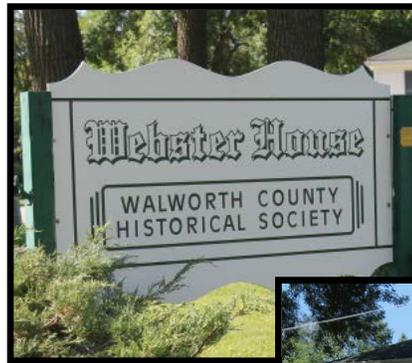


2014 Comprehensive Annual Financial Report

Including Independent Auditors' Report
for the Fiscal Year Ended December 31, 2014



*Blooming Prairie
School House*



*Doris M. Reinke
Resource Center*



General John W. Boyd's Carriage



*Doris M. Reinke, President
Walworth County Historical Society*

The Walworth County Historical Society, headquartered on Rockwell Street in Elkhorn, Wisconsin, consists of the Webster House Museum, Doris M. Reinke Resource Center, General Boyd Carriage Barn and Heritage Hall. Two additional buildings, the Old Sharon Town Hall and the 1889 Blooming Prairie School House, are located on the Walworth County Fairgrounds.



Webster House Museum

The Society's mission is to acquire, conserve, investigate and interpret specimens and collections relating to the natural, artistic and cultural heritage of Walworth County and southeastern Wisconsin. The Society's officers and many volunteers, led by the current president, Doris Reinke, are enthusiastic about their work and well informed about the County's history.

A visit to the Webster House Museum provides a new appreciation of days gone by, and how our forefathers built things to last. Records that are only available in print can lead to background that cannot be found with the click of a mouse. Organizations such as the Walworth County Historical Society ensure that records and collections are well maintained and accessible. With today's reliance on cell phones, the Internet and other electronic media, it is easy to forget how informative –

and fascinating – a peek into our history can be. Reinke and her fellow Historical Society members and volunteers stand ready to bring that history alive for all of us.

Originally, members of the Old Settlers Association met at the county fairgrounds for activities. In 1904, this group became the Walworth County Historical Society. Members of the Elkhorn Historical Club also played a key role in preserving our County's history. Miss Reinke explained that the Club was formed in 1893. It was comprised of 25 women from Elkhorn who met in their homes. Membership was by invitation only, and Reinke was delighted when an opening occurred and an invitation was extended to her. In 1955, Walworth County purchased Joseph P. Webster's family home and leased it to the Historical Society for \$1 per year. The home was opened as a museum in 1956. The Club and the Historical Society worked together to maintain the museum, until the Club disbanded in 1993. The Historical Society then became the sole custodian of the museum and its collections.



A replica of Westgate, a 1917 country home on Geneva Lake.



A child's room in the Webster House Museum.

The Doris M. Reinke Resource Center opened in 2003. The Center houses a vast array of historical materials ranging from issues of the *Elkhorn Independent* dating back to 1856, abstracts, church records, surveyor's books, cemetery indexes and an 1857 map of the County, to name just a few.

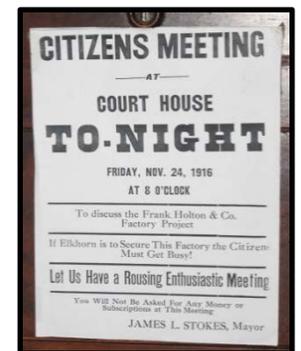
The Center is hands-on but volunteers are always available to provide guidance to researchers.

An 1850's hand-hewn oak beam barn was moved to the museum grounds in 1998. Although a few square nails were used when the barn was originally built, most parts were joined using wooden pegs. The barn was dismantled, all of the parts numbered, and then reassembled on site. The barn now houses the carriage used by General John W. Boyd when he moved to Wisconsin in 1844. The General was active with community and State concerns and helped write the State Constitution.

The Old Sharon Town Hall is now located on the Walworth County Fairgrounds. Historical Society members and volunteers staff this building during the annual County Fair to provide visitors with insight into the election process. The Blooming Prairie School House is also located on the fairgrounds. The Historical Society holds regular school classes in the building in the spring and fall. Reinke commented that over 400 students attend these programs. They study Wisconsin history in the morning at the schoolhouse, enjoy a picnic lunch, and then tour the Webster House Museum in the afternoon. Reinke recalls a student who attended one of the spring tours. When his family later visited the museum on their own, the young man enjoyed explaining what he had learned about the exhibits during his school trip.

