 2013, the properties held by the County have not yet been sold. The County records the tax deeds as delinquent taxes as property owners have the right to reclaim the deed until a sale has been awarded.

NOTE F - RESTRICTED ASSETS/DEPOSITS

Mandatory segregation of assets is presented on the statement of net position as restricted assets. External parties require such segregations. Restricted assets, consisting of patient and student deposits and bonds and unclaimed funds held by various County funds, are offset by a related payable. Land Information deposits and Sheriff trusts have restrictions from state statutes. Internal service fund deposits are restricted as amounts are held by a third party on behalf of the County.

<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Bonds and Unclaimed Funds	\$ 177,874
Health and Human Services	Patient/Client Deposits	156,962
Nonmajor Governmental	Sheriff Trusts	312,820
Nonmajor Governmental	Land information deposits	558,260
Lakeland Health Care Center	Resident Deposits	24,122
Workers Compensation	Held by Fiscal Agent	35,000
Risk Management	Held by Fiscal Agent	329,309
Risk Management	Held with WMMIC	1,563,000
Total Restricted Assets		<u>\$ 3,157,347</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE G - INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

Interfund receivables, payables and advances between individual funds of the County, as reported in the fund financial statements, as of December 31, 2013 are detailed below.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal service funds-Workers Compensation	General fund	\$ 10,467
	Health and Human Services fund	1,911
	Children with Disabilities Education Board fund	2,229
	Nonmajor Governmental fund	1
	Lakeland Health Care Center fund	5,540
	Public Works fund	<u>6,367</u>
Subtotal - Fund financial statements		26,515
Less: Fund eliminations		(14,608)
Less: Interfund receivables created with internal service fund eliminations		(2,819,321)
Add: Advance between General fund and Lakeland Health Care Center fund		<u>1,515,102</u>
Total Internal balances-government-wide statement of net position		<u>\$ (1,292,312)</u>

The Workers Compensation internal service fund interfund is for the December premium due from each fund. All fund financial statement interfund amounts are to be paid within one year. In the government-wide statements, the interfund is created due to the under/over collection of Health, Dental, and Workers Compensation internal service funds.

The General fund advance of \$1,515,102 to the Lakeland Health Care Center has allowed the County to call the remaining 2006 borrowing outstanding for the Lakeland Health Care Center building construction. Funds will be repaid with no interest over two years with the first installment of \$744,490 paid on April 1, 2014.

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

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General fund	Health and Human Service fund	\$ 2,416,659
	Nonmajor Governmental funds-Land Information	18,924
	Nonmajor Governmental funds-Sheriff Trusts	26,607
	Internal Service fund-Risk Management	14,050
Health and Human Services fund	General fund	265,000
	Nonmajor Governmental funds-Capital Projects	75,000
Debt Service fund	General fund	344,456
	Children with Disabilities Education Board fund	1,289,626
Nonmajor Governmental funds-Capital Projects	General fund	2,953,525
	Public Works fund	1,310,680
Internal Service fund-Workers Compensation	Public Works fund	3,200
Public Works fund	Lakeland Health Care Center fund	<u>1,784</u>
Subtotal transfers in- Fund financial statements before capital contributions		\$ 8,719,511
Less: Fund elimination		<u>(7,405,631)</u>
Total transfer - Government-wide statement of activities		<u>\$ 1,313,880</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE G - INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS (continued)

During the year, County transfers were used to 1) move revenues to the fund that the budget requires to expend them for operating purposes (\$22,128) and capital purposes (\$3,337,062), 2) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due (\$1,634,082), 3) move excess/shortage prior year fund balance in accordance with County ordinance related to lapsing funds (\$2,429,770), 4) move available excess fund balance to the Capital Projects fund authorized for the County's road construction committed fund balance account (\$1,294,685), and 5) move vehicle between enterprise funds (\$1,784).

NOTE H - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being amortized/depreciated:				
Land	\$ 1,091,454	\$ -	\$ -	\$ 1,091,454
Construction in progress	2,290,840	1,905,509	1,160,106	3,036,243
Total capital assets, not being amortized/depreciated	<u>3,382,294</u>	<u>1,905,509</u>	<u>1,160,106</u>	<u>4,127,697</u>
Capital assets, being amortized/depreciated				
Buildings	65,651,333	452,767	-	66,104,100
Improvements other than buildings	4,889,554	-	-	4,889,554
Machinery and equipment	14,686,567	1,094,527	679,159	15,101,935
Intangible assets	6,417,208	981,217	8,540	7,389,885
Infrastructure	57,900,097	2,189,478	845,474	59,244,101
Subtotals	<u>149,544,759</u>	<u>4,717,989</u>	<u>1,533,173</u>	<u>152,729,575</u>
Less accumulated amortization/depreciation for:				
Buildings	13,593,001	1,238,398	-	14,831,399
Improvements other than buildings	2,307,934	171,039	-	2,478,973
Machinery and equipment	9,445,847	1,006,231	644,189	9,807,889
Intangible assets	1,847,896	248,508	8,540	2,087,864
Infrastructure	19,983,514	1,658,352	670,558	20,971,308
Subtotals	<u>47,178,192</u>	<u>4,322,528</u>	<u>1,323,287</u>	<u>50,177,433</u>
Total capital assets, being amortized/depreciated, net	<u>102,366,567</u>	<u>395,461</u>	<u>209,886</u>	<u>102,552,142</u>
Governmental activities capital assets, net	<u>\$105,748,861</u>	<u>\$ 2,300,970</u>	<u>\$ 1,369,992</u>	<u>\$106,679,839</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE H - CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being amortized/depreciated:				
Land	\$ 98,486	\$ -	\$ -	\$ 98,486
Construction in progress	27	334,734	27	334,734
Total capital assets, not being amortized/depreciated	<u>98,513</u>	<u>334,734</u>	<u>27</u>	<u>433,220</u>
Capital assets, being amortized/depreciated:				
Buildings	19,680,340	-	-	19,680,340
Improvements other than buildings	331,335	-	-	331,335
Machinery and equipment	12,697,353	592,917	340,976	12,949,294
Intangible assets	26,948	-	-	26,948
Subtotals	<u>32,735,976</u>	<u>592,917</u>	<u>340,976</u>	<u>32,987,917</u>
Less accumulated amortization/depreciation for:				
Buildings	3,586,005	370,319	-	3,956,324
Improvements other than buildings	153,170	11,175	-	164,345
Machinery and equipment	7,190,810	720,199	293,720	7,617,289
Intangible assets	25,240	-	-	25,240
Subtotals	<u>10,955,225</u>	<u>1,101,693</u>	<u>293,720</u>	<u>11,763,198</u>
Total capital assets, being amortized/depreciated, net	<u>21,780,751</u>	<u>(508,776)</u>	<u>47,256</u>	<u>21,224,719</u>
Business-type activities capital assets, net	<u>\$ 21,879,264</u>	<u>\$ (174,042)</u>	<u>\$ 47,283</u>	<u>\$ 21,657,939</u>

In 2013, \$685,155 of capital outlay recorded in the governmental activities was expensed as repair and maintenance projects or amounts under the threshold and therefore not recorded as capital assets.

Amortization/depreciation expense was charged to functions of the County as follows:

Governmental activities	
General government	\$ 918,020
Public safety	1,033,698
Health and human services	178,407
Culture, recreation and education	337,726
Public works	1,658,351
Conservation and development	196,326
Total amortization/depreciation expense - governmental activities	<u>\$ 4,322,528</u>
Business-type activities	
Nursing home	\$ 326,665
Highway/facilities administration	775,028
Total amortization/depreciation expense - business-type activities	<u>\$ 1,101,693</u>

NOTE I - DEFERRED INFLOWS OF RESOURCES

Governmental funds report unavailable or unearned revenue in connection with receivables for resources that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been earned, but not yet received.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE I - DEFERRED INFLOWS OF RESOURCES (continued)

At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Subsequent year tax levy receivable		
General fund	\$ 29,180,346	\$ -
Health and Human Services	11,337,863	-
Children with Disabilities Education Board	7,460,976	-
Debt Service	2,000,198	-
Nonmajor Governmental funds	3,186,064	-
Delinquent real estate taxes - County share	-	1,272,129
City of Elkhorn long-term receivable	-	282,771
Walworth County Historical Society receivable	-	90,000
Grant funds not received meeting all eligibility requirements	-	544,811
Clerk of Courts fines and penalties	-	338,225
Sheriff - Huber/jail inmate charges, not yet received	-	112,587
Tax interest and penalty	-	1,227,825
Charges for services earned, but not yet received	-	76,581
Grant funds received prior to meeting all eligibility requirements	18,124	-
Total unearned/unavailable revenue for governmental funds	<u>\$ 53,183,571</u>	<u>\$ 3,944,929</u>
Unearned revenue included in liabilities	18,124	
Unearned revenue included in deferred inflows	53,165,447	
Totals	<u>\$ 53,183,571</u>	

NOTE J - LEASES AND LONG-TERM OBLIGATIONS

Operating Leases

Lease Receivables

The County entered into an operating lease with Aurora Healthcare Southern Lakes, Inc. effective April 1, 2006 for the use of the County's steam plant. The plant was built in 1929 and the portion being used by Aurora Healthcare Southern Lakes, Inc. has a total value of \$2,296,089. The corresponding current carrying value is \$842,959, and the depreciation for year ended December 31, 2013 was \$71,419. The original length of the lease was 5 years. Both parties agreed to exercise an option for a 5-year extension. The lease expires July 31, 2016. Rent payments to the County are \$850/month. In addition, Aurora Healthcare Southern Lakes, Inc. reimburses the County for their share of depreciation and drainage expenses, currently \$5,891/month in 2013. Remaining annual required future lease payments are as follows:

<u>Year Ended</u>	<u>Rent Amount</u>	<u>Reimbursed Costs</u>	<u>Total</u>
2014	\$ 10,200	\$ 70,034	\$ 80,234
2015	10,200	68,936	79,136
2016	5,950	40,213	46,163
Total:	<u>\$ 26,350</u>	<u>\$ 179,183</u>	<u>\$ 205,533</u>

The County entered into an operating lease with David E. Geils, effective May 20, 2008 for use of the County's farmland. The various parcels were purchased between 1852 and 2000 at a total value of \$624,445. The current carrying value is \$624,445, as land is not depreciated. The original length of the lease was 4 years. Both parties agreed to exercise an option for a 2-year extension. The lease expires December 31, 2014. Remaining annual required future lease payment to the County for 2014 is \$120,000.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE J - LEASES AND LONG-TERM OBLIGATIONS (continued)

Operating Leases (continued)

Lease Obligations

The County leases copy/scan/fax machines and services for day to day operations of the County. The contract was originally awarded to Rhyme Business Group on October 25, 2010. The current lease term expires July 31, 2016. Total cost of the lease was \$103,655 for the year ended December 31, 2013. The lease payment varies by product and number of copies made. Remaining annual required future lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
2014	\$ 103,491
2015	103,491
2016	<u>60,370</u>
Total	<u>\$ 267,352</u>

The County leases electronic monitoring and alcohol monitoring equipment, services, and support for the Walworth County Law Enforcement Center for offenders on supervised probation. The original agreement was dated November 15, 2007, amended July 1, 2011 and extended to December 31, 2014. Total cost of the lease was \$243,878 for the year ended December 31, 2013. The lease payment varies by service provided and/or number of monitors issued for a particular month. The future minimum lease payment is \$209,131 in 2014 based on the equipment in place as of December 31, 2013.

General Obligation Notes Called

On April 12, 2013, the County called the 2014, 2015 and 2016 principal payments of the 2006 general obligation promissory notes in the amounts of \$855,000, \$885,000 and \$925,000 respectively. Savings on interest payments for 2013 through 2016 total \$201,691. Available funds from the County's General fund in the amount of \$344,456 and from the Lakeland Health Care Center in the amount of \$2,320,544 were used to call this debt.

Long-term Obligations

Total interest and fees paid during the year on long-term debt totaled \$1,003,532, with \$59,975 of the interest paid attributable to the Lakeland Health Care Center fund. The County's 2009 debt issuance resulted in a 2013 reimbursement of interest payment by the federal Build America Bonds program in the amount of \$53,564.

The following table is a summary of changes in long-term obligations of the County for the year ended December 31, 2013:

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
Governmental Activities:					
<u>By Type:</u>					
General obligation debt					
Bonds	\$ 14,810,000	\$ -	\$ 720,000	\$ 14,090,000	\$ 750,000
Notes	12,710,443	-	1,385,443	11,325,000	1,530,000
Unamortized debt premium	<u>66,954</u>	-	<u>8,550</u>	<u>58,404</u>	<u>8,973</u>
Total general obligation debt	<u>27,587,397</u>	-	<u>2,113,993</u>	<u>25,473,404</u>	<u>2,288,973</u>
Compensated absences	<u>2,398,574</u>	<u>5,249,473</u>	<u>5,269,251</u>	<u>2,378,796</u>	<u>1,660,256</u>
	<u>\$ 29,985,971</u>	<u>\$ 5,249,473</u>	<u>\$ 7,383,244</u>	<u>\$ 27,852,200</u>	<u>\$ 3,949,229</u>
<u>By Purpose:</u>					
General government	\$ 424,147	\$ 756,729	\$ 751,759	\$ 429,117	\$ 304,386
Public safety	814,262	2,562,217	2,530,892	845,587	732,381
Health and human services	581,107	1,355,672	1,341,677	595,102	423,563
Culture, recreation and education	15,207,182	402,796	1,207,432	14,402,546	840,125
Public works	12,810,876	-	1,396,295	11,414,581	1,541,275
Conservation and development	<u>148,397</u>	<u>172,059</u>	<u>155,189</u>	<u>165,267</u>	<u>107,499</u>
	<u>\$ 29,985,971</u>	<u>\$ 5,249,473</u>	<u>\$ 7,383,244</u>	<u>\$ 27,852,200</u>	<u>\$ 3,949,229</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE J - LEASES AND LONG-TERM OBLIGATIONS (continued)

Long-term Obligations (continued)

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
Business-type activities:					
<u>By Type:</u>					
General obligation notes	\$ 3,034,557	\$ -	\$ 3,034,557	\$ -	\$ -
Unamortized debt discount	(2,850)	-	(2,850)	-	-
Total general obligation debt	3,031,707	-	3,031,707	-	-
Compensated absences	892,845	1,313,365	1,309,623	896,587	565,623
	<u>\$ 3,924,552</u>	<u>\$ 1,313,365</u>	<u>\$ 4,341,330</u>	<u>\$ 896,587</u>	<u>\$ 565,623</u>
<u>By Purpose:</u>					
Nursing home	\$ 3,511,229	\$ 736,413	\$ 3,770,299	\$ 477,343	\$ 290,733
Highway/facilities administration	413,323	576,952	571,031	419,244	274,890
	<u>\$ 3,924,552</u>	<u>\$ 1,313,365</u>	<u>\$ 4,341,330</u>	<u>\$ 896,587</u>	<u>\$ 565,623</u>

General obligation debt has been obtained for the purpose of funding capital purchases and construction of capital assets. General obligation debt currently outstanding is detailed as follows:

Bonds:

\$8,500,000; due in various annual installments of \$315,000 to \$675,000 through 2027; Issued: August 1, 2007 Interest: 4.00% to 4.20% Purpose: Children with Disabilities Education Board new school building construction	\$ 7,150,000
\$8,600,000; due in various annual installments of \$305,000 to \$645,000 through 2027; Issued: January 18, 2008 Interest: 3.50% to 4.00% Purpose: Children with Disabilities Education Board new school building construction	6,940,000

Notes:

\$1,400,000; due in various annual installments of \$30,000 to \$200,000 through 2017; Issued: August 1, 2007 Interest: 4.00% to 4.15% Purpose: Road construction	745,000
\$5,345,000; due in various annual installments of \$570,000 to \$990,000 through 2019; Issued: August 4, 2009 Interest: 2.00% to 4.75% Purpose: Road construction	3,785,000
\$7,740,000; due in various annual installments of \$200,000 to \$945,000 through 2021; Issued: July 6, 2011 Interest: 2.00% to 3.00% Purpose: Road construction	6,795,000
Total Outstanding General Obligation Debt	<u>\$ 25,415,000</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE J - LEASES AND LONG-TERM OBLIGATIONS (continued)

Long-term Obligations (continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$25,415,000 on December 31, 2013 are detailed in the following table.

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2014	\$ 2,280,000	\$ 821,979	\$ 3,101,979
2015	2,350,000	757,974	3,107,974
2016	2,435,000	689,636	3,124,636
2017	2,520,000	614,979	3,134,979
2018	2,405,000	538,511	2,943,511
2019-2023	8,485,000	1,665,232	10,150,232
2024-2027	4,940,000	416,585	5,356,585
	<u>\$ 25,415,000</u>	<u>\$ 5,504,896</u>	<u>\$ 30,919,896</u>

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2013 was \$634,461,529 as follows:

Equalized valuation of the County	\$ 13,183,359,700
Statutory limitation percentage	5 %
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>659,167,985</u>
Total outstanding general obligation debt applicable	\$ 25,415,000
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>(708,544)</u>
Net outstanding general obligation debt applicable to debt limitation	<u>24,706,456</u>
Legal Margin for New Debt	<u><u>\$ 634,461,529</u></u>

NOTE K - EQUITY CLASSIFICATIONS

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2013 include the following:

Net investment in capital assets	
Land	\$ 1,091,454
Construction in progress	3,036,243
Buildings, net of accumulated depreciation	51,272,701
Improvements other than buildings, net of accumulated depreciation	2,410,581
Machinery and equipment, net of accumulated depreciation	5,294,046
Intangible assets, net of amortization	5,302,021
Infrastructure, net of accumulated depreciation	<u>38,272,793</u>
Subtotal	106,679,839
Less: related long-term debt outstanding and debt premium	<u>(25,473,404)</u>
Total Net investment in capital assets	<u><u>\$ 81,206,435</u></u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE K - EQUITY CLASSIFICATIONS (continued)

Restricted			
Donations			
Crime prevention	\$	33,097	
Employee wellness		7,502	
Health and human services		205,669	
Park		4,125	
School programs		117,146	
UW-Extension-Barn quilt program		262	
		367,801	
Grant related encumbrances/carryforwards			
Health and human services		6,830	
Land use and resource management		1,525	
Sheriff		3,510	
		11,865	
Fees			
Alpine Valley Concert fees		190,945	
Land modernization fees		311,242	
Non-metallic mining fees		836	
Public access fees		278,173	
Redaction fees		244,787	
Sheriff trusts confiscated fees		801,518	
UW-Extension pesticide training fees		890	
		1,828,391	
Total Restricted			2,208,057
Unrestricted			93,535,086
Total governmental activities net position			\$176,949,578

The detail of the fund balance restrictions, commitments, assigned, and unassigned balances can be found in the fund statements.