The Historical Society's most recent acquisition was Heritage Hall, formerly the Betts Funeral Home, purchased in 2012 with the aid of a loan from Walworth County. The main office, gift shop, and some collections, are housed in this building. They began holding programs in the Hall in September, 2013. The Walworth County Historical Society has much to offer regarding days gone by, whether you are interested in viewing their collections, learning about the County's history, or beginning your own particular research project.

*In memory of Walworth County Board Supervisor Tim Schiefelbein, 1958-2013.
He served with the Sheriff's Office for 29 years before retiring, then returned in 2012 to serve the residents of Walworth County as a County Board Supervisor.*



A 1916 meeting flyer



Miss Reinke conducts a tour of the Webster House Museum.

**WALWORTH COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014**

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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May 29, 2015

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, 2014. 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.

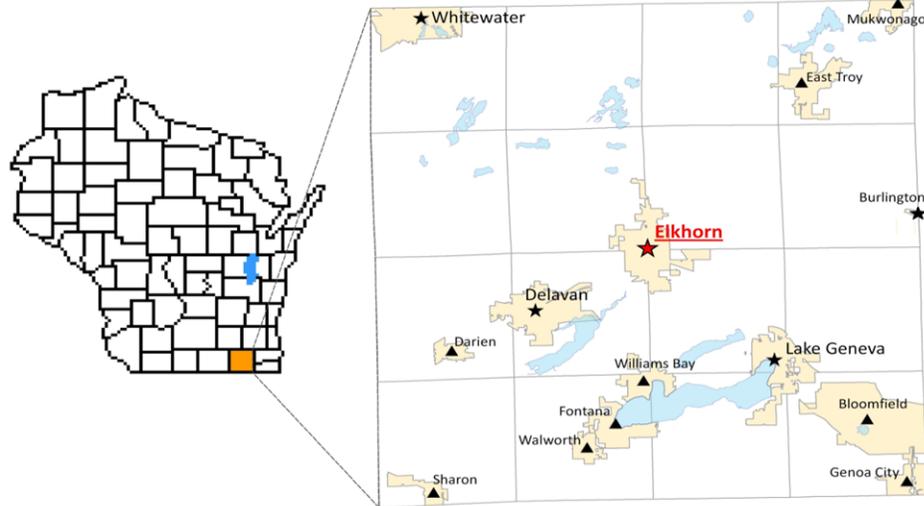
County policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 as amended, 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, 2014 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, 2014 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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ELKHORN, WI 53121
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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.

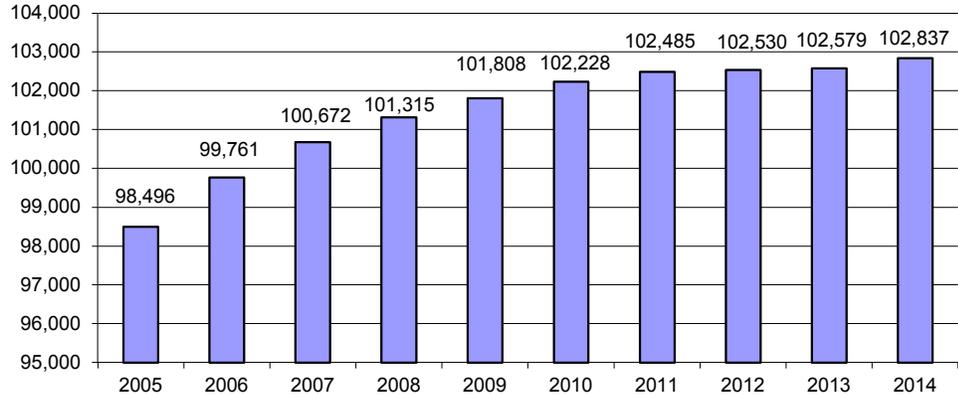
The County maintains budget controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Walworth County Board of Supervisors. All County departments are required to submit their annual budget requests for the ensuing year to the County Administrator 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 102,837, adding 4,341 new residents since 2005, representing a growth rate of 4.4%. The next graph demonstrates the gradual but steady increase in population for the past 10 years.