NOTE L - OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) issued Statement No. 43 – *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans* and the GASB issued Statement No. 45 – *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. The County made the decision to implement their standards effective January 1, 2008.

County-wide Plan Description

Walworth County provides post employment health care benefits in accordance with collective bargaining agreements and the County's ordinance code as amended by the County board. The County does not issue separate, audited financial statements for this defined benefit plan. The County provides other post employment benefits (OPEB) by offering health insurance to retired employees. This liability encompasses the County's share of the costs associated with the Sheriff Deputies Sworn personnel and the Lakeland Education Association personnel who receive unique OPEB benefits as described below in addition to the benefits offered to all County employees. The County offers employees retiring with the County the opportunity to continue to purchase health insurance through the County's self-insured Health Insurance fund. The retirees pay monthly premiums for this service equal to employee premiums for single or family coverage and at a reduced rate once reaching Medicare eligible age. The County incurs a liability for these benefits offered as the cost of claims is greater than the cost of monthly premiums received.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE L - OTHER POST EMPLOYMENT BENEFITS (continued)

County-wide Plan Description (continued)

This benefit is only available to those employees hired before the dates listed below.

<u>Employee Group/Bargaining Unit</u>	<u>Hired Before</u>
Deputy Sheriffs' Association	01/01/2005
Association of Human Services Professionals	11/11/2005
Non-represented Employees not included in a current or former bargaining unit	12/01/2005
Former AFSCME Local 1925C - Health and Human Services Employees	12/02/2005
Former AFSCME Local 1925 - Highway Employees	12/20/2005
Former AFSCME Local 1925A - Nonclerical Lakeland Health Care Center Employees	12/22/2005
Former AFSCME Local 1925B - Courthouse Employees	12/22/2005
Lakeland Education Association	10/10/2006

Sick Leave/ Health Credit Benefit

In addition to the County benefit to purchase health insurance, employees hired prior to the dates above who at termination apply for an immediate retirement annuity from the Wisconsin Retirement System, or have reached the age of 50 or older and have a minimum of 20 years of service with Walworth County, will have their sick leave balance converted at 60% of their base pay rate at the time of retirement to pay for county health insurance until the credits are exhausted. Currently, 43 retirees meet the eligibility requirements for this benefit. During 2013, approximately \$202,724 of expenditures were recognized for post employment health care benefits from these sick leave insurance credits. The OPEB calculation includes these benefits.

Lakeland Education Association Retirement Benefits

In addition to the above retirement benefits, the County offers an early retirement program for teachers who are at least age 57 and have completed at least 20 years of service. Under the program, eligible teachers are entitled to receive employer-paid single health insurance coverage under the group plan for 5 years. At December 31, 2013, 19 retirees were eligible to receive future benefits. This benefit was terminated with the 2005 contract for all employees hired after ratification on December 1, 2006. The 2008-2009 letter of agreement includes early retirement health insurance incentives in effect for employees at the end of the 2016 school year age 55 or older with at least 15 continuous years of service. The OPEB calculation includes these benefits. For 2013, \$184,410 was expended for retirees currently receiving this benefit.

Deputies Sworn Retirement Benefits

The County also has an early retirement policy for protective occupation employees who retire on a Wisconsin Retirement System (WRS) retirement or disability annuity at age 54 or older, at age 53 with a minimum of 25 years of WRS service, or have a minimum of 20 years of continuous County service upon becoming an annuitant at age 50 to 53. This policy will also apply to an employee receiving a duty disability annuity prior to age 50, who has 20 years of continuous County service and is considered "permanently and totally" disabled. The employees are entitled to a County payment of 50% of their premium for health insurance until the retiree is eligible for Medicare coverage. The insurance coverage shall be the same as provided to active employees. At December 31, 2013, 11 retirees were eligible to receive future benefits. This benefit was terminated with the 2005 contract for all employees hired after January 1, 2005. The OPEB calculation includes these benefits. For 2013, \$125,400 was expended for retirees currently receiving this benefit.

Funding Policy

On September 7, 2006, the County elected to amortize its postemployment health benefits over a 30-year period such that this benefit will be fully amortized by December 31, 2034. On December 26, 2008, the County obtained an outside investment trust company to hold the funds on behalf of the County. Withdrawals may only be made to the County for the purpose of funding current retirees retirement OPEB related health insurance costs. As of December 31, 2013, the County's investment held in trust was \$22,992,922 of which \$2,696,558 was due to realized interest earned, net of investment expense, and \$2,389,690 of unrealized interest since inception of the trust.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE L - OTHER POST EMPLOYMENT BENEFITS (continued)

Annual OPEB Cost

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the trust.

Annual required contribution	\$ -
Interest on annual required contribution	(396,926)
Adjustment to annual required contribution	<u>700,452</u>
Annual OPEB cost	303,526
Contributions made	<u>(972,216)</u>
Decrease in net OPEB Obligation	(668,690)
Net OPEB obligation (asset) - beginning of year	<u>(7,216,854)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (7,885,544)</u></u>
Governmental activities net OPEB obligation (asset)	\$ (7,160,695)
Business-type activities net OPEB obligation (asset)	<u>(724,849)</u>
	<u><u>\$ (7,885,544)</u></u>

The County reports its OPEB cost under one plan which is monitored in 5 separate reserve accounts; Children with Disabilities Education Board (CDEB) reserve funded from CDEB fund contributions, public works reserve (PW) funded from Public Works fund contributions, Lakeland Health Care Center (LHCC) reserve funded from LHCC fund contributions, sworn deputies reserve funded from General fund contributions, and all other county departments reserve funded from General fund and Health and Human Services fund contributions. It is the intention of the County that the assets contributed and earned under each of these reserve accounts will be used to pay benefits for that particular beneficiary group; however, assets may be transferred between reserve accounts if necessary. The OPEB trust is therefore considered one plan.

The government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation/(asset) for 2013 and the two preceding years were as follows for each individual reserve account.

<u>Reserve Account</u>	<u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u> <u>(Asset)</u>
CDEB	2011	\$ 57,433	668%	\$ (2,205,883)
	2012	68,017	489%	(2,470,659)
	2013	103,911	354%	(2,734,510)
Public Works	2011	23,452	38%	(323,110)
	2012	19,861	261%	(355,173)
	2013	14,938	153%	(363,032)
LHCC	2011	34,648	604%	(124,615)
	2012	44,284	542%	(320,537)
	2013	13,481	406%	(361,817)

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE L - OTHER POST EMPLOYMENT BENEFITS (continued)

Annual OPEB Cost (continued)

<u>Reserve Account</u>	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
Sworn Deputies	2011	\$ 393,239	827%	\$ (1,309,263)
	2012	287,598	936%	(3,712,437)
	2013	156,137	239%	(3,929,609)
Other Departments	2011	239,744	47%	(249,515)
	2012	274,854	139%	(358,048)
	2013	15,059	1,020%	(496,576)
Total County	2011	748,516	530%	(4,212,386)
	2012	694,614	533%	(7,216,854)
	2013	\$ 303,526	320%	\$ (7,885,544)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2013 was as follows:

	<u>CDEB</u>	<u>PW</u>	<u>LHCC</u>	<u>Sworn</u>	<u>Other</u>	<u>Total</u>
Actuarial accrued liability (AAL)	\$ 3,144,824	\$ 573,374	\$ 859,301	\$ 7,968,155	\$ 3,266,675	\$15,812,329
Actuarial value of plan assets	5,187,776	1,154,804	1,637,605	10,199,477	4,813,260	22,992,922
Unfunded actuarial accrued liability (UAAL)	(2,042,952)	(581,430)	(778,304)	(2,231,322)	(1,546,585)	(7,180,593)
Funded ratio (actuarial value of plan assets/AAL)	165 %	201 %	191 %	128 %	147 %	145 %
Covered payroll	3,475,577	2,352,994	2,813,807	4,464,736	13,232,415	26,339,529
UAAL as a percentage of covered payroll	(59)%	(25)%	(28)%	(50)%	(12)%	(27)%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress and employer contributions, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits and trend information about the amounts contributed to the plan by the employer in comparison to the ARC respectively.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2013

NOTE L - OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions (continued)

In the January 1, 2014 actuarial valuation the projected unit credit actuarial cost method is used as the basis to establish the December 31, 2013 liability. Under this method, the actuarial cost gain (losses), as they occur, generally reduce (increase) the unfunded actuarial accrued liability. The actuarial assumptions include a 5.5 percent investment rate per the County’s investment strategy agreement with its investment advisor. Investment decisions have been made by the advisor to achieve this rate based on historical figures. A 5.5% rate is used for the December 31, 2013 liability calculation. An annual healthcare cost trend rate of 9.5% percent initially, increased at various increments each year thereafter between 5.5% and 9%. A three percent salary inflation assumption is also used. The “*Wisconsin Retirement System 2009 – 2011 Experience Study*” was used to determine mortality, disability and turnover rates. Retirement rates, benefit selections, and participation of employees and spousal coverage have been developed based on County experience. 2013 monthly premiums were used and converted to age-specific charges using Actuarial & Health Care Solutions, LLC rating model factors to create the annual benefit costs for retirees. Administrative costs were included in benefit costs. The impact of the excise tax on high cost health plans expected to begin 2018 was estimated by projecting premiums in 2018 and increasing by 1% in 2019 and by a 3% Consumer Price Index factor per year after 2019. The unfunded actuarial accrued liability is being amortized using a level percent of payroll method. A closed amortization period was used for the most recent valuation, amortizing costs as of December 31, 2013 over 11 years. Gains and losses are currently being amortized over 11 years.

NOTE M - TERMINATION BENEFITS

There were no new termination benefit agreements or activity during 2013.

NOTE N - WISCONSIN RETIREMENT SYSTEM

All eligible County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees hired after July 1, 2011 expected to work over 1,200 hours per year (600 hours if hired prior to July 1, 2011) or teachers and school district educational support personnel expected to work over 880 hours (440 hours if hired prior to July 1, 2011) and expected to be employed for at least one year from employee's date of hire are eligible to participate in WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

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

Contributions for 2013 are:

	Employee	Employer
General (including teachers)	6.65%	6.65%
Executives and elected officials	7.00%	7.00%
Protective with social security	6.65%	9.75%
Protective without social security	6.65%	12.35%

The payroll for County employees covered by WRS for the year ended December 31, 2013 was \$38,612,332; the employer’s total payroll was \$40,763,542. The total required contribution for the year ended December 31, 2013 was \$5,314,568 or 13.76% of covered payroll. This amount consisted of \$2,745,736 (7.11%) from the employer and \$2,568,832 (6.65%) from employees. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2012 and 2011 were \$5,125,150 and \$5,135,807, respectively, equal to the required contributions for each year.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE N - WISCONSIN RETIREMENT SYSTEM (continued)

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. The final average earnings are the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 or after April 24, 1998 through June 30, 2011 are immediately vested. For participants employed after July 1, 2011, five years of creditable service is required for vesting of employer contributions.

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

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

NOTE O - RISK MANAGEMENT

Risk Entity

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. It is the policy of the County to purchase commercial insurance for the risks of losses to which it is exposed. The County established a risk management program for liability, health, dental, and workers compensation insurance utilizing third-party claims administrator. The County completes an annual review of its insurance coverage to ensure an adequate coverage.

Self Insurance of Employee Benefits

Premiums are paid into the internal service funds by all other funds and are available to pay claims, administrative costs of the program and establish a claims reserve for health insurance, dental insurance and workers compensation. A liability for claims is reported when it is probable that a loss has been incurred and it can be reasonably estimated.

Interfund premiums are based primarily on claims experience and are reported as quasi-external interfund transactions. An excess coverage insurance policy covers individual workers compensation claims up to \$1,000,000. An excess coverage insurance covers health insurance claims in excess of \$125,000 up to \$2,000,000. Settled claims for workers compensation and dental insurance have not exceeded reinsurance coverage in any of the last three years. Individual health insurance claims exceeding \$125,000 resulted in reinsurance amounts received in each of the last 3 years in the following amounts:

<u>Year</u> <u>Ended</u>	<u>Reinsurance</u> <u>Amount</u>
2011	\$ 832,011
2012	1,432,277
2013	1,296,600
Total	<u>\$ 3,560,888</u>

The County has recognized a total of \$4,059,597 in claims liabilities in the Health, Dental and Workers Compensation internal service funds at December 31, 2013. This actuarial determined liability amount was based on reviewing the 2013 claim settlements, inclusive of claims settled through February, 2014 and extrapolating forward.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE O - RISK MANAGEMENT (continued)

Self Insurance of Employee Benefits (continued)

The calculation of the claims liability is below:

	<u>Health</u>	<u>Dental</u>	<u>Workers Compensation</u>	<u>Total</u>
January 1, 2012 claims liabilities	\$ 1,725,000	\$ 54,000	\$ 1,818,931	\$ 3,597,931
2012 claims incurred during the period	15,243,550	761,435	1,526,896	17,531,881
2012 discounts, rebates, and refunds	(1,452,670)	-	-	(1,452,670)
2012 claims payments	<u>(13,636,880)</u>	<u>(748,435)</u>	<u>(1,135,853)</u>	<u>(15,521,168)</u>
January 1, 2013 claims liabilities	1,879,000	67,000	2,209,974	4,155,974
2013 claims incurred during the period	\$ 14,586,741	\$ 672,674	\$ 448,325	\$ 15,707,740
2013 discounts, rebates, and refunds	(1,304,433)	-	-	(1,304,433)
2013 claims payments	<u>(13,392,308)</u>	<u>(684,674)</u>	<u>(422,702)</u>	<u>(14,499,684)</u>
Unpaid claims - end of year	<u>\$ 1,769,000</u>	<u>\$ 55,000</u>	<u>\$ 2,235,597</u>	<u>\$ 4,059,597</u>

Investment in Wisconsin Municipal Mutual Insurance Company

Effective January 1, 2008 the County became a member with certain other units of government within the State of Wisconsin, of the Wisconsin Municipal Mutual Insurance Company (WMMIC), a non-assessable mutual company which provides liability insurance and risk management services to its members. The scope of insurance protection provided by WMMIC is broad, covering automobile liability, general liability, law enforcement liability, public official's errors and omissions, civil rights, incidental medical malpractice, personal injury, equal rights, and Americans with Disabilities Act at policy limits of \$10,000,000 per occurrence with a \$10,000,000 aggregate for general and automobile liability claims and a \$30,000,000 aggregate for errors or omissions claims. At this time, settled claims have not exceeded the commercial coverage in any of the past three years. WMMIC's exposure in its layer of insurance is limited to \$1,000,000 per occurrence in that the company purchases \$4,000,000 per occurrence in reinsurance for losses in excess of its retained layer of coverage.

WMMIC is governed by one entity-one vote. Member entities include Walworth County, and the counties of Brown, Chippewa, Dane, Dodge, Eau Claire, Jefferson, Kenosha, LaCrosse, Manitowoc, Marathon, Outagamie, Rock, St. Croix, Waukesha, and the cities of Eau Claire and Madison. All member entities participate in the governing of the company. Its Board of Directors is made up of at least five representatives of the participating entities and the company's Charter allows for the appointment of two at large members to the Board of Directors. The participants elect the board members at the annual meeting. The Board has the authority to adopt its own budget, set policy matters and control the financial affairs of the company.

The County's investment in WMMIC is reported on the Risk Management fund balance sheet as a deposit. The amount reported is the original capitalization of \$1,563,000. According to its bylaws, WMMIC allocates equity to members based on the percentage of participation. As of December 31, 2013 this amount is valued at \$1,958,034. A list of other members and their share of participation is in the WMMIC report. Separate financial statements can be obtained from WMMIC at their address of 4785 Hayes Road, Madison, Wisconsin, 53704.

The risk management internal service fund is funded by charges to the County's other funds and is based primarily upon the contributing funds claims experience. Both liability claims and premiums are paid out of the Risk Management internal service fund and are reimbursed by the appropriate County department in the following year. The County maintains a reserve that will then be replenished in the following year. Liabilities of the the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The known claims liability reported in the fund at December 31, 2013 is \$1,217,647. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as, inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually by an actuary to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The County's objective is to provide a reserve confidence level between 75% and 95% for liability claims as a reflection of the County's risk tolerance.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE O - RISK MANAGEMENT (continued)

Investment in Wisconsin Municipal Mutual Insurance Company (continued)

At December 31, 2013, the County's liability claims reserve is recorded at a 95% confidence level. Changes in the fund's claim liability amount for 2013 and 2012 follow:

January 1, 2012 Claims liabilities	\$ 1,109,126
2012 claims incurred during the period	7,664
2012 change in estimates of prior years	(8,332)
2012 claims payments	<u>(33,764)</u>
Unpaid claims - December 31, 2012	1,074,694
2013 claims incurred during the period	9,804
2013 change in estimates of prior years	232,430
2013 claims payments	<u>(99,281)</u>
Unpaid claims - December 31, 2013	<u>\$ 1,217,647</u>

Commercial Insurance

Surety bonds are purchased for key officials in accordance with statutory requirement chapter 59.21. The County also purchases commercial insurance to provide coverage from losses from theft of, damages to or destruction of assets. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

NOTE P - CONTINGENCIES AND COMMITMENTS

Single Audit Pending

The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under OMB Circular A-133 has been conducted but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Legal Proceedings

From time to time, the County becomes party to claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position. Any proceedings considered probable have been recorded as liabilities where applicable.

Construction Commitments

The County has active construction projects as of December 31, 2013 in its Nonmajor Governmental - Capital Project fund. Tax levy, grants and other funds authorized by the Board will be utilized for these projects. There are no projects funded by bonds that are currently open or planned in the near future. At year-end, the County has encumbered all outstanding contract commitments listed in the following Outstanding Encumbrances note.

Outstanding Encumbrances

At December 31, 2013, the County's governmental funds had encumbered commitments under various goods and service agreements which provide for payments in the amount of \$1,437,596. The service agreement payments are subject to adjustment resulting from changes in cost of living and other factors. The encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year. Encumbrance accounting assures effective budgetary control and accountability and facilitates effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year requiring funds to be carried forward were as follows:

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE P - CONTINGENCIES AND COMMITMENTS (continued)

Outstanding Encumbrances (continued)

General Fund	\$ 338,019
Health and Human Services fund	96,971
Children with Disabilities Education Board fund	2,600
Nongovernmental fund-Capital Projects	656,593
Lakeland Health Care Center fund	5,799
Public Works fund	1,877
	\$ 1,101,859

Children with Disabilities Education Board Transfer Agreement

The County has entered an agreement with the school districts to transfer teaching and student aide duties provided at the school district sites previously provided by County personnel to the individual school districts. This agreement will transfer these duties over a 10-year period ending in 2016. The Lakeland Education Association union contract includes a letter of agreement for early retirement health insurance incentives and involuntary layoff termination benefits for eligible employees at the time of termination. At this time, the County does not have any liabilities associated with this transfer of duties. The early health insurance incentives expected are accounted for within the other post employment benefits described in Note L.

Property Tax Levy Limit

Wisconsin State Statute 66.0602, imposes a limit on the property tax levies for all Wisconsin counties. The Act limits the increase for 2013 tax levy collected in 2014 to the greater of 0.0% growth plus terminated TID (0.279%) or the percentage of change in equalized value due to net new construction (0.605%) plus terminated TID (0.279%). The limit for the County for the 2014 budget was 0.884%. The levy limit is applied to both operations and debt service. However, the Statute allows the limit to exclude increases in debt service, the Children with Disabilities Education Board (CDEB) tax levy, bridge & culvert repair under s. 82.08(2), library payments under s. 43.12, charitable and penal charges, and countywide EMS. The County was under the levy limit for its 2014 budget by \$336,694.

NOTE Q - SUBSEQUENT EVENTS

Management Monitoring of Subsequent Events

Management evaluated subsequent events through June 6, 2014, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2013, but prior to June 6, 2014 that provided additional evidence about conditions that existed at December 31, 2013, have been recognized in the financial statements for the year ended December 31, 2013. Events or transactions that provided evidence about conditions that did not exist at December 31, 2013, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2013.

General Obligation Promissory Notes Called

On April 1, 2014, the County called the 2015, 2016 and 2017 principal payments of the 2007 general obligation promissory notes in the amounts of \$180,000, \$190,000 and \$200,000 respectively. Savings on interest payments for 2014 through 2017 total \$47,770. Available funds from the County's General fund were used to call this debt.

Park Acquisition

On March 3, 2014, Walworth County purchased a 194.5 acre property in the Town of Lyons for the acquisition and development of a public outdoor recreational use park in the eastern portion of the County along the White River for \$1.91 million. The County was been awarded a State of Wisconsin Department of Natural Resources (DNR) Knowles-Nelson Stewardship Local Assistance grant to assist with the purchase. The grant paid one-half of the DNR qualified real estate appraisal amount of \$955,100. \$4,025 of restricted donations and \$322,795 of committed funds were used to fund the land acquisition. The remaining County paid portion was primarily funded by available unassigned General funds.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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WALWORTH COUNTY, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

<u>Reserve</u>	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)** (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a / b)	Covered Payroll* (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Children with Disabilities Education Board							
	12/31/2009	\$ 3,418,524	\$ 4,608,335	\$ 1,189,811	74 %	\$ 4,946,196	24 %
	12/31/2011	4,142,557	4,142,259	(298)	100 %	4,085,652	0 %
	12/31/2013	5,187,776	3,144,824	(2,042,952)	165 %	3,475,577	(59)%
Public Works							
	12/31/2009	718,682	978,910	260,228	73 %	3,100,662	8 %
	12/31/2011	883,916	598,234	(285,682)	148 %	2,810,634	(10)%
	12/31/2013	1,154,804	573,374	(581,430)	201 %	2,352,994	(25)%
Lakeland Health Care Center							
	12/31/2009	582,405	1,599,533	1,017,128	36 %	3,702,915	27 %
	12/31/2011	1,097,130	1,097,774	644	100 %	3,495,562	0 %
	12/31/2013	1,637,605	859,301	(778,304)	191 %	2,813,807	(28)%
Deputies-Sworn							
	12/31/2009	1,340,321	10,179,055	8,838,734	13 %	4,974,346	178 %
	12/31/2011	5,968,261	7,604,108	1,635,847	78 %	4,790,420	34 %
	12/31/2013	10,199,477	7,968,155	(2,231,322)	128 %	4,464,736	(50)%
Other County Departments							
	12/31/2009	2,152,919	4,204,554	2,051,635	51 %	14,461,562	14 %
	12/31/2011	3,097,023	3,654,523	557,500	85 %	14,024,572	4 %
	12/31/2013	4,813,260	3,266,675	(1,546,585)	147 %	13,232,415	(12)%
Total County							
	12/31/2009	8,212,851	21,570,387	13,357,536	38 %	31,185,681	43 %
	12/31/2011	15,188,887	17,096,898	1,908,011	89 %	29,206,840	7 %
	12/31/2013	\$ 22,992,922	\$ 15,812,329	\$ (7,180,593)	145 %	\$ 26,339,529	(27)%

12/31/2013 valuation based on report as of 1/1/2014.

12/31/2011 valuation based on report as of 1/1/2012.

12/31/2009 valuation based on report as of 1/1/2010

*12/31/2009 and 12/31/2011 Covered Payroll (c) have been changed to include covered payroll amounts for eligible employees only

**Projected unit credit actuarial method used.

WALWORTH COUNTY, WISCONSIN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Six Fiscal Years

Reserve	Fiscal Year Ending	Employer Contributions	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation (Asset)
Children with Disabilities Education Board	12/31/2008	\$ 2,785,408	\$ 379,325	734.3 %	\$ (1,943,081)
	12/31/2009	267,601	292,992	91.3 %	(1,715,702)
	12/31/2010	336,679	304,375	110.6 %	(1,879,813)
	12/31/2011	339,687	160,312	211.9 %	(2,205,883)
	12/31/2012	332,793	167,203	199.0 %	(2,470,659)
	12/31/2013	-	-	-	(2,734,510)
Public Works	12/31/2008	531,858	96,587	550.7 %	(314,086)
	12/31/2009	74,640	69,689	107.1 %	(317,260)
	12/31/2010	55,056	72,517	75.9 %	(337,634)
	12/31/2011	55,664	19,821	280.8 %	(323,110)
	12/31/2012	51,630	20,884	247.2 %	(355,173)
	12/31/2013	-	-	-	(363,032)
Lakeland Health Care Center	12/31/2008	129,056	187,325	68.9 %	248,143
	12/31/2009	189,584	117,881	160.8 %	181,446
	12/31/2010	215,865	122,291	176.5 %	50,101
	12/31/2011	248,890	47,852	520.1 %	(124,615)
	12/31/2012	240,206	49,908	481.3 %	(320,537)
	12/31/2013	-	-	-	(361,817)
Deputies-Sworn	12/31/2008	349,623	868,171	40.3 %	2,527,919
	12/31/2009	1,080,034	941,381	114.7 %	2,556,158
	12/31/2010	2,015,041	976,135	206.4 %	1,548,971
	12/31/2011	2,740,160	433,756	631.7 %	(1,309,263)
	12/31/2012	2,690,580	451,191	596.3 %	(3,712,437)
	12/31/2013	-	-	-	(3,929,609)
Other County Departments	12/31/2008	433,317	478,014	90.6 %	514,739
	12/31/2009	1,032,900	372,070	277.6 %	(137,814)
	12/31/2010	476,749	386,737	123.3 %	(376,755)
	12/31/2011	275,223	233,940	117.6 %	(249,515)
	12/31/2012	383,873	243,583	157.6 %	(358,048)
	12/31/2013	500,000	-	-	(496,576)
Total County	12/31/2008	4,229,262	2,009,422	210.5 %	1,033,634
	12/31/2009	2,644,759	1,794,013	147.4 %	566,828
	12/31/2010	3,099,390	1,862,055	166.4 %	(995,130)
	12/31/2011	3,659,624	895,681	408.6 %	(4,212,386)
	12/31/2012	3,699,082	932,769	396.6 %	(7,216,854)
	12/31/2013	\$ 500,000	\$ -	- %	(7,885,544)

**OTHER
SUPPLEMENTARY
INFORMATION**

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GENERAL FUND

The general fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

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WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
TAXES				
Real and personal property taxes	\$ 30,123,030	\$ 30,417,228	\$ 31,332,629	\$ 915,401
Retail sales and use taxes	7,000,120	7,099,620	7,676,492	576,872
Other taxes	240,000	240,000	344,029	104,029
TOTAL	37,363,150	37,756,848	39,353,150	1,596,302
INTERGOVERNMENTAL				
State shared taxes	260,000	266,440	328,672	62,232
Federal grants	556,000	890,785	903,593	12,808
State grants	872,774	1,040,264	866,937	(173,327)
TOTAL	1,688,774	2,197,489	2,099,202	(98,287)
LICENSES AND PERMITS				
Licenses	68,737	67,437	66,849	(588)
Permits	177,715	178,540	186,010	7,470
TOTAL	246,452	245,977	252,859	6,882
FINES, FORFEITURES AND PENALTIES				
Law and ordinance violations	656,600	656,193	497,974	(158,219)
Court fees and costs	749,896	729,313	631,445	(97,868)
TOTAL	1,406,496	1,385,506	1,129,419	(256,087)
PUBLIC CHARGES FOR SERVICES				
Public charges for services	2,265,286	2,069,454	2,310,091	240,637
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State and federal	252,549	385,509	411,457	25,948
Local districts	63,092	51,015	85,970	34,955
Interdepartmental revenues	967,510	968,065	950,523	(17,542)
TOTAL	1,283,151	1,404,589	1,447,950	43,361

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
INVESTMENT INCOME				
Investment income	\$ 428,600	\$ 213,253	\$ 226,824	\$ 13,571
MISCELLANEOUS				
Rental revenue	205,680	205,880	205,919	39
Property sales and loss compensation	45,265	171,204	322,476	151,272
Donations and contributions	1,325	1,736	6,736	5,000
Rebates, refunds and reimbursements	27,100	54,175	88,922	34,747
TOTAL	279,370	432,995	624,053	191,058
TOTAL REVENUES	44,961,279	45,706,111	47,443,548	1,737,437
OTHER FINANCING SOURCES				
Transfers in	411,430	2,523,167	2,476,240	(46,927)
Sale of capital assets	105,500	99,500	92,218	(7,282)
TOTAL	516,930	2,622,667	2,568,458	(54,209)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 45,478,209	\$ 48,328,778	\$ 50,012,006	\$ 1,683,228

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CURRENT:				
GENERAL GOVERNMENT				
County board	\$ 198,800	\$ 216,883	\$ 195,768	\$ 21,115
County clerk	340,152	338,626	312,506	26,120
Elections	125,484	75,484	57,815	17,669
Administration	1,519,301	1,688,483	1,578,796	109,687
Human resources	528,799	541,220	397,037	144,183
Finance	1,601,951	1,596,391	1,484,375	112,016
Treasurer	475,350	516,877	474,970	41,907
Coroner	424,026	426,945	367,223	59,722
Clerk of courts	3,153,000	3,248,003	2,761,405	486,598
District attorney	858,817	862,335	811,942	50,393
Register of deeds	662,992	581,924	531,879	50,045
Information technology	1,992,330	2,009,997	1,655,701	354,296
Central services	1,291,139	1,326,794	1,079,659	247,135
Non-departmental	3,785,761	3,653,552	2,359,647	1,293,905
Community initiative	260,440	261,740	249,367	12,373
TOTAL	17,218,342	17,345,254	14,318,090	3,027,164
PUBLIC SAFETY				
Sheriff	23,972,573	23,900,036	22,346,985	1,553,051
HEALTH AND HUMAN SERVICES				
Veterans services	181,400	181,557	172,994	8,563
CULTURE, RECREATION, AND EDUCATION				
UW extension	582,975	587,799	534,606	53,193
Parks	111,640	118,009	82,641	35,368
TOTAL	694,615	705,808	617,247	88,561
CONSERVATION AND DEVELOPMENT				
Land use and resource management	1,828,474	1,883,047	1,611,452	271,595
TOTAL CURRENT EXPENDITURES	43,895,404	44,015,702	39,066,768	4,948,934

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CAPITAL OUTLAY:				
GENERAL GOVERNMENT				
Treasurer	\$ -	\$ 151,675	\$ 124,675	\$ 27,000
Register of deeds	-	3,240	2,945	295
Information technology	209,225	233,483	212,043	21,440
Central services	80,000	345,226	230,705	114,521
TOTAL	289,225	733,624	570,368	163,256
PUBLIC SAFETY				
Sheriff	1,265,580	1,069,711	1,050,651	19,060
CULTURE, RECREATION, AND EDUCATION				
Parks	28,000	28,000	28,000	-
CONSERVATION AND DEVELOPMENT				
Land use and resource management	-	35,237	11,590	23,647
TOTAL CAPITAL OUTLAY	1,582,805	1,866,572	1,660,609	205,963
TOTAL EXPENDITURES	45,478,209	45,882,274	40,727,377	5,154,897
OTHER FINANCING USES:				
Transfers out	6,247,558	3,562,981	3,562,981	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 51,725,767	\$ 49,445,255	\$ 44,290,358	\$ 5,154,897

DEBT SERVICE FUND

The debt service fund is used to accumulate monies for the payment of long-term debt obligations of the governmental funds (general, special revenue, and capital projects funds). Financing is generally provided by property taxes and interfund transfers.

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WALWORTH COUNTY, WISCONSIN

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,358,777	\$ 1,358,777	\$ 1,358,777	\$ -
Intergovernmental	55,886	53,563	53,564	1
Total revenues	<u>1,414,663</u>	<u>1,412,340</u>	<u>1,412,341</u>	<u>1</u>
EXPENDITURES				
Debt service:				
Principal retirement	2,105,442	2,105,442	2,105,443	(1)
Interest and fiscal charges	943,304	943,703	943,557	146
Total expenditures	<u>3,048,746</u>	<u>3,049,145</u>	<u>3,049,000</u>	<u>145</u>
Excess (deficiency) of revenues over expenditures	<u>(1,634,083)</u>	<u>(1,636,805)</u>	<u>(1,636,659)</u>	<u>146</u>
OTHER FINANCING SOURCES				
Transfers in	1,634,083	1,634,083	1,634,082	(1)
Total other financing sources	<u>1,634,083</u>	<u>1,634,083</u>	<u>1,634,082</u>	<u>(1)</u>
Net change in fund balances	-	(2,722)	(2,577)	145
Fund balances - beginning	711,121	711,121	711,121	-
Fund balances - ending	<u>\$ 711,121</u>	<u>\$ 708,399</u>	<u>\$ 708,544</u>	<u>\$ 145</u>

Walworth County
Wisconsin

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NONMAJOR GOVERNMENTAL FUNDS

- ◆ **Land Information Fund** - to account for the financial activity of the the Wisconsin Land Information Board. Its services are funded with retained filing fees and debt proceeds to coordinate land records modernization activities.
- ◆ **Sheriff Trusts Fund** - to account for several sheriff trust funds for use by the County:
 - ◆ **County Jail Trust** - to account for the accumulation of jail assessments awarded by the courts. Funds are held within the Sheriff's Department and used for building remodeling and construction.
 - ◆ **Federal Confiscated** - to account for the accumulation of money confiscated from federal crimes. Funds have been used to purchase drug-sniffing dogs and drug equipment.
 - ◆ **State Confiscated** - to account for the accumulation of money confiscated from state crimes.
- ◆ **Capital Projects Fund** - to account for the financing and construction of general capital projects. Financing for these projects is provided by general obligation debt proceeds, intergovernmental revenues, and donations.