**Walworth County Population
2005 to 2014**

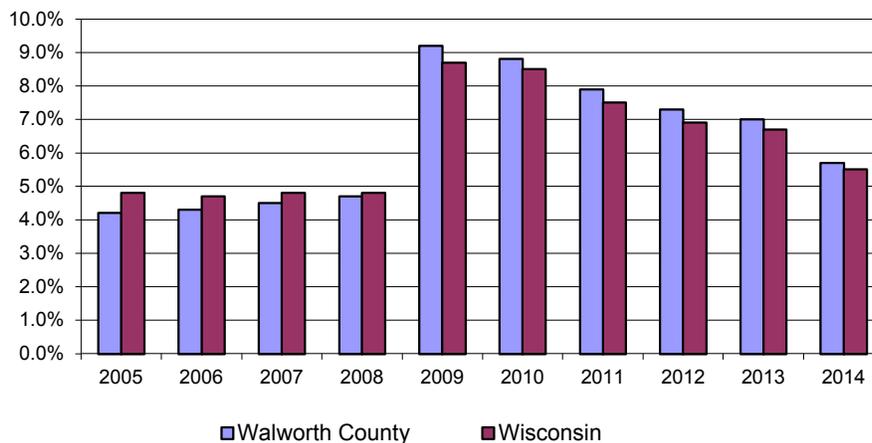


Source: Wisconsin Department of Administration, Demographic Services Center and US Census Bureau

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, 2014 of 12,159 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 2014, the annualized unemployment rate for the County was 5.6% compared to the statewide rate of 5.5%. 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
2005 to 2014**



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 2013 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 2013 was \$455.6 million, an increase of 5% from 2012, based upon the economic impact report by the Wisconsin Department of Tourism. The table below outlines the County's top employing industries.

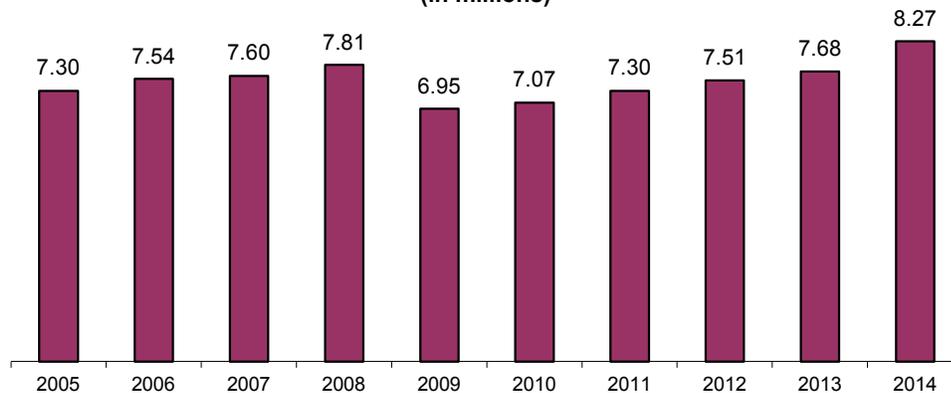
**Top 5 Industries in Walworth County
2014 Third Quarter**

<u>Industry</u>	<u>Employees</u>
Manufacturing	8,962
Leisure and Hospitality	7,977
Education and Health Services	7,225
Trade, Transportation, Utilities	6,971
Professional and Business Services	2,743

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 prior to that had occurred in 2008 at \$7.8 million. 2014 brings an all new peak in its sales tax revenue with \$8.3 million.