Walworth County
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WALWORTH COUNTY, WISCONSIN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue Funds			Totals
	Land Information	Sheriff Trusts	Capital Projects	
ASSETS				
Cash and investments	\$ 58,987	\$ 479,423	\$ 9,255,952	\$ 9,794,362
Restricted cash and investments	558,260	312,820	-	871,080
Taxes receivable	178,464	-	3,007,600	3,186,064
Accounts receivable	2,196	846	-	3,042
Due from other governments	20	9,108	197,920	207,048
Prepaid items	2,026	-	-	2,026
Total assets	<u>\$ 799,953</u>	<u>\$ 802,197</u>	<u>\$ 12,461,472</u>	<u>\$ 14,063,622</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 20,233	\$ 679	\$ 345,800	\$ 366,712
Accrued liabilities	1,931	-	-	1,931
Due to other governments	28	-	-	28
Due to other funds	1	-	-	1
Total liabilities	<u>22,193</u>	<u>679</u>	<u>345,800</u>	<u>368,672</u>
Deferred Inflows of Resources:				
Unearned revenues-property taxes	178,464	-	3,007,600	3,186,064
Unavailable revenues	-	-	197,920	197,920
Total deferred inflows of resources	<u>178,464</u>	<u>-</u>	<u>3,205,520</u>	<u>3,383,984</u>
Fund Balances:				
Nonspendable for:				
Prepays	2,026	-	-	2,026
Restricted for:				
Modernization fees	311,242	-	-	311,242
Public access fees	278,173	-	-	278,173
Sheriff trusts	-	801,518	-	801,518
Committed for:				
Encumbrances	-	-	656,593	656,593
Road construction	-	-	3,200,271	3,200,271
Transfer to General fund	7,855	-	-	7,855
Assigned for:				
Carryforward projects	-	-	4,900,455	4,900,455
Capital projects	-	-	152,833	152,833
Total fund balances	<u>599,296</u>	<u>801,518</u>	<u>8,910,152</u>	<u>10,310,966</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 799,953</u>	<u>\$ 802,197</u>	<u>\$ 12,461,472</u>	<u>\$ 14,063,622</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Land Information</u>	<u>Sheriff Trusts</u>	<u>Capital Projects</u>	
REVENUES				
Taxes	\$ 171,510	\$ -	\$ 3,613,650	\$ 3,785,160
Intergovernmental	300	-	199,172	199,472
Public charges for services	192,676	-	-	192,676
Intergovernmental charges for services	29,384	-	19,075	48,459
Investment income	550	-	-	550
Miscellaneous	-	234,831	2,352	237,183
Total revenues	<u>394,420</u>	<u>234,831</u>	<u>3,834,249</u>	<u>4,463,500</u>
EXPENDITURES				
Current:				
Public safety	-	75,253	-	75,253
Culture, recreation, and education	-	-	3,525	3,525
Public works	-	-	4,453	4,453
Conservation and development	285,167	-	-	285,167
Capital outlay:				
General government	-	-	100,263	100,263
Public safety	-	-	16,893	16,893
Health and human services	-	-	1,378,118	1,378,118
Culture, recreation, and education	-	-	337	337
Public works	-	-	2,570,149	2,570,149
Conservation and development	67,145	-	-	67,145
Total expenditures	<u>352,312</u>	<u>75,253</u>	<u>4,073,738</u>	<u>4,501,303</u>
Excess (deficiency) of revenues over expenditures	<u>42,108</u>	<u>159,578</u>	<u>(239,489)</u>	<u>(37,803)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,264,205	4,264,205
Transfers out	<u>(18,924)</u>	<u>(26,607)</u>	<u>(75,000)</u>	<u>(120,531)</u>
Total other financing sources (uses)	<u>(18,924)</u>	<u>(26,607)</u>	<u>4,189,205</u>	<u>4,143,674</u>
Net change in fund balances	23,184	132,971	3,949,716	4,105,871
Fund balances - beginning	<u>576,112</u>	<u>668,547</u>	<u>4,960,436</u>	<u>6,205,095</u>
Fund balances - ending	<u>\$ 599,296</u>	<u>\$ 801,518</u>	<u>\$ 8,910,152</u>	<u>\$ 10,310,966</u>

WALWORTH COUNTY, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LAND INFORMATION SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 172,637	\$ 171,510	\$ 171,510	\$ -
Intergovernmental	300	300	300	-
Public charges for services	158,650	158,650	192,676	34,026
Intergovernmental charges for services	6,000	27,300	29,384	2,084
Investment income	600	600	550	(50)
Total revenues	<u>338,187</u>	<u>358,360</u>	<u>394,420</u>	<u>36,060</u>
EXPENDITURES				
Current:				
Conservation and development	373,927	386,132	285,167	100,965
Capital outlay:				
Conservation and development	<u>74,700</u>	<u>71,020</u>	<u>67,145</u>	<u>3,875</u>
Total expenditures	<u>448,627</u>	<u>457,152</u>	<u>352,312</u>	<u>104,840</u>
Excess (deficiency) of revenues over expenditures	<u>(110,440)</u>	<u>(98,792)</u>	<u>42,108</u>	<u>140,900</u>
OTHER FINANCING USES				
Transfers out	<u>(20,000)</u>	<u>(33,112)</u>	<u>(18,924)</u>	<u>14,188</u>
Net change in fund balances	<u>(130,440)</u>	<u>(131,904)</u>	<u>23,184</u>	<u>155,088</u>
Fund balances - beginning	<u>576,112</u>	<u>576,112</u>	<u>576,112</u>	<u>-</u>
Fund balances - ending	<u>\$ 445,672</u>	<u>\$ 444,208</u>	<u>\$ 599,296</u>	<u>\$ 155,088</u>

WALWORTH COUNTY, WISCONSIN

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,613,650	\$ 3,613,650	\$ 3,613,650	\$ -
Intergovernmental	197,900	397,032	199,172	(197,860)
Intergovernmental charges for services	-	19,075	19,075	-
Miscellaneous	-	-	2,352	2,352
Total revenues	<u>3,811,550</u>	<u>4,029,757</u>	<u>3,834,249</u>	<u>(195,508)</u>
EXPENDITURES				
Current:				
Culture, recreation, and education	-	3,525	3,525	-
Public works	-	4,452	4,453	(1)
Capital outlay:				
General government	1,173,000	199,635	100,263	99,372
Public safety	1,500,000	1,500,000	16,893	1,483,107
Health and human services	1,700,000	1,625,000	1,378,118	246,882
Culture, recreation, and education	-	2,770	337	2,433
Public works	3,652,025	6,509,772	2,570,149	3,939,623
Total expenditures	<u>8,025,025</u>	<u>9,845,154</u>	<u>4,073,738</u>	<u>5,771,416</u>
Excess (deficiency) of revenues over expenditures	<u>(4,213,475)</u>	<u>(5,815,397)</u>	<u>(239,489)</u>	<u>5,575,908</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,123,000	4,264,205	4,264,205	-
Transfers out		(75,000)	(75,000)	
Total other financing sources (uses)	<u>4,123,000</u>	<u>4,189,205</u>	<u>4,189,205</u>	<u>-</u>
Net change in fund balances	(90,475)	(1,626,192)	3,949,716	5,575,908
Fund balances - beginning	4,960,436	4,960,436	4,960,436	-
Fund balances - ending	<u>\$ 4,869,961</u>	<u>\$ 3,334,244</u>	<u>\$ 8,910,152</u>	<u>\$ 5,575,908</u>

INTERNAL SERVICE FUNDS

- ◆ **Health Insurance** - to account for the accumulation of costs associated with the provision of health insurance benefits to the County's employees. Such costs are billed to County departments and employees at a rate expected to recover all costs associated with these benefits.
- ◆ **Dental Insurance** - to account for the accumulation of costs associated with the provision of dental insurance benefits to the County's employees. Such costs are billed to County departments and employees at a rate expected to recover all costs associated with these benefits.
- ◆ **Workers Compensation** - to account for the accumulation of costs associated with the provision of workers compensation benefits to the County's employees. Such costs are billed to County departments and employees at a rate expected to recover all costs associated with these benefits.
- ◆ **Risk Management** - to account for the accumulation of liability claims relating to bodily and personal injury, property damage, natural disasters, and errors or omissions. Such costs are billed to County departments based on the prior year's actual claims.

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WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2013

	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Workers Compensation</u>	<u>Risk Management</u>	<u>Totals</u>
ASSETS					
Current assets:					
Cash and investments	\$ 18,230,209	\$ 687,223	\$ 2,727,960	\$ 4,126,812	\$ 25,772,204
Restricted cash and investments:					
Deposits held with fiscal agents	-	-	35,000	329,309	364,309
Accounts receivable	516,356	47	-	-	516,403
Due from other funds	-	-	26,515	-	26,515
Inventories	25	-	-	-	25
Prepaid items	117,198	-	-	8,112	125,310
Total current assets	<u>18,863,788</u>	<u>687,270</u>	<u>2,789,475</u>	<u>4,464,233</u>	<u>26,804,766</u>
Noncurrent assets:					
Restricted cash and investments:					
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	-	-	-	1,563,000	1,563,000
Total assets	<u>18,863,788</u>	<u>687,270</u>	<u>2,789,475</u>	<u>6,027,233</u>	<u>28,367,766</u>
LIABILITIES					
Current liabilities:					
Accounts payable	157,659	-	12,485	-	170,144
Claims payable	1,769,000	55,000	2,235,597	1,217,647	5,277,244
Due to other governments	159	-	-	-	159
Deposits	1,184,450	70,481	-	-	1,254,931
Retiree health credits - current	130,100	-	-	-	130,100
Total current liabilities	<u>3,241,368</u>	<u>125,481</u>	<u>2,248,082</u>	<u>1,217,647</u>	<u>6,832,578</u>
Noncurrent liabilities:					
Retiree health credits	759,253	-	-	-	759,253
Total liabilities	<u>4,000,621</u>	<u>125,481</u>	<u>2,248,082</u>	<u>1,217,647</u>	<u>7,591,831</u>
NET POSITION					
Restricted for donations	7,502	-	-	-	7,502
Unrestricted	14,855,665	561,789	541,393	4,809,586	20,768,433
Total net position	<u>\$ 14,863,167</u>	<u>\$ 561,789</u>	<u>\$ 541,393</u>	<u>\$ 4,809,586</u>	<u>\$ 20,775,935</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2013

	Health Insurance	Dental Insurance	Workers Compensation	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 2,050,037	\$ 19,584	\$ -	\$ -	\$ 2,069,621
Interdepartmental	14,425,887	819,041	703,556	212,555	16,161,039
Total operating revenues	<u>16,475,924</u>	<u>838,625</u>	<u>703,556</u>	<u>212,555</u>	<u>18,230,660</u>
Operating expenses:					
Insurance services	15,380,301	714,720	530,754	441,439	17,067,214
Total operating expenses	<u>15,380,301</u>	<u>714,720</u>	<u>530,754</u>	<u>441,439</u>	<u>17,067,214</u>
Operating income (loss)	<u>1,095,623</u>	<u>123,905</u>	<u>172,802</u>	<u>(228,884)</u>	<u>1,163,446</u>
Nonoperating revenues:					
Investment income	17,245	610	2,617	11,395	31,867
Insurance recoveries	-	-	-	37,825	37,825
Rent, rebates, and donations	8,388	-	-	-	8,388
Total nonoperating revenues	<u>25,633</u>	<u>610</u>	<u>2,617</u>	<u>49,220</u>	<u>78,080</u>
Income (loss) before transfers	1,121,256	124,515	175,419	(179,664)	1,241,526
Transfers in	-	-	3,200	-	3,200
Transfers out	-	-	-	(14,050)	(14,050)
Total transfers	<u>-</u>	<u>-</u>	<u>3,200</u>	<u>(14,050)</u>	<u>(10,850)</u>
Change in net position	1,121,256	124,515	178,619	(193,714)	1,230,676
Total net position - beginning	13,741,911	437,274	362,774	5,003,300	19,545,259
Total net position - ending	<u>\$ 14,863,167</u>	<u>\$ 561,789</u>	<u>\$ 541,393</u>	<u>\$ 4,809,586</u>	<u>\$ 20,775,935</u>

WALWORTH COUNTY, WISCONSIN

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2013**

	Health Insurance	Dental Insurance	Workers Compensation	Risk Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 2,451,469	\$ 19,537	\$ -	\$ -	\$ 2,471,006
Receipts from interfund services provided	14,249,169	820,111	700,103	232,621	16,002,004
Payments to suppliers	<u>(15,719,462)</u>	<u>(739,291)</u>	<u>(500,644)</u>	<u>(317,800)</u>	<u>(17,277,197)</u>
Net cash provided by (used in) operating activities	<u>981,176</u>	<u>100,357</u>	<u>199,459</u>	<u>(85,179)</u>	<u>1,195,813</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Insurance recovery	-	-	-	37,825	37,825
Rent, rebates, and donations	8,388	-	-	-	8,388
Transfer from other funds	-	-	3,200	-	3,200
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,050)</u>	<u>(14,050)</u>
Net cash provided by non-capital financing activities	<u>8,388</u>	<u>-</u>	<u>3,200</u>	<u>23,775</u>	<u>35,363</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	17,245	610	2,617	11,395	31,867
Net cash provided from investing activities	<u>17,245</u>	<u>610</u>	<u>2,617</u>	<u>11,395</u>	<u>31,867</u>
Net increase (decrease) in cash and investments	1,006,809	100,967	205,276	(50,009)	1,263,043
Cash and investments - beginning	17,223,400	586,256	2,557,684	6,069,130	26,436,470
Cash and investments - ending	<u>\$ 18,230,209</u>	<u>\$ 687,223</u>	<u>\$ 2,762,960</u>	<u>\$ 6,019,121</u>	<u>\$ 27,699,513</u>
Cash and investments	\$ 18,230,209	\$ 687,223	\$ 2,727,960	\$ 4,126,812	\$ 25,772,204
Restricted cash and investments	-	-	35,000	1,892,309	1,927,309
	<u>\$ 18,230,209</u>	<u>\$ 687,223</u>	<u>\$ 2,762,960</u>	<u>\$ 6,019,121</u>	<u>\$ 27,699,513</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	1,095,623	123,905	172,802	(228,884)	1,163,446
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Change in assets and liabilities:					
Accounts receivable	401,273	(47)	-	-	401,226
Due from other funds	-	-	(3,453)	-	(3,453)
Inventories	(25)	-	-	-	(25)
Prepaid items	(117,198)	-	-	752	(116,446)
Accounts payable	(111,938)	(12,571)	4,487	-	(120,022)
Claims payable	(110,000)	(12,000)	25,623	142,953	46,576
Due to other governments	159	-	-	-	159
Deposits	(133,586)	1,070	-	-	(132,516)
Retiree health credits	<u>(43,132)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,132)</u>
Net cash provided by (used in) operating activities	<u>\$ 981,176</u>	<u>\$ 100,357</u>	<u>\$ 199,459</u>	<u>\$ (85,179)</u>	<u>\$ 1,195,813</u>
Noncash investing, capital and related financing activities:					
None					

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FIDUCIARY FUNDS

Private Purpose Trust Funds

- ◆ **G. Charter Harrison Trust** - to account for the accumulation of resources to be used for the educational betterment of the nursing staff of the Lakeland Health Care Center. The principal amount of the monies received is maintained intact and invested. Investment earnings are used to reimburse nurses for additional education leading to Registered Nurse status.
- ◆ **Tricentennial Trust Fund** - to account for the accumulation of resources for use at the Tricentennial celebration in 2076. The funds are held in a savings account at JP Morgan Chase. The account is titled "Walworth County American Revolution." Currently, interest is the only revenue activity.

Agency Funds

- ◆ **Pending Court Cases** - to account for the receipt of forfeitures, fines, and court costs in advance of a trial; held for the court until the disposition of such funds can be determined.
- ◆ **Other Agency Funds:**
 - ◆ **Dog License Fund** - to account for the accumulation of proceeds from the sale of dog licenses. Payments are made to the State, Lakeland Animal Welfare Society, Inc. for various administrative and claims expenses.
 - ◆ **Marriage License Trust** - to account for the accumulation of marriage license fees; payments are made to the State Treasurer, the County, and the Clerk of Courts who provide counseling services.
 - ◆ **Probate Court Trust** - to account for the accumulation of estate filing fees due the County and the State of Wisconsin.
 - ◆ **Real Estate Transfer Fees** - to account for the accumulation of real estate transfer revenues charged at the rate of \$3.00 per \$1,000 of valuation, 80% of which are turned over to the State of Wisconsin.
 - ◆ **Other Register of Deed Deposits** - to account for the accumulation of recording and copying fees which are subsequently divided between the County and the State.
 - ◆ **Huber/Inmate Trust** - to account for the holding of funds for Huber prisoners and jail inmates.
 - ◆ **Gang Intelligence Deposits** - to account for gang related activity deposits and payments to be used by the county and local governments.
 - ◆ **Sheriff Bond Collections** - to account for the accumulation of bond, writ, or warrant fees turned over to local governments or court ordered services.

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WALWORTH COUNTY, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	Private Purpose Trusts		
	G. Charter Harrison Trust	Tricentennial Trust	Fiduciary Funds Total
ASSETS			
Cash and short-term investments	\$ 39,715	\$ 635	\$ 40,350
NET POSITION			
Held in trust for private purposes	\$ 39,715	\$ 635	\$ 40,350

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2013

	Private Purpose Trusts		Fiduciary
	G. Charter Harrison Trust	Tricentennial Trust	Funds Total
ADDITIONS			
Donations	\$ 500	\$ -	\$ 500
Interest and dividends	39	-	39
Total additions	539	-	539
Change in net position	539	-	539
Net position - beginning	39,176	635	39,811
Net position - ending	\$ 39,715	\$ 635	\$ 40,350

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
<u>PENDING COURT CASES</u>				
ASSETS				
Cash and investments	\$ 1,058,884	\$ 2,421,443	\$ 2,670,147	\$ 810,180
Total assets	<u>\$ 1,058,884</u>	<u>\$ 2,421,443</u>	<u>\$ 2,670,147</u>	<u>\$ 810,180</u>
LIABILITIES				
Accounts payable	\$ 135,523	\$ 2,042,044	\$ 2,045,458	\$ 132,109
Deposits	923,361	379,399	624,689	678,071
Total liabilities	<u>\$ 1,058,884</u>	<u>\$ 2,421,443</u>	<u>\$ 2,670,147</u>	<u>\$ 810,180</u>
<u>OTHER</u>				
ASSETS				
Cash and investments	\$ 225,678	\$ 1,405,527	\$ 1,323,496	\$ 307,709
Accounts receivable	-	516,666	516,652	14
Total assets	<u>\$ 225,678</u>	<u>\$ 1,922,193</u>	<u>\$ 1,840,148</u>	<u>\$ 307,723</u>
LIABILITIES				
Accounts payable	\$ 176,851	\$ 358,435	\$ 282,719	\$ 252,567
Due to other governments	21,133	1,499,317	1,499,547	20,903
Deposits	27,694	64,441	57,882	34,253
Total liabilities	<u>\$ 225,678</u>	<u>\$ 1,922,193</u>	<u>\$ 1,840,148</u>	<u>\$ 307,723</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 1,284,562	\$ 3,826,970	\$ 3,993,643	\$ 1,117,889
Accounts receivable	-	516,666	516,652	14
Total assets	<u>\$ 1,284,562</u>	<u>\$ 4,343,636</u>	<u>\$ 4,510,295</u>	<u>\$ 1,117,903</u>
LIABILITIES				
Accounts payable	\$ 312,374	\$ 2,400,479	\$ 2,328,177	\$ 384,676
Due to other governments	21,133	1,499,317	1,499,547	20,903
Deposits	951,055	443,840	682,571	712,324
Total liabilities	<u>\$ 1,284,562</u>	<u>\$ 4,343,636</u>	<u>\$ 4,510,295</u>	<u>\$ 1,117,903</u>

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**CAPITAL ASSETS
USED IN THE
OPERATION OF
GOVERNMENTAL
FUNDS**

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WALWORTH COUNTY, WISCONSIN

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY SOURCE
December 31, 2013 and 2012

	2013	2012
Capital assets:		
Land	\$ 1,091,454	\$ 1,091,454
Buildings	66,104,100	65,651,333
Improvements other than buildings	4,889,554	4,889,554
Infrastructure	59,244,101	57,900,097
Machinery and equipment	15,101,935	14,686,567
Intangible assets	7,389,885	6,417,208
Construction in progress	3,036,243	2,290,840
TOTAL CAPITAL ASSETS	\$ 156,857,272	\$ 152,927,053
Investment in capital assets by source:		
Bonds	\$ 84,799,785	\$ 84,512,444
Donations	1,566,602	1,621,895
Grants	5,649,796	5,453,895
Tax levy	32,378,887	28,047,611
Capital projects **	32,462,202	33,291,208
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 156,857,272	\$ 152,927,053

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net position.

** Capital Projects is the total of infrastructure assets not previously recorded. Due to the implementation of GASB 34, these are estimated and actual funding consists of various sources.

WALWORTH COUNTY, WISCONSIN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
December 31, 2013**

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	INFRA- STRUCTURE	MACHINERY AND EQUIPMENT	INTANGIBLE ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
General Government								
County clerk	\$ -	\$ -	\$ -	\$ -	\$ 11,886	\$ -	\$ -	\$ 11,886
Elections	-	-	-	-	18,750	-	-	18,750
Administration	-	-	-	-	54,870	-	-	54,870
Human resources	-	-	-	-	-	6,557	-	6,557
Finance	-	-	-	-	22,739	689,672	-	712,411
Treasurer	-	-	-	-	-	256,960	-	256,960
Clerk of courts	-	-	-	-	530,051	-	-	530,051
District attorney	-	-	-	-	54,812	-	-	54,812
Register of deeds	-	-	-	-	14,518	79,300	-	93,818
Information technology	-	-	-	-	1,930,444	285,631	162,076	2,378,151
Purchasing	-	-	-	-	6,046	-	-	6,046
Central services	-	21,631,647	2,598,308	-	2,318,507	8,633	18,144	26,575,239
Non-departmental	708,190	90,530	405,278	-	27,500	-	-	1,231,498
TOTAL GENERAL GOVERNMENT	708,190	21,722,177	3,003,586	-	4,990,123	1,326,753	180,220	31,931,049
Public Safety								
Sheriff	-	21,873,634	1,321,345	-	8,595,282	723,231	130,028	32,643,520
TOTAL PUBLIC SAFETY	-	21,873,634	1,321,345	-	8,595,282	723,231	130,028	32,643,520
Health and Human Services								
Veterans	-	-	-	-	13,117	-	-	13,117
Human services	-	5,224,544	98,466	-	740,965	-	1,838,471	7,902,446
TOTAL HEALTH AND HUMAN SERVICES	-	5,224,544	98,466	-	754,082	-	1,838,471	7,915,563
Culture, Recreation, and Education								
Children with Disabilities Education Board	-	16,839,101	-	-	339,425	6,796	-	17,185,322
Parks	383,264	444,644	466,157	-	-	-	-	1,294,065
TOTAL CULTURE, RECREATION AND EDUCATION	383,264	17,283,745	466,157	-	339,425	6,796	-	18,479,387
Public Works								
Capital projects	-	-	-	-	-	-	868,594	868,594
Infrastructure	-	-	-	59,244,101	-	-	-	59,244,101
TOTAL PUBLIC WORKS	-	-	-	59,244,101	-	-	868,594	60,112,695
Conservation and Development								
Land use and resource management	-	-	-	-	92,865	-	11,430	104,295
Land information	-	-	-	-	330,158	5,333,105	7,500	5,670,763
TOTAL CONSERVATION AND DEVELOPMENT	-	-	-	-	423,023	5,333,105	18,930	5,775,058
TOTAL CAPITAL ASSETS	\$ 1,091,454	\$ 66,104,100	\$ 4,889,554	\$ 59,244,101	\$ 15,101,935	\$ 7,389,885	\$ 3,036,243	\$ 156,857,272

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

WALWORTH COUNTY, WISCONSIN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2013**

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS January 1, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS December 31, 2013</u>
General Government				
County clerk	\$ 11,886	\$ -	\$ -	\$ 11,886
Elections	18,750	-	-	18,750
Administration	54,870	-	-	54,870
Human resources	6,557	-	-	6,557
Finance	675,766	36,645	-	712,411
Treasurer	174,300	256,960	174,300	256,960
Clerk of courts	530,051	-	-	530,051
District attorney	54,812	-	-	54,812
Register of deeds	93,818	-	-	93,818
Information technology	2,187,399	199,292	8,540	2,378,151
Purchasing	6,046	-	-	6,046
Central services	26,395,467	362,453	182,681	26,575,239
Non-departmental	1,231,498	-	-	1,231,498
TOTAL GENERAL GOVERNMENT	31,441,220	855,350	365,521	31,931,049
Public Safety				
Sheriff	32,380,830	1,708,277	1,445,587	32,643,520
TOTAL PUBLIC SAFETY	32,380,830	1,708,277	1,445,587	32,643,520
Health and Human Services				
Veterans	13,117	-	-	13,117
Human services	6,517,290	1,400,954	15,798	7,902,446
TOTAL HEALTH AND HUMAN SERVICES	6,530,407	1,400,954	15,798	7,915,563
Culture, Recreation and Education				
Children with Disabilities Education Board	17,075,476	109,846	-	17,185,322
Parks	1,294,065	-	-	1,294,065
TOTAL CULTURE, RECREATION AND EDUCATION	18,369,541	109,846	-	18,479,387
Public Works				
Capital projects	547,463	321,131	-	868,594
Infrastructure	57,900,097	2,189,478	845,474	59,244,101
TOTAL PUBLIC WORKS	58,447,560	2,510,609	845,474	60,112,695
Conservation and Development				
Land use and resource management	113,764	11,430	20,899	104,295
Land information	5,643,731	27,032	-	5,670,763
TOTAL CONSERVATION AND DEVELOPMENT	5,757,495	38,462	20,899	5,775,058
TOTAL CAPITAL ASSETS	\$ 152,927,053	\$ 6,623,498	\$ 2,693,279	\$ 156,857,272

This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

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STATISTICAL SECTION

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**STATISTICAL SECTION
(UNAUDITED)**

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

	Page
FINANCIAL TRENDS	143 - 150
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
REVENUE CAPACITY	151 - 154
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
DEBT CAPACITY	155 - 158
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	159 - 160
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
OPERATING INFORMATION	161 - 165
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year.

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TABLE 1
WALWORTH COUNTY, WISCONSIN
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Governmental activities										
Net investment in capital assets	\$ 45,152,949	\$ 49,641,480	\$ 40,139,193	\$ 59,418,254	\$ 57,401,851	\$ 64,608,829	\$ 71,632,627	\$ 73,774,252	\$ 78,161,464	\$ 81,206,435
Restricted	1,772,359	1,913,155	1,510,947	3,102,544	3,320,060	1,344,848	1,733,105	1,978,134	1,922,181	2,208,057
Unrestricted	32,626,923	35,583,545	35,535,211	31,835,196	42,594,421	49,179,068	56,274,512	68,434,042	79,838,764	93,535,086
Subtotal governmental activities net position	<u>\$ 79,552,231</u>	<u>\$ 87,138,180</u>	<u>\$ 77,185,351</u>	<u>\$ 94,355,994</u>	<u>\$ 103,316,332</u>	<u>\$ 115,132,745</u>	<u>\$ 129,640,244</u>	<u>\$ 144,186,428</u>	<u>\$ 159,922,409</u>	<u>\$ 176,949,578</u>
Business-type activities										
Net investment in capital assets	\$ 8,214,914	\$ 7,674,254	\$ 20,108,504	\$ 7,582,462	\$ 8,910,256	\$ 12,061,594	\$ 14,190,480	\$ 15,635,317	\$ 18,847,558	\$ 21,657,939
Restricted	-	250,998	121,838	128,927	144,269	433,244	266,883	235,849	201,684	166,700
Unrestricted	10,583,255	14,129,494	13,066,408	12,322,506	12,473,282	11,333,696	11,726,910	12,624,827	11,596,369	11,389,562
Subtotal business-type activities net position	<u>\$ 18,798,169</u>	<u>\$ 22,054,746</u>	<u>\$ 33,296,750</u>	<u>\$ 20,033,895</u>	<u>\$ 21,527,807</u>	<u>\$ 23,828,534</u>	<u>\$ 26,184,273</u>	<u>\$ 28,495,993</u>	<u>\$ 30,645,611</u>	<u>\$ 33,214,201</u>
Primary government										
Net investment in capital assets	\$ 53,367,863	\$ 57,315,734	\$ 60,247,697	\$ 67,000,716	\$ 66,312,107	\$ 76,670,423	\$ 85,823,107	\$ 89,409,569	\$ 97,009,022	\$ 102,864,374
Restricted	1,772,359	2,164,153	1,632,785	3,231,471	3,464,329	1,778,092	1,999,988	2,213,983	2,123,865	2,374,757
Unrestricted	43,210,178	49,713,039	48,601,619	44,157,702	55,067,703	60,512,764	68,001,422	81,058,869	91,435,133	104,924,648
Total primary government net position	<u>\$ 98,350,400</u>	<u>\$ 109,192,926</u>	<u>\$ 110,482,101</u>	<u>\$ 114,389,889</u>	<u>\$ 124,844,139</u>	<u>\$ 138,961,279</u>	<u>\$ 155,824,517</u>	<u>\$ 172,682,421</u>	<u>\$ 190,568,020</u>	<u>\$ 210,163,779</u>

TABLE 2
WALWORTH COUNTY, WISCONSIN
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Expenses										
Governmental activities:										
General government	\$ 13,384,447	\$ 13,034,915	\$ 15,159,984	\$15,308,444	\$ 13,813,464	\$ 14,016,099	\$ 14,390,338	\$ 14,023,579	\$ 16,328,073	\$ 15,350,277
Public safety	19,747,239	20,694,984	21,841,262	23,062,787	23,803,711	24,087,943	24,851,250	23,882,453	23,751,633	23,010,107
Health and human services	29,940,303	29,228,166	29,316,500	30,870,763	29,975,541	29,937,903	23,277,180	23,461,950	22,981,571	23,678,852
Culture, recreation and education	11,602,673	12,511,033	14,182,158	14,193,460	16,011,838	14,494,732	14,583,667	13,277,101	12,261,349	9,933,053
Public works	1,286,584	1,612,019	3,616,627	3,726,158	2,175,607	2,269,576	1,440,280	2,408,323	1,850,532	1,967,868
Conservation and development	2,292,313	2,345,557	2,409,888	2,479,686	2,439,853	2,296,442	2,187,377	2,152,632	2,112,685	2,144,955
Interest on long-term debt	1,648,922	1,750,429	1,914,265	1,412,336	1,569,796	1,342,711	1,416,805	1,147,971	1,017,013	1,036,956
Subtotal governmental activities expenses	<u>79,902,481</u>	<u>81,177,103</u>	<u>88,440,684</u>	<u>91,053,634</u>	<u>89,789,810</u>	<u>88,445,406</u>	<u>82,146,897</u>	<u>80,354,009</u>	<u>80,302,856</u>	<u>77,122,068</u>
Business-type activities										
Nursing home	13,587,405	12,210,404	14,022,169	11,914,949	12,145,036	11,992,288	12,138,005	12,123,385	11,431,737	11,281,889
Highway/facilities administration	5,079,508	7,369,426	6,950,699	8,809,086	9,693,282	8,613,900	8,824,242	8,802,977	8,094,188	9,105,213
Subtotal business-type activities expenses	<u>18,666,913</u>	<u>19,579,830</u>	<u>20,972,868</u>	<u>20,724,035</u>	<u>21,838,318</u>	<u>20,606,188</u>	<u>20,962,247</u>	<u>20,926,362</u>	<u>19,525,925</u>	<u>20,387,102</u>
Total primary government expenses	<u>\$98,569,394</u>	<u>\$100,756,933</u>	<u>\$109,413,552</u>	<u>\$11,777,669</u>	<u>\$11,628,128</u>	<u>\$ 109,051,594</u>	<u>\$ 103,109,144</u>	<u>\$ 101,280,371</u>	<u>\$ 99,828,781</u>	<u>\$ 97,509,170</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 2,928,960	\$ 2,654,039	\$ 3,509,042	\$ 2,788,985	\$ 3,455,029	\$ 3,107,475	\$ 2,882,433	\$ 2,837,631	\$ 2,976,971	\$ 3,012,501
Public safety	1,377,735	1,389,687	1,537,802	1,630,593	1,708,157	1,467,768	1,695,367	1,285,248	1,193,001	1,372,952
Health and human services	3,614,429	3,602,941	3,702,426	4,224,649	4,075,661	4,642,061	3,083,892	2,577,202	3,034,084	3,069,637
Culture, recreation and education	314,965	173,618	154,992	160,090	174,430	203,711	337,201	451,602	378,695	479,666
Public works	-	26,180	137,782	-	-	-	4,259	698	16,850	4,578
Conservation and development	1,055,950	1,029,192	988,825	856,256	724,190	653,502	629,506	630,145	620,678	744,341
Operating grants and contributions										
General government	603,549	542,107	557,570	652,215	574,195	831,676	683,474	871,920	717,068	1,177,212
Public safety	815,674	803,228	953,121	851,120	852,400	793,455	1,022,525	957,714	1,255,858	944,733
Health and human services	16,077,659	16,640,899	16,590,140	17,498,245	18,129,418	18,016,188	11,795,721	11,546,247	11,460,943	12,247,160
Culture, recreation and education	6,031,338	6,201,662	6,693,544	7,071,866	8,346,676	8,618,768	8,159,198	8,168,834	6,834,631	5,126,020
Public works	-	-	-	-	-	-	151,548	-	399,740	-
Conservation and development	426,495	363,915	290,133	293,649	323,639	345,300	313,749	340,873	368,219	245,103
Interest on long-term debt	-	-	-	-	-	-	-	-	58,380	53,564
Capital grants and contributions										
General government	-	-	640,305	6,979	-	-	423,388	-	1,302,049	3,951
Public safety	317,136	542,469	86,275	93,555	70,674	207,118	142,399	286,687	80,500	34,710
Health and human services	-	-	-	-	3,732	-	3,563	2,667	4,055	5,323
Culture, recreation and education	14,395	-	14,702	421,773	282,352	72,298	22,500	13,866	-	1,900
Public works	5,084	922,761	756,813	150,712	-	220,491	2,222,380	25,000	-	397,092
Conservation and development	52,218	226,109	-	-	-	-	-	-	-	-
Subtotal governmental activities program revenues	<u>33,635,587</u>	<u>35,118,807</u>	<u>36,613,472</u>	<u>36,700,687</u>	<u>38,720,553</u>	<u>39,179,811</u>	<u>33,573,103</u>	<u>29,996,334</u>	<u>30,701,722</u>	<u>28,920,443</u>

(Continued)

TABLE 2
WALWORTH COUNTY, WISCONSIN
Changes in Net Position (continued)
Last Ten Fiscal Years

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Program Revenues (continued)										
Business-type activities:										
Charges for services										
Nursing home	\$ 9,447,784	\$ 10,452,940	\$ 6,159,046	\$ 7,362,680	\$ 7,690,184	\$ 8,601,097	\$ 8,735,483	\$ 8,739,899	\$ 8,576,634	\$ 9,216,018
Highway/facilities administration	2,877,118	3,407,112	2,718,861	4,236,620	5,009,372	3,787,233	4,051,876	3,899,705	3,769,486	4,701,887
Operating grants and contributions										
Nursing home	1,933,348	1,777,526	1,017,463	919,389	1,520,883	1,315,580	1,347,952	555,797	1,135,603	989,480
Highway/facilities administration	2,081,204	2,057,481	2,024,358	2,000,835	2,110,893	2,107,417	1,991,976	2,173,460	1,914,106	2,098,659
Capital grants and contributions										
Highway/facilities administration	-	2,740	-	37,738	123,040	107,750	8,069	-	-	-
Subtotal business-type activities program revenues	<u>16,339,454</u>	<u>17,697,799</u>	<u>11,919,728</u>	<u>14,557,262</u>	<u>16,454,372</u>	<u>15,919,077</u>	<u>16,135,356</u>	<u>15,368,861</u>	<u>15,395,829</u>	<u>17,006,044</u>
Total primary government program revenues	<u>\$49,975,041</u>	<u>\$ 52,816,606</u>	<u>\$ 48,533,200</u>	<u>\$51,257,949</u>	<u>\$ 55,174,925</u>	<u>\$ 55,098,888</u>	<u>\$ 49,708,459</u>	<u>\$ 45,365,195</u>	<u>\$ 46,097,551</u>	<u>\$ 45,926,487</u>
Net (Expense) Revenue by Function:										
Governmental activities:										
General government	\$ (9,851,938)	\$ (9,838,769)	\$(10,453,067)	\$11,860,265	\$ (9,784,240)	\$ (10,076,948)	\$ (10,401,043)	\$ (10,314,028)	\$ (11,331,985)	\$ (11,156,613)
Public safety	17,236,694	(17,959,600)	(19,264,064)	20,487,519	(21,172,480)	(21,619,602)	(21,990,959)	(21,352,804)	(21,222,274)	(20,657,712)
Health and human services	10,248,215	(8,984,326)	(9,023,934)	(9,147,869)	(7,766,730)	(7,279,654)	(8,394,004)	(9,335,834)	(8,482,489)	(8,356,732)
Culture, recreation and education	(5,241,975)	(6,135,753)	(7,318,920)	(6,539,731)	(7,208,380)	(5,599,955)	(6,064,768)	(4,642,799)	(5,048,023)	(4,325,467)
Public works	(1,281,500)	(663,078)	(2,722,032)	(3,575,446)	(2,175,607)	(2,049,085)	937,907	(2,382,625)	(1,433,942)	(1,566,198)
Conservation and development	(757,650)	(726,341)	(1,130,930)	(1,329,781)	(1,392,024)	(1,297,640)	(1,244,122)	(1,181,614)	(1,123,788)	(1,155,511)
Interest on long-term debt	(1,648,922)	(1,750,429)	(1,914,265)	(1,412,336)	(1,569,796)	(1,342,711)	(1,416,805)	(1,147,971)	(958,633)	(983,392)
Subtotal governmental activities expenses	<u>46,266,894</u>	<u>(46,058,296)</u>	<u>(51,827,212)</u>	<u>54,352,947</u>	<u>(51,069,257)</u>	<u>(49,265,595)</u>	<u>(48,573,794)</u>	<u>(50,357,675)</u>	<u>(49,601,134)</u>	<u>(48,201,625)</u>
Business-type activities:										
Nursing home	(2,206,273)	20,062	(6,845,660)	(3,632,880)	(2,933,969)	(2,075,611)	(2,054,570)	(2,827,689)	(1,719,500)	(1,076,391)
Highway/facilities administration	(121,186)	(1,902,093)	(2,207,480)	(2,533,893)	(2,449,977)	(2,611,500)	(2,772,321)	(2,729,812)	(2,410,596)	(2,304,667)
Subtotal business-type activities expenses	<u>(2,327,459)</u>	<u>(1,882,031)</u>	<u>(9,053,140)</u>	<u>(6,166,773)</u>	<u>(5,383,946)</u>	<u>(4,687,111)</u>	<u>(4,826,891)</u>	<u>(5,557,501)</u>	<u>(4,130,096)</u>	<u>(3,381,058)</u>
Total primary government net (expenses)/revenue	<u>\$48,594,353</u>	<u>\$ (47,940,327)</u>	<u>\$ (60,880,352)</u>	<u>\$60,519,720</u>	<u>\$ (56,453,203)</u>	<u>\$ (53,952,706)</u>	<u>\$ (53,400,685)</u>	<u>\$ (55,915,176)</u>	<u>\$ (53,731,230)</u>	<u>\$ (51,582,683)</u>

(Continued)

TABLE 2
WALWORTH COUNTY, WISCONSIN
Changes in Net Position (concluded)
Last Ten Fiscal Years

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
General property taxes	\$ 37,150,309	\$ 38,031,659	\$ 36,352,921	\$39,470,341	\$ 42,011,107	\$ 44,880,244	\$ 49,395,052	\$ 51,744,402	\$ 52,160,876	\$ 54,206,675
Property taxes for debt service	5,242,764	6,051,593	7,716,392	7,875,781	6,714,271	6,642,168	5,190,603	4,177,192	3,558,522	1,358,777
County share of sales taxes	7,336,138	7,303,638	7,535,343	7,597,303	7,807,117	6,951,954	7,067,728	7,300,040	7,509,543	7,676,492
Real estate transfer fees	573,046	648,518	-	-	-	-	-	-	-	-
Other taxes	81,920	90,475	77,710	82,751	76,789	64,719	87,930	71,607	70,546	73,393
Grants and contributions not restricted to specific programs										
Unrestricted investment earnings	367,357	325,169	341,622	341,038	331,464	347,144	381,381	375,478	327,119	328,672
Gain on sale of assets	839,240	2,873,982	4,480,264	4,642,076	2,992,572	2,056,156	849,201	724,442	595,493	270,905
Miscellaneous	-	-	-	-	-	-	4,804	-	-	-
Transfers	30,360	7,225	13,925	124,731	46,561	108,223	74,594	69,213	59,302	-
	(1,554)	(1,688,014)	(14,643,794)	(1,290,254)	49,714	31,400	30,000	441,486	1,055,714	1,313,880
Subtotal governmental activities general revenues	<u>51,619,580</u>	<u>53,644,245</u>	<u>41,874,383</u>	<u>58,843,767</u>	<u>60,029,595</u>	<u>61,082,008</u>	<u>63,081,293</u>	<u>64,903,860</u>	<u>65,337,115</u>	<u>65,228,794</u>
Business-type activities:										
Property taxes	3,989,468	3,349,396	5,517,249	5,424,014	6,719,641	6,970,537	6,944,963	7,499,486	7,282,023	7,213,677
Unrestricted investment earnings	31,223	75,608	134,101	129,806	63,731	11,997	5,486	6,542	4,261	10,832
Gain/(loss) on sale of capital assets	-	-	-	-	98,145	-	6,128	165,790	-	-
Miscellaneous	13,968	25,590	-	36,247	46,055	36,704	256,053	638,888	49,144	39,019
Transfers	1,554	1,688,014	14,643,794	1,290,254	(49,714)	(31,400)	(30,000)	(441,485)	(1,055,714)	(1,313,880)
Subtotal business-type activities general revenues	<u>4,036,213</u>	<u>5,138,608</u>	<u>20,295,144</u>	<u>6,880,321</u>	<u>6,877,858</u>	<u>6,987,838</u>	<u>7,182,630</u>	<u>7,869,221</u>	<u>6,279,714</u>	<u>5,949,648</u>
Total primary government general revenues	<u>\$ 55,655,793</u>	<u>\$ 58,782,853</u>	<u>\$ 62,169,527</u>	<u>\$ 65,724,088</u>	<u>\$ 66,907,453</u>	<u>\$ 68,069,846</u>	<u>\$ 70,263,923</u>	<u>\$ 72,773,081</u>	<u>\$ 71,616,829</u>	<u>\$ 71,178,442</u>
Change in Net Position										
Governmental activities	\$ 5,352,686	\$ 7,585,949	\$ (9,952,829)	\$ 4,490,820	\$ 8,960,338	\$ 11,816,413	\$ 14,507,499	\$ 14,546,185	\$ 15,735,981	\$ 17,027,169
Business-type activities	1,708,754	3,256,577	11,242,004	713,548	1,493,912	2,300,727	2,355,739	2,311,721	2,149,618	2,568,590
Total primary government change in net position	<u>\$ 7,061,440</u>	<u>\$ 10,842,526</u>	<u>\$ 1,289,175</u>	<u>\$ 5,204,368</u>	<u>\$ 10,454,250</u>	<u>\$ 14,117,140</u>	<u>\$ 16,863,238</u>	<u>\$ 16,857,906</u>	<u>\$ 17,885,599</u>	<u>\$ 19,595,759</u>

TABLE 3
WALWORTH COUNTY, WISCONSIN
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	\$ 2,506,336	\$ 2,995,254	\$ 3,649,929	\$ 8,898,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,241,187	23,849,264	22,798,437	19,260,283	-	-	-	-	-	-
Nonspendable	-	-	-	-	3,755,334	4,995,581	4,407,797	5,058,891	4,809,609	6,546,059
Restricted	-	-	-	-	194,371	301,795	220,625	311,935	384,802	479,977
Committed	-	-	-	-	269,797	642,254	1,055,834	2,302,078	4,219,940	9,110,470
Assigned	-	-	-	-	5,182,772	3,346,237	3,713,293	7,818,552	6,792,650	4,549,470
Unassigned	-	-	-	-	18,471,322	18,883,279	23,113,817	21,493,566	22,808,649	24,051,322
Total general fund	\$ 23,747,523	\$ 26,844,518	\$ 26,448,366	\$ 28,159,193	\$ 27,873,596	\$ 28,169,146	\$ 32,511,366	\$ 36,985,022	\$ 39,015,650	\$ 44,737,298
All other governmental funds										
Reserved	\$ 7,526,442	\$ 7,418,986	\$ 3,389,038	\$ 4,896,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Special revenue funds	524,073	199,376	1,901,176	2,562,710	-	-	-	-	-	-
Capital projects funds	2,107,355	2,659,242	1,923,875	(3,838,378)	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	493,150
Restricted	-	-	-	-	1,480,527	3,700,877	3,076,630	3,693,933	1,533,304	1,720,578
Committed	-	-	-	-	421,560	583,755	4,581,036	5,279,657	10,245,796	13,243,056
Assigned, specifically*	-	-	-	-	1,493,221	1,281,030	514,276	909,994	1,699,774	5,176,887
Assigned, non-specific**	-	-	-	-	6,056,580	5,680,452	2,827,290	3,551,139	3,316,819	3,013,787
Total all other governmental funds	\$ 10,157,870	\$ 10,277,604	\$ 7,214,089	\$ 3,620,795	\$ 9,451,888	\$ 11,246,114	\$ 10,999,232	\$ 13,434,723	\$ 16,795,693	\$ 23,647,458
Total governmental funds, fund balances	\$ 33,905,393	\$ 37,122,122	\$ 33,662,455	\$ 31,779,988	\$ 37,325,484	\$ 39,415,260	\$ 43,510,598	\$ 50,419,745	\$ 55,811,343	\$ 68,384,756

Note: With the conversion of GASB 54, 2004 to 2007 have not been converted to the new fund balance terminology.

* Specifically assigned fund balance refers to those assets assigned to specific purposes

** Non-specific assigned fund balance refers to remaining amounts that are limited to the general category of the fund's purpose.

TABLE 4
WALWORTH COUNTY, WISCONSIN
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 50,615,811	\$ 53,048,694	\$ 53,109,631	\$ 56,064,682	\$ 57,300,471	\$ 59,277,331	\$ 61,916,489	\$ 63,332,863	\$ 63,726,578	\$ 64,168,308
Intergovernmental	24,092,046	24,962,700	25,579,590	26,146,651	27,748,565	27,552,748	22,799,880	21,247,096	21,821,406	18,909,682
Licenses and permits	399,561	359,380	351,552	376,192	309,766	258,150	257,319	262,145	258,324	252,859
Fines, forfeitures and penalties	1,357,723	1,233,647	1,379,320	1,315,006	1,425,845	1,337,605	1,318,351	1,290,652	1,270,100	1,129,419
Charges for service	6,712,146	6,738,175	7,509,204	8,191,723	8,034,880	9,931,953	7,693,031	7,321,853	7,635,496	7,646,040
Miscellaneous	2,290,721	2,971,299	4,085,271	4,690,726	2,827,721	1,778,428	2,063,316	1,669,091	1,612,751	1,467,649
Total revenues	85,468,008	89,313,895	92,014,568	96,784,980	97,647,248	100,136,215	96,048,386	95,123,700	96,324,655	93,573,957
Expenditures										
General government	12,410,128	11,594,328	11,780,358	12,590,192	12,914,743	13,452,827	13,346,811	13,153,880	15,059,546	14,318,090
Public safety	19,030,720	19,740,148	20,137,931	22,015,542	22,495,773	23,791,636	25,603,310	25,985,205	25,722,968	22,422,238
Health and human services	29,992,775	28,981,077	28,903,629	30,961,410	30,096,850	30,492,456	23,510,532	23,812,483	23,059,334	23,620,810
Culture, recreation and education	11,726,546	12,261,159	13,333,312	15,345,841	19,063,558	15,420,296	16,091,316	14,980,511	13,381,565	10,957,735
Public works	-	-	-	-	-	-	-	-	-	4,453
Conservation and development	2,254,858	2,148,494	2,059,547	2,178,892	2,216,851	2,173,794	2,070,729	2,007,488	1,956,949	1,896,619
Capital outlay	9,659,829	13,155,446	18,525,611	16,537,505	6,535,211	7,906,951	3,321,750	9,857,517	5,806,595	6,148,547
Debt service										
Interest and fiscal charges	1,589,718	1,715,428	1,851,914	1,378,174	1,815,130	1,470,670	1,349,891	1,147,767	1,122,381	943,557
Principal	3,695,000	4,625,000	6,145,000	6,126,156	9,403,810	8,769,898	6,804,864	5,666,598	5,947,007	2,105,443
Total expenditures	90,359,574	94,221,080	102,737,302	107,133,712	104,541,926	103,478,528	92,099,203	96,611,449	92,056,345	82,417,492
Excess (deficiency) of revenues over expenditures	(4,891,566)	(4,907,185)	(10,722,734)	(10,348,732)	(6,894,678)	(3,342,313)	3,949,183	(1,487,749)	4,268,310	11,156,465
Other Financing Sources (Uses)										
Proceeds from borrowing, net	6,122,999	9,787,053	7,340,642	9,857,652	8,596,300	5,319,895	-	7,877,854	-	-
Proceeds from refunding, net	-	-	-	-	3,319,441	-	-	-	-	-
Capital leases	-	-	-	-	-	-	10,200	10,200	-	-
Sale of capital assets	-	-	-	-	474,719	111,194	106,955	67,357	46,000	92,218
Transfers in	3,734,982	5,131,859	5,102,390	5,335,664	7,032,104	7,983,740	6,508,068	6,434,216	10,494,796	8,714,527
Transfers out	(8,437,532)	(6,794,998)	(5,179,965)	(6,727,051)	(6,982,390)	(7,983,740)	(6,478,068)	(5,992,731)	(9,417,508)	(7,389,797)
Total other financing sources	1,420,449	8,123,914	7,263,067	8,466,265	12,440,174	5,431,089	147,155	8,396,896	1,123,288	1,416,948
Net change in fund balances^(a)	\$ (3,471,117)	\$ 3,216,729	\$ (3,459,667)	\$ (1,882,467)	\$ 5,545,496	\$ 2,088,776	\$ 4,096,338	\$ 6,909,147	\$ 5,391,598	\$ 12,573,413
Debt service as a percentage of non-capital expenditures	6.55 %	7.82 %	9.50 %	8.28 %	11.45 %	10.72 %	9.19 %	7.85 %	8.20 %	3.96 %

Note: (a) in 2004, the risk management fund was transferred from the general fund to an internal service fund, resulting in a \$5 million reduction of fund balance in the governmental funds.

TABLE 5
WALWORTH COUNTY, WISCONSIN
 Governmental Expenditures by Function
 Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Health & Human Services	Culture, Recreation & Education	Public Works	Conservation and Development	Capital Outlay	Debt Service		Total
								Principal	Interest & Fiscal Charges	
2004	\$ 12,410,128	\$ 19,030,720	\$ 29,992,775	\$ 11,726,546	\$ -	\$ 2,254,858	\$ 9,659,829	\$ 3,695,000	\$ 1,589,718	\$ 90,359,574
% of Total	13.7 %	21.1 %	33.2 %	13.0 %	- %	2.5 %	10.7 %	4.1 %	1.7 %	100.0 %
2005	\$ 11,594,328	\$ 19,740,148	\$ 28,981,077	\$ 12,261,159	\$ -	\$ 2,148,494	\$ 13,155,446	\$ 4,625,000	\$ 1,715,428	\$ 94,221,080
% of Total	12.3 %	21.0 %	30.8 %	13.0 %	- %	2.3 %	14.0 %	4.9 %	1.7 %	100.0 %
2006	\$ 11,780,358	\$ 20,137,931	\$ 28,903,629	\$ 13,333,312	\$ -	\$ 2,059,547	\$ 18,525,611	\$ 6,145,000	\$ 1,851,914	\$ 102,737,302
% of Total	11.5 %	19.6 %	28.1 %	13.0 %	- %	2.0 %	18.0 %	6.0 %	1.8 %	100.0 %
2007	\$ 12,590,192	\$ 22,015,542	\$ 30,961,410	\$ 15,345,841	\$ -	\$ 2,178,892	\$ 16,537,505	\$ 6,126,156	\$ 1,378,174	\$ 107,133,712
% of Total	11.8 %	20.5 %	29.0 %	14.3 %	- %	2.0 %	15.4 %	5.7 %	1.3 %	100.0 %
2008	\$ 12,914,743	\$ 22,495,773	\$ 30,096,850	\$ 19,063,558	\$ -	\$ 2,216,851	\$ 6,535,211	\$ 9,403,810	\$ 1,815,130	\$ 104,541,926
% of Total	12.4 %	21.5 %	28.8 %	18.2 %	- %	2.1 %	6.3 %	9.0 %	1.7 %	100.0 %
2009	\$ 13,452,827	\$ 23,791,636	\$ 30,492,456	\$ 15,420,296	\$ -	\$ 2,173,794	\$ 7,906,951	\$ 8,769,898	\$ 1,470,670	\$ 103,478,528
% of Total	13.0 %	23.0 %	29.5 %	14.9 %	- %	2.1 %	7.6 %	8.5 %	1.4 %	100.0 %
2010	\$ 13,346,811	\$ 25,603,310	\$ 23,510,532	\$ 16,091,316	\$ -	\$ 2,070,729	\$ 3,321,750	\$ 6,804,864	\$ 1,349,891	\$ 92,099,203
% of Total	14.5 %	27.8 %	25.5 %	17.5 %	- %	2.2 %	3.6 %	7.4 %	1.5 %	100.0 %
2011	\$ 13,153,880	\$ 25,985,205	\$ 23,812,483	\$ 14,980,511	\$ -	\$ 2,007,488	\$ 9,857,517	\$ 5,666,598	\$ 1,147,767	\$ 96,611,449
% of Total	13.6 %	27.0 %	24.6 %	15.5 %	- %	2.0 %	10.2 %	5.9 %	1.2 %	100.0 %
2012	\$ 15,059,546	\$ 25,722,968	\$ 23,059,334	\$ 13,381,565	\$ -	\$ 1,956,949	\$ 5,806,595	\$ 5,947,007	\$ 1,122,381	\$ 92,056,345
% of Total	16.4 %	28.0 %	25.0 %	14.5 %	- %	2.1 %	6.3 %	6.5 %	1.2 %	100.0 %
2013	\$ 14,318,090	\$ 22,422,238	\$ 23,620,810	\$ 10,957,735	\$ 4,453	\$ 1,896,619	\$ 6,148,547	\$ 2,105,443	\$ 943,557	\$ 82,417,492
% of Total	17.4 %	27.2 %	28.7 %	13.3 %	- %	2.3 %	7.5 %	2.5 %	1.1 %	100.0 %

Note: This summary includes the general fund, special revenue funds, debt service fund, capital project fund.

TABLE 6
WALWORTH COUNTY, WISCONSIN
 Governmental Revenue by Source
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Inter- governmental</u>	<u>Licenses and Permits</u>	<u>Fines, Forfeits & Penalties</u>	<u>Charges for Services</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	\$ 50,615,811	\$ 24,092,046	\$ 399,561	\$ 1,357,723	\$ 6,712,146	\$ 2,290,721	\$ 85,468,008
% of Total	59.2 %	28.2 %	0.5 %	1.6 %	7.9 %	2.6 %	100.0 %
2005	\$ 53,048,694	\$ 24,962,700	\$ 359,380	\$ 1,233,647	\$ 6,738,175	\$ 2,971,299	\$ 89,313,895
% of Total	59.4 %	27.9 %	0.4 %	1.4 %	7.5 %	3.4 %	100.0 %
2006	\$ 53,109,631	\$ 25,579,590	\$ 351,552	\$ 1,379,320	\$ 7,509,204	\$ 4,085,271	\$ 92,014,568
% of Total	57.7 %	27.8 %	0.4 %	1.5 %	8.2 %	4.4 %	100.0 %
2007	\$ 56,064,682	\$ 26,146,651	\$ 376,192	\$ 1,315,006	\$ 8,191,723	\$ 4,690,726	\$ 96,784,980
% of Total	57.9 %	27.0 %	0.4 %	1.4 %	8.5 %	4.8 %	100.0 %
2008	\$ 57,300,471	\$ 27,748,565	\$ 309,766	\$ 1,425,845	\$ 8,034,880	\$ 2,827,721	\$ 97,647,248
% of Total	58.7 %	28.4 %	0.3 %	1.5 %	8.2 %	2.9 %	100.0 %
2009	\$ 59,277,331	\$ 27,552,748	\$ 258,150	\$ 1,337,605	\$ 9,931,953	\$ 1,778,428	\$ 100,136,215
% of Total	59.2 %	27.5 %	0.3 %	1.3 %	9.9 %	1.8 %	100.0 %
2010	\$ 61,916,489	\$ 22,799,880	\$ 257,319	\$ 1,318,351	\$ 7,693,031	\$ 2,063,316	\$ 96,048,386
% of Total	64.5 %	23.7 %	0.3 %	1.4 %	8.0 %	2.1 %	100.0 %
2011	\$ 63,332,863	\$ 21,247,096	\$ 262,145	\$ 1,290,652	\$ 7,321,853	\$ 1,669,091	\$ 95,123,700
% of Total	66.5 %	22.3 %	0.3 %	1.4 %	7.7 %	1.8 %	100.0 %
2012	\$ 63,726,578	\$ 21,821,406	\$ 258,324	\$ 1,270,100	\$ 7,635,496	\$ 1,612,751	\$ 96,324,655
% of Total	66.2 %	22.7 %	0.3 %	1.3 %	7.9 %	1.6 %	100.0 %
2013	\$ 64,168,308	\$ 18,909,682	\$ 252,859	\$ 1,129,419	\$ 7,646,040	\$ 1,467,649	\$ 93,573,957
% of Total	68.6 %	20.2 %	0.3 %	1.2 %	8.2 %	1.6 %	100.0 %

Note: This summary includes the general fund, special revenue funds, debt service fund, capital project fund.

TABLE 7
WALWORTH COUNTY, WISCONSIN
 Equalized Value of Taxable Property (a)
 Last Ten Fiscal Years

Fiscal Year	Real Estate							Personal Property	Less: Tax Incremental Districts (TIDS)	Total (b)	General County Tax Rate (c)
	Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Other				
2004	8,305,937,100	1,248,126,600	212,165,300	46,189,900	15,549,300	39,419,600	232,883,100	142,097,000	320,461,800	9,921,906,100	4.75
2005	9,480,500,500	1,367,627,300	214,360,100	46,558,900	24,472,300	32,698,800	250,878,100	148,136,700	380,372,500	11,184,860,200	4.40
2006	10,924,604,900	1,499,826,200	220,408,600	49,448,200	40,240,300	45,803,900	267,720,300	159,372,700	481,058,500	12,726,366,600	4.10
2007	12,300,327,100	1,531,444,300	237,648,000	52,961,200	23,023,300	29,669,900	268,943,600	155,854,800	583,552,100	14,016,320,100	3.91
2008	13,008,079,500	1,662,831,300	239,045,700	55,092,900	23,182,800	32,439,800	288,645,400	156,881,900	658,530,300	14,807,669,000	3.88
2009	13,034,746,700	1,740,859,600	238,351,500	55,485,100	24,063,600	57,812,200	299,124,100	160,140,300	621,911,300	14,988,671,800	3.94
2010	12,481,890,100	1,704,050,300	230,095,600	55,498,500	21,878,100	56,876,200	298,300,500	156,281,000	554,781,900	14,450,088,400	4.21
2011	12,182,071,700	1,674,527,600	223,390,600	51,110,800	27,161,000	55,568,400	295,400,800	153,478,300	374,843,400	14,287,865,800	4.26
2012	11,279,643,400	1,620,991,100	223,149,800	49,645,400	29,477,300	61,244,800	300,320,100	155,948,400	382,906,300	13,337,514,000	4.56
2013	10,869,496,400	1,483,466,800	224,298,100	47,786,800	30,810,500	70,994,700	291,751,800	164,754,600	281,043,800	12,902,315,900	4.72

Source: Wisconsin Department of Revenue, Bureau of Property Tax

Notes:

- (a) Due to varying assessment ratios to full market value used in municipalities, all underlying tax district such as counties are required to use equalized value for levying property taxes. Equalize value, defined by State Statute, is the legal market value determined by the Wisconsin Department of Revenue, Bureau of Property Tax.
- (b) Equalized values are reduced by Tax Increment District value increment for apportioning the county levy.
- (c) Average mill rate per \$1,000 of total county equalized value. The average mill rate in this table will be less than the sum of direct rates in table 8 due to the specific and lesser tax bases of the library and CDEB.

TABLE 8
WALWORTH COUNTY, WISCONSIN
Property Tax Rates
Last Ten Fiscal Years
(Amounts and rates shown are per \$1,000 of Equalized Valuation)

	2013 TOTAL EQUALIZED VALUE (a)	NET TAX RATE - YEAR LEVIED									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>County Direct Rates</u>											
Library	\$ 7,634,384,900	0.21	0.20	0.18	0.16	0.09	0.09	0.09	0.09	0.11	0.12
Children with Disabilities Education Board	12,576,675,034	0.59	0.64	0.60	0.60	0.59	0.61	0.64	0.63	N/A	N/A
County Debt Service	12,902,315,900	0.16	0.10	0.25	0.29	0.35	0.45	0.48	0.62	0.69	0.61
County Operating	12,902,315,900	3.86	3.72	3.32	3.23	2.93	2.74	2.70	2.76	3.60	4.02
Total of County Direct Rates (b)		4.82	4.66	4.35	4.28	3.96	3.89	3.91	4.10	4.40	4.75
<u>CITY</u>											
Burlington	\$ 525,800	\$ 22.69	\$ 23.11	\$ 22.93	\$ 22.72	\$ 20.30	\$ 19.95	\$ 16.51	\$ 19.43	\$ 20.28	\$ 21.36
Delavan	540,932,600	25.20	22.91	21.37	21.22	20.20	19.28	19.90	19.43	20.28	21.36
Elkhorn	586,997,200	22.61	21.95	20.99	20.49	18.75	17.83	16.72	16.96	18.15	20.43
Lake Geneva	1,038,740,300	22.61	20.67	18.55	18.57	17.20	17.17	17.35	18.00	19.60	21.62
Whitewater	499,430,800	22.30	20.87	19.90	19.98	18.29	17.46	17.39	17.24	19.16	20.06
CITY TOTAL	\$ 2,666,626,700										
<u>TOWN</u>											
Bloomfield	\$ 101,424,300	\$ 18.24	\$ 19.47	\$ 16.63	\$ 16.67	\$ 15.76	\$ 15.48	\$ 15.21	\$ 15.28	\$ 17.26	\$ 19.30
Darien	191,605,200	14.93	14.67	13.73	13.46	12.66	11.91	11.64	11.55	12.46	12.92
Delavan	897,250,800	15.44	15.27	14.55	14.21	13.53	12.89	13.04	13.66	15.14	16.47
East Troy	700,442,700	15.92	16.21	15.08	15.00	13.99	13.14	13.16	12.69	13.84	15.23
Geneva	823,956,100	18.93	16.17	14.69	14.66	13.59	13.35	13.39	13.88	15.32	16.93
La Fayette	243,389,500	17.70	17.57	15.91	15.92	14.77	13.66	13.76	13.43	14.46	16.11
La Grange	739,597,300	16.77	15.51	14.74	14.62	13.63	12.65	12.44	13.17	13.81	15.12
Linn	1,573,454,400	15.81	14.95	13.58	13.62	12.76	12.54	12.88	13.37	14.99	16.38
Lyons	355,975,500	15.17	16.63	15.06	14.76	13.49	13.05	13.08	13.01	13.70	15.16
Richmond	235,381,500	17.18	16.09	15.33	15.17	14.08	13.20	13.03	12.84	13.98	14.93
Sharon	77,676,500	20.09	18.83	17.75	17.25	16.27	15.72	16.30	16.80	18.12	19.31
Spring Prairie	235,455,200	18.79	18.23	16.69	16.51	15.30	14.68	14.74	14.89	15.87	14.66
Sugar Creek	350,497,600	16.35	16.19	15.30	15.06	13.85	13.13	12.73	12.64	13.79	15.15
Troy	248,885,900	17.80	17.50	16.25	16.05	14.99	14.17	13.76	13.86	15.09	16.73
Walworth	219,465,800	14.55	14.23	13.54	13.14	12.50	12.07	12.28	13.22	14.68	15.32
Whitewater	307,666,100	16.45	16.48	15.74	15.83	14.44	13.44	13.14	12.93	14.45	15.61
TOWN TOTAL	\$ 7,302,124,400										
<u>VILLAGE</u>											
Bloomfield	\$ 324,345,100	\$ 17.45	20.38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darien	83,887,700	27.48	\$ 28.10	\$ 26.92	\$ 26.25	\$ 24.33	\$ 22.95	\$ 22.89	\$ 22.37	\$ 23.87	\$ 24.87
East Troy	299,994,100	20.66	21.90	19.87	20.07	19.05	17.46	17.30	16.84	18.21	19.82
Fontana	1,099,609,600	14.29	14.59	13.64	13.38	12.94	12.52	12.57	13.71	15.35	16.58
Genoa City	151,882,500	25.08	28.71	24.00	24.89	24.11	22.75	20.31	21.69	22.44	27.57
Mukwonago	12,492,200	21.97	20.43	17.29	12.25	19.37	17.83	17.54	18.41	18.73	20.16
Sharon	72,023,500	26.93	27.13	25.39	24.40	21.44	20.87	21.98	22.43	25.36	26.47
Walworth	194,987,600	18.85	20.73	19.00	18.89	18.13	16.68	16.55	17.67	18.79	20.32
Williams Bay	694,342,500	14.78	15.08	14.02	13.51	12.61	12.70	12.97	14.07	15.43	16.77
VILLAGE TOTAL	\$ 2,933,564,800										
COUNTY TOTAL	\$ 12,902,315,900										

Source: Walworth County Treasurer's Office

(a) The Total Equalized Value is shown less Tax Incremental Districts (TIDS).

(b) The sum of direct rates is greater than the county average mill rate in table 7 due to the specific and lesser tax bases of the library and CDEB.

N/A - The Children with Disabilities Education Board began to levy separately in 2006.

N/A - 2012 is the first year with the Village of Bloomfield as a taxing district.

Note: The above tax rates are shown by year of levy. Collection generally occurs the year following the year of levy. If there is more than one school tax district, the rates are averaged for the total municipality.

TABLE 9
WALWORTH COUNTY, WISCONSIN
Principal Property Tax Payers
For December 31, 2013 and Nine Years Prior

Taxpayer	2013			2004		
	Equalized Value	Rank*	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
DLK Enterprises, Inc.	\$ 29,840,800	1	0.23 %	\$ 35,808,410	2	0.35 %
Grand Geneva LLC	\$ 29,295,600	2	0.22 %	39,077,392	1	0.38 %
Art Mortgage Borrower Propco	28,271,200	3	0.21 %			
Kikkoman Foods, Inc.	21,264,600	4	0.16 %	17,542,714	6	0.17 %
Wal-mart Real Estate Business Trust	13,661,900	5	0.10 %	26,566,117	3	0.26 %
Paloma Geneva National, LLC	13,564,800	6	0.10 %	16,573,050	7	0.16 %
Lake Geneva Shopping Center	13,301,100	7	0.10 %			
Lake Geneva Investors LLC	13,251,100	8	0.10 %			
Honey Creek of East Troy, LLP	11,500,000	9	0.09 %			0.16 %
Lowe's Home Centers	8,922,300	10	0.07 %			
Geneva Project				22,846,279	4	0.22 %
Lake Lawn Lodge/Airport				17,854,135	5	0.17 %
Abbey/Abka				15,823,122	8	0.15 %
Versacold Cascade (Geneva Lakes Cold Storage)				15,421,770	9	0.15 %
Home Depot				12,131,547	10	0.12 %
Total	<u>\$182,873,400</u>		<u>1.38 %</u>	<u>\$219,644,536</u>		<u>2.29 %</u>

*Note: Rank is based on actual property taxes determined.

Source: Walworth County Treasurer's Office

TABLE 10
WALWORTH COUNTY, WISCONSIN
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Levy Year	Collection Year	Total Tax Levy	Collections in Fiscal Year		Collections in Subsequent Years	Total Collections to Date		Delinquent Taxes to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2003	2004	\$ 45,014,093	\$ 43,342,996	96.3%	\$ 1,671,097	\$ 45,009,661	99.99%	\$ -	0.00%
2004	2005	\$ 47,082,255	\$ 45,216,101	96.0%	\$ 1,866,154	\$ 47,077,892	99.99%	\$ -	0.00%
2005	2006	\$ 49,199,366	\$ 47,210,455	96.0%	\$ 1,988,282	\$ 49,194,441	99.99%	\$ 629	0.00%
2006	2007	\$ 52,238,866	\$ 49,481,298	94.7%	\$ 2,754,300	\$ 52,232,251	99.99%	\$ 3,268	0.01%
2007	2008	\$ 54,753,860	\$ 50,648,952	92.5%	\$ 4,097,597	\$ 54,742,169	99.98%	\$ 7,311	0.01%
2008	2009	\$ 57,426,336	\$ 51,840,251	90.3%	\$ 5,583,830	\$ 57,419,246	99.99%	\$ 2,255	0.00%
2009	2010	\$ 59,087,867	\$ 54,048,583	91.5%	\$ 5,027,188	\$ 59,068,586	99.97%	\$ 12,096	0.02%
2010	2011	\$ 60,793,425	\$ 56,132,950	92.3%	\$ 4,042,463	\$ 60,171,557	98.98%	\$ 618,012	1.02%
2011	2012	\$ 60,880,052	\$ 56,419,388	92.7%	\$ 2,508,622	\$ 58,928,010	96.79%	\$ 1,952,042	3.21%
2012	2013	\$ 60,879,863	\$ 56,980,090	93.6%	\$ -	\$ 56,980,090	93.59%	\$ 3,899,773	6.41%

Source: Walworth County Treasurer's Office

TABLE 11
WALWORTH COUNTY, WISCONSIN
 Computation of Legal Debt Margin
 Last Ten Fiscal Years

Total equalized value for year ended December 31, 2013	<u>\$ 13,183,359,700</u>
Legal debt margin:	
Debt limitation, 5% of total equalized value (Wisconsin Statutory Limitation)	659,167,985
Debt applicable to limitation:	
General obligation bonds	14,090,000
General obligation notes	<u>11,325,000</u>
Total debt applicable to limitation at December 31, 2013	25,415,000
Less amount available in debt service fund	<u>(708,544)</u> <u>(24,706,456)</u>
Legal debt margin for year ended December 31, 2013	<u>\$ 634,461,529</u>

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total equalized value - 12/31	\$10,242,367,900	\$11,417,096,000	\$13,207,425,100	\$14,599,872,200	\$15,466,199,300	\$15,610,583,100	\$15,004,870,300	\$14,662,709,200	\$13,720,420,300	\$13,183,359,700
Legal debt margin (5% of equalized value)	512,118,395	570,854,800	660,371,255	729,993,610	773,309,965	780,529,155	750,243,515	733,135,460	686,021,015	659,167,985
Debt applicable to limitation										
General Obligation Bonds	6,070,000	3,720,000	2,970,000	10,725,000	21,885,000	19,230,000	16,160,000	15,500,000	14,810,000	14,090,000
General Obligation Notes	36,290,000	43,815,000	45,770,000	40,940,000	30,995,000	28,890,000	23,775,000	25,075,000	15,745,000	11,325,000
Authorized debt, not yet issued	-	-	-	-	5,300,000	-	7,740,000	-	-	-
Total debt applicable to limitation - 12/31	<u>42,360,000</u>	<u>47,535,000</u>	<u>48,740,000</u>	<u>51,665,000</u>	<u>58,180,000</u>	<u>48,120,000</u>	<u>47,675,000</u>	<u>40,575,000</u>	<u>30,555,000</u>	<u>25,415,000</u>
Less amount available in debt service fund	<u>(503,487)</u>	<u>(453,929)</u>	<u>(413,600)</u>	<u>(420,897)</u>	<u>(594,982)</u>	<u>(638,844)</u>	<u>(600,009)</u>	<u>(566,218)</u>	<u>(711,121)</u>	<u>(708,544)</u>
Total debt applicable to limitation - 12/31	<u>41,856,513</u>	<u>47,081,071</u>	<u>48,326,400</u>	<u>51,244,103</u>	<u>57,585,018</u>	<u>47,481,156</u>	<u>47,074,991</u>	<u>40,008,782</u>	<u>29,843,879</u>	<u>24,706,456</u>
Legal debt margin - 12/31	<u>\$ 470,261,882</u>	<u>\$ 523,773,729</u>	<u>\$ 612,044,855</u>	<u>\$ 678,749,507</u>	<u>\$ 715,724,947</u>	<u>\$ 733,047,999</u>	<u>\$ 703,168,524</u>	<u>\$ 693,126,678</u>	<u>\$ 656,177,136</u>	<u>\$ 634,461,529</u>
Total net debt applicable to the limit as a percentage of debt limit	9 %	9 %	8 %	8 %	8 %	6 %	7 %	6 %	5 %	4 %

TABLE 12
WALWORTH COUNTY, WISCONSIN
Ratio of General Obligation Bonded Debt
To Equalized Value of Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (a)	Equalized Value (b)	Government- al Gross Bonded Debt	Business- Type Gross Bonded Debt	Total Gross Bonded Debt	Ratio of Gross Bonded Debt to Equalized Value	Less Debt Service Fund (c)	Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Value	Percent- age of Personal Income (a)	Debt Per Capita
2004	97,052	\$10,242,367,900	\$ 42,360,000	\$ -	\$ 42,360,000	0.41 %	\$503,487	\$41,856,513	0.41 %	1.40 %	\$ 431
2005	98,496	\$11,565,232,700	\$ 39,935,000	\$ 7,600,000	\$ 47,535,000	0.41 %	\$453,989	\$47,081,071	0.41 %	1.52 %	\$ 478
2006	99,761	\$13,207,425,100	\$ 34,740,000	\$ 14,000,000	\$ 48,740,000	0.37 %	\$413,600	\$48,326,400	0.37 %	1.47 %	\$ 484
2007	100,672	\$14,599,872,200	\$ 38,373,776	\$ 13,391,224	\$ 51,765,000	0.35 %	\$420,897	\$51,344,103	0.35 %	1.49 %	\$ 510
2008	101,315	\$15,466,199,300	\$ 40,337,620	\$ 12,542,380	\$ 52,880,000	0.34 %	\$594,892	\$52,285,108	0.34 %	1.49 %	\$ 516
2009	101,808	\$15,610,583,100	\$ 38,198,912	\$ 9,921,088	\$ 48,120,000	0.31 %	\$638,844	\$47,481,156	0.30 %	1.37 %	\$ 466
2010	102,228	\$15,004,870,300	\$ 31,394,048	\$ 8,540,952	\$ 39,935,000	0.27 %	\$600,009	\$39,334,991	0.26 %	1.12 %	\$ 385
2011	102,485	\$14,662,709,200	\$ 33,467,449	\$ 7,107,551	\$ 40,575,000	0.28 %	\$566,218	\$40,008,782	0.27 %	1.08 %	\$ 390
2012	102,530	\$13,720,420,300	\$ 27,520,443	\$ 3,034,557	\$ 30,555,000	0.22 %	\$711,121	\$29,843,879	0.22 %	0.78 %	\$ 291
2013	102,579	\$13,183,359,700	\$ 25,415,000	\$ -	\$ 25,415,000	0.19 %	\$708,544	\$24,706,456	0.19 %	N/A	\$ 241

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) From Table 15

(b) Source: Wisconsin Department of Revenue, Bureau of Property Tax

(c) Amount available for repayment of general obligation debt

N/A - Information not yet available

TABLE 13
WALWORTH COUNTY, WISCONSIN
Ratio of Annual Debt Service Expenditures
For General Obligation Debt
To Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest and Fiscal Charges ^(a)	Total Debt Service ^(a)	Total Governmental Expenditures ^(b)	Ratio of Debt Service to Governmental Expenditures
2004	\$ 3,695,000	\$ 1,559,157	\$ 5,254,157	\$ 90,359,574	5.8%
2005	\$ 4,625,000	\$ 1,674,092	\$ 6,299,092	\$ 94,221,080	6.7%
2006	\$ 5,536,224	\$ 1,561,380	\$ 7,097,604	\$102,737,302	6.9%
2007	\$ 6,126,156	\$ 1,378,174	\$ 7,504,330	\$107,133,712	7.0%
2008	\$ 9,403,810	\$ 1,757,296	\$ 11,161,106	\$104,541,926	10.7%
2009	\$ 8,769,898	\$ 1,426,520	\$ 10,196,418	\$103,478,528	9.9%
2010	\$ 6,804,864	\$ 1,349,891	\$ 8,154,755	\$ 92,099,203	8.9%
2011	\$ 5,666,598	\$ 1,147,767	\$ 6,814,365	\$ 96,611,449	7.1%
2012	\$ 5,947,007	\$ 1,122,381	\$ 7,069,388	\$ 92,056,345	7.7%
2013	\$ 2,105,443	\$ 943,557	\$ 3,049,000	\$ 82,417,492	3.7%

Note: This schedule excludes general obligation debt of proprietary funds.

(a) Excludes bond issuance and other costs

(b) Includes general fund, special revenue funds, debt service fund and capital projects fund.

TABLE 14
WALWORTH COUNTY, WISCONSIN
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2013

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Walworth County	Amount Applicable to Government
Direct:			
Walworth County	\$ 25,415,000	100.00 %	\$ 25,415,000
Overlapping:			
City:			
Burlington	21,385,000	0.10 %	21,385
Delavan	18,683,195	100.00 %	18,683,195
Elkhorn	17,890,000	100.00 %	17,890,000
Lake Geneva	5,525,000	100.00 %	5,525,000
Whitewater	20,720,000	87.90 %	18,212,880
CITY TOTAL	84,203,195		60,332,460
Town:			
Delavan	4,167,311	100.00 %	4,167,311
East Troy	720,000	100.00 %	720,000
La Grange	48,799	100.00 %	48,799
Spring Prairie	305,000	100.00 %	305,000
Sugar Creek	110,896	100.00 %	110,896
Troy	871,140	100.00 %	871,140
Walworth	954,664	100.00 %	954,664
TOWN TOTAL	7,177,810		7,177,810
Village:			
Darien	3,860,656	100.00 %	3,860,656
East Troy	6,545,000	100.00 %	6,545,000
Fontana	24,545,168	100.00 %	24,545,168
Genoa City	3,410,000	100.00 %	3,410,000
Mukwonago	27,551,346	1.80 %	495,924
Sharon	1,635,177	100.00 %	1,635,177
Walworth	707,873	100.00 %	707,873
Williams Bay	4,633,557	100.00 %	4,633,557
VILLAGE TOTAL	72,888,777		45,833,355
School Districts:			
Big Foot	1,969,377	100.00 %	1,969,377
Clinton	9,780,000	0.43 %	42,102
Delavan-Darien	4,545,000	99.70 %	4,531,232
East Troy	5,086,263	99.46 %	5,058,862
Elkhorn	18,140,000	100.00 %	18,140,000
Fontana	1,145,000	100.00 %	1,145,000
Lake Geneva Jt 4	1,289,814	100.00 %	1,289,814
Genoa City Jt 2	7,390,000	100.00 %	7,390,000
Lake Geneva Jt 1	16,418,031	100.00 %	16,418,031
Lake Geneva-Genoa City Unified High School	13,940,000	100.00 %	13,940,000
Linn Jt 4	1,175,000	100.00 %	1,175,000
Linn Jt 6	2,932,820	100.00 %	2,932,820
Mukwonago	14,940,320	0.04 %	5,441
Palmyra-Eagle	12,465,000	3.89 %	484,268
Sharon Jt 11	5,501,837	100.00 %	5,501,837
Walworth	220,201	100.00 %	220,201
Whitewater	11,065,000	83.71 %	9,262,923
Williams Bay	1,420,000	100.00 %	1,420,000
SCHOOL DISTRICT TOTAL	129,423,663		90,926,908
Technical College:			
Gateway	55,580,000	34.30 %	19,063,940
Special Districts:			
County Estates	243,279	100.00 %	243,279
Lake Beulah	150,000	100.00 %	150,000
Lake Como Sanitary	7,859,678	100.00 %	7,859,678
Lauderdale Lakes Lake Management	7,682	100.00 %	7,682
Lyons Sanitary	2,272,257	100.00 %	2,272,257
WALCOMET	29,663,908	100.00 %	29,663,908
SPECIAL DISTRICT TOTAL	40,196,804		40,196,804
Subtotal of Direct Debt	25,415,000		25,415,000
Subtotal of Overlapping Debt	389,470,249		263,531,277
TOTAL DEBT APPLICABLE TO WALWORTH COUNTY	\$ 414,885,249		\$ 288,946,277

The percentage of applicable net general obligation bonded debt outstanding is based on the portion of equalized values of the jurisdiction located within Walworth County.

Source: Robert W. Baird & Company

TABLE 15
WALWORTH COUNTY, WISCONSIN
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	Population ^(a)	Personal Income ^(b) <i>thousands of dollars</i>	Per Capita Personal Income	School Enrollment ^(c)	Annual Unemployment Rate ^(d)	Total Residential Housing Units ^(a)
2004	97,052	\$ 2,992,343	\$ 30,832	17,010	4.4 %	47,479
2005	98,496	\$ 3,104,530	\$ 31,519	17,699	4.2 %	48,575
2006	99,761	\$ 3,289,928	\$ 32,978	17,710	4.3 %	49,560
2007	100,672	\$ 3,435,249	\$ 34,123	17,868	4.5 %	50,174
2008	101,315	\$ 3,513,025	\$ 34,674	17,819	4.7 %	50,666
2009	101,808	\$ 3,454,982	\$ 33,936	17,736	9.2 %	50,958
2010	102,228	\$ 3,512,003	\$ 34,355	17,651	8.8 %	51,531
2011	102,485	\$ 3,703,427	\$ 36,136	17,758	7.9 %	51,601
2012	102,530	\$ 3,836,666	\$ 37,420	17,551	6.9 %	51,664
2013	102,579	N/A	N/A	17,484	7.0 %	51,770

Source:

- (a) Wisconsin Department of Administration, Demographic Services Center
- (b) Wisconsin Department of Workforce Development, March 25, 2014 data
- (c) Wisconsin Department of Public Instruction - public and private enrollment
- (d) US Department of Labor, Bureau of Labor Statistics

N/A - Information is not yet available

TABLE 17
WALWORTH COUNTY, WISCONSIN
 Full-time Equivalent County Government Employees by Function/Department
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
County Board	-	0.50	0.50	0.50	0.75	0.75	0.50	0.50	0.50	0.50
County Clerk	4.00	4.00	4.20	4.20	4.20	4.00	4.00	4.00	4.00	4.00
Administration	18.50	15.00	15.00	10.50	10.50	12.50	11.50	11.50	11.50	11.50
Finance	12.00	16.00	16.00	14.00	14.00	14.50	14.50	14.50	14.50	14.50
Treasurer	4.99	4.99	4.99	5.99	5.88	4.88	4.93	5.33	5.33	6.33
Coroner	1.32	1.32	1.44	1.44	1.44	0.77	0.77	0.77	0.77	0.77
Clerk of Courts	29.49	30.30	30.30	29.86	29.61	29.61	29.61	29.61	29.61	29.61
District Attorney	11.55	11.55	11.55	11.55	11.50	11.50	11.50	11.50	11.50	11.50
Register of Deeds	6.50	6.50	8.00	8.00	8.00	8.00	7.00	7.00	6.50	6.50
Information Systems	17.00	17.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00	13.50
	<u>105.35</u>	<u>107.16</u>	<u>105.98</u>	<u>99.04</u>	<u>98.88</u>	<u>99.51</u>	<u>97.31</u>	<u>97.71</u>	<u>97.21</u>	<u>98.71</u>
Public Safety										
Sheriff	222.69	225.93	224.92	221.40	220.40	213.90	214.90	214.90	212.90	204.60
	<u>222.69</u>	<u>225.93</u>	<u>224.92</u>	<u>221.40</u>	<u>220.40</u>	<u>213.90</u>	<u>214.90</u>	<u>214.90</u>	<u>212.90</u>	<u>204.60</u>
Health and Human Services										
Health and Human Services	158.21	158.34	156.32	162.12	162.62	166.12	164.63	163.74	161.74	166.66
Veterans	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	<u>160.21</u>	<u>160.34</u>	<u>158.32</u>	<u>164.12</u>	<u>164.62</u>	<u>168.12</u>	<u>166.63</u>	<u>165.74</u>	<u>163.74</u>	<u>168.66</u>
Culture, Recreation, and Education										
UW Extension	3.00	3.00	3.00	3.00	2.75	2.75	4.00	3.00	2.00	2.00
Children with Disabilities Education Board	183.16	188.89	196.90	180.72	167.51	149.05	134.64	118.22	113.72	108.22
	<u>186.16</u>	<u>191.89</u>	<u>199.90</u>	<u>183.72</u>	<u>170.26</u>	<u>151.80</u>	<u>138.64</u>	<u>121.22</u>	<u>115.72</u>	<u>110.22</u>

(Continued)

TABLE 18
WALWORTH COUNTY, WISCONSIN
 Operating Indicators by Function/Department
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Register of deeds										
Real estate documents processed	38,136	36,987	32,937	29,225	25,513	28,078	26,146	23,170	24,764	23,813
Birth records processed**	1,447	1,548	1,646	1,649	161,668	1,613	1,544	N/A	N/A	N/A
Death records processed	911	925	897	851	860	892	883	958	898	1,038
Marriage records processed	793	825	841	811	809	745	826	856	844	819
Domestic partnership declarations recorded	N/A	N/A	N/A	N/A	N/A	11	0	6	0	3
Vital Record copies issued	N/A	11,230	11,890	11,774	11,829	11,909	11,725	12,026	12,169	14,101
County Clerk										
Marriage licenses issued	714	788	755	739	745	693	748	758	769	759
Domestic Partnership declarations issued	N/A	N/A	N/A	N/A	N/A	12	0	6	1	3
Single dog tags issued	4,917	4,962	5,085	5,065	5,038	4,803	4,759	4,724	4,626	4,435
Multiple dog tags (12 each) issued	10	8	6	6	12	7	9	9	8	9
Single multiple dog tags issued	33	17	19	13	13	11	15	4	5	10
Clerk of courts										
Case filings	24,758	22,492	22,458	17,971	19,058	21,742	25,313	51,634	25,460	23,070
District Attorney										
Felony cases	593	691	642	551	566	515	510	565	572	584
Misdemeanor cases	653	764	820	777	756	701	620	617	619	522
Juvenile delinquency cases	134	120	157	94	124	85	116	79	99	77
Criminal traffic cases	1,067	1,080	1,131	1,028	1,124	1,011	1,042	945	940	442
Victim/witness contacts	1,185	1,270	1,698	1,505	1,097	1,575	1,498	1,276	1,499	1,627
Coroner										
Death investigations	644	868	887	891	879	1,014	1,016	1,122	1,102	1,343
Autopsies performed	76	106	75	88	86	101	82	105	82	89
Cremation permit issues	303	333	345	318	337	386	391	421	408	523
Treasurer										
Tax parcels	60,545	61,250	62,312	63,764	64,945	68,760	69,037	69,038	69,033	68,991
Information Technology										
Help desk requests received	3,265	6,985	6,969	5,488	6,243	6,447	5,614	6,229	5,966	5,731
Public Safety										
Traffic citations	4,545	3,649	5,035	3,605	3,370	3,697	3,456	4,083	4,685	3,059
Ordinances citations	1,862	1,029	1,322	1,093	1,025	1,461	917	648	852	618
Traffic accidents reported	811	833	704	783	801	506	537	733	701	609
Jail admissions	5,319	5,759	5,662	5,578	5,719	5,296	4,999	4,763	3,868	3,595
Average daily population - jail	146	163	163	170	176	188	175	145	169	165
Average daily population - huber	160	178	181	181	208	204	179	169	99	60
Average daily population - electronic monitoring	N/A	N/A	5	11	19	20	12	14	45	72

(Continued)

TABLE 18
WALWORTH COUNTY, WISCONSIN
 Operating Indicators by Function/Department (concluded)
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Health and human services										
Veterans office										
Phone/e-mail inquiries	8,175	8,369	9,205	9,311	10,293	11,354	7,181	6,998	6,252	7,056
Office visits	3,940	4,020	4,438	4,824	5,116	5,322	1,828	2,124	2,146	2,105
New clients	N/A	N/A	N/A	N/A	139	150	140	132	141	177
VA compensation/pension claims filed	N/A	237	262	243	246	240	262	287	292	273
VA health care applications filed	N/A	90	101	93	34	129	112	108	102	113
Culture, recreation, and education										
School										
Students (onsite)	240	258	270	251	231	219	209	208	226	229
Students (outlying districts)	1,714	1,785	1,786	943	779	679	581	511	416	383
Parks										
Trail: Yearly passes sold	559	703	750	754	619	684	761	684	753	689
Trail: Daily passes sold	545	1,187	1,614	1,344	1,732	1,581	1,738	1,950	2,085	1,944
Conservation and Development										
Land Use and Resource Management										
Zoning permits issued	1,471	1,352	1,141	1,016	804	706	595	670	725	596
Sanitation permits issued	536	458	348	292	203	195	173	151	98	162
Certified survey mas reviewed	103	107	83	45	48	28	22	35	26	28
Seperation of farm structures from farmland	19	14	20	15	9	9	7	14	12	15
Lot line/parcel split reviews	59	75	78	70	65	52	41	42	45	36
Highway/facilities administration										
Hazardous waste collected-agricultural (lbs)	N/A	14,812	N/A	3,411	N/A	N/A	14,173	N/A	N/A	1,587
Hazardous waste collected-household (lbs)	35,151	26,512	28,531	25,927	28,153	34,877	31,312	36,403	34,113	36,061
Hazardous waste collected-computer equip (lbs)	29,178	38,346	55,727	62,304	80,286	57,711	8,063*	11,805*	5,523*	16,627
State lane miles maintained	N/A	656	689	689	689	694	694	698	699	699
County lane miles maintained	405	405	405	405	406	405	405	405	405	405
Nursing Home										
Licensed beds	235	235	120	120	120	120	120	120	120	120
Payor mix:										
Medicaid	87.94	89.69	87.91	83.37	76.75	71.85	74.79	70.17	71.04	65.88
Private pay	10.10	8.35	7.92	10.90	16.15	19.93	17.40	22.02	19.99	21.74
Medicare	1.38	1.57	4.17	5.73	7.10	8.22	7.81	7.81	8.97	12.38
Hospice	0.58	0.39	0.02	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Statistics obtained from departments.

N/A = not readily available

* Represents county owned equipment only, as no computer roundup held for County residents in 2011.

** State of Wisconsin Vital Records office eliminated filing birth records with Register of Deeds starting in 2012.

TABLE 19
WALWORTH COUNTY, WISCONSIN
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Information Technology										
Desktop systems	N/A	N/A	720	755	769	801	867	829	817	801
Computer servers	N/A	N/A	23	27	36	40	49	52	56	62
Multi-user applications	N/A	N/A	N/A	N/A	95	99	112	121	122	129
Public Safety										
Vehicles insured	74	61	57	51	54	54	57	55	56	56
Boats/trailers/ATV/snowmobiles	N/A	N/A	N/A	N/A	12	12	12	15	12	13
Culture, recreation, and education										
Acreage (park)	237	237	237	237	237	237	237	237	237	237
Highway/facilities administration										
County lane miles	405	405	405	405	406	405	405	405	405	405
County bridges	26	26	26	26	26	26	26	26	26	26
Vehicles insured	85	86	94	125	124	123	95	92	92	91
County facility buildings (sq ft)	686,658	1,033,450	861,450	861,450	867,780	881,882	881,882	887,682	977,329	977,329

Source: Statistics obtained from departments.

N/A - information not available

Walworth County
Wisconsin

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