**Walworth County Sales Tax Revenue
2005 to 2014
(in millions)**



LONG-TERM FINANCIAL PLANNING

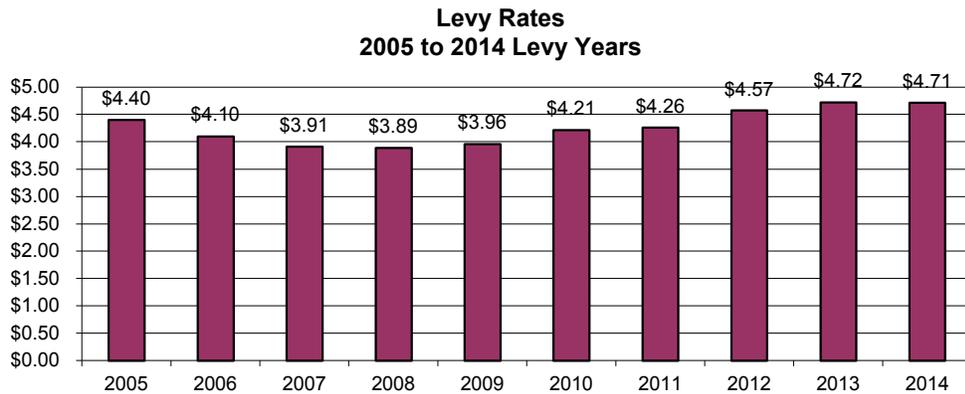
Flexibility under State Levy Caps

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 2015 budget cycle, the levy limit continues to require 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 2014 and 2015 budgets. The 0% levy limit is expected to be in effect for the 2016 budget cycle, and the County expects to meet the established requirements.

Each of the last four years, the County has experienced reductions in its tax base value, however in 2014, the County saw its first small increase of 0.67% in its tax base value. During the years of loss in value, the County, despite holding the total tax levy amount needed to balance the budget, saw increases in the County's tax levy rate. For 2014, the County was able to see a one cent decrease in its 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 2014-15 school year, the County has transferred a total of 87.35 FTEs to district responsibility. As part of the Transfer of Service agreement with the individual school districts, 8.0 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
2014	5.50			5.50
Totals	58.46	27.89	1.0	87.35

Technology

The County strives to utilize technology that will best serve its citizens. The County Board and Committee meetings are viewed through streaming video on the Internet, either live or in archived form. In addition, the County is currently in the process of implementing County-wide desktop visualization which will centralize applications on the County servers, thus reducing labor costs, personal computer hardware costs and providing a secure environment for remote computing. Implementation of new Land Use and Resource Management software began at end of 2014 with completion in 2015. Citizen service modules will allow greater on-line access to information for the general public. A significant investment in 2015 will be a project to automate and replace the aged systems that track and monitor Highway and Facilities processes and inventory. Some of the automation will include tablets in the trucks so that personnel can access the system while on the road for instant access to the records system.

A major upgrade is underway to enhance the GIS system. A flyover of the County is taking place to update the resolution of the mapping system from 12 inches to 6 inches giving a much higher and accurate resolution.

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, 2014, the unassigned fund balance is 29%, providing excess available funds in the amount of approximately \$7.5 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, 2014 for all other funds with minimums defined in the County ordinance.

<u>Fund</u>	<u>Definition of Minimums</u>	<u>2014 Top of Min. Range</u>	<u>Actual</u>	<u>Available</u>
Children with Disabilities Ed Bd	15-20% revenues less property tax & transfers	\$ 1,236,207	\$ 2,593,048	\$ 1,356,841
Public Works**	15-20% expenses less transfers	\$ 1,740,293	\$ 1,740,293*	\$ -
Lakeland Health Care Center	15-20% expenses less transfers	\$ 2,336,009	\$ 4,332,792*	\$ 1,996,783
Health Insurance	Average 3-4 months of claims	\$ 4,386,168	\$14,913,093	\$10,526,925
Dental Insurance	Average 3-4 months of claims	\$ 253,161	\$ 634,982	\$ 381,821
Workers Compensation	Average 3-4 months of claims	\$ 226,502	\$ 350,971*	\$ 124,469
Risk Management	\$4,000,000	\$ 4,000,000	\$4,310,364*	\$ 310,364

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

** Public Works has designated all available funds (\$749,343) for future road contingencies.

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 payment in 2006 to an anticipated \$2.9 million debt service payment in 2015.

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	570,000	47,770
		<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 de-

ductible plan. The high deductible plan has 22% of enrolled employees selecting this new health plan option for the year beginning January, 2015.

As a result of management initiatives and member usage, the fund ended 2014 with an increase to its reserves for its seventh straight year and has an ending balance equivalent to more than one year of claims. The improved status of the Health Insurance fund has resulted in no premium rate increases for the last 5 years.

Wage Adjustments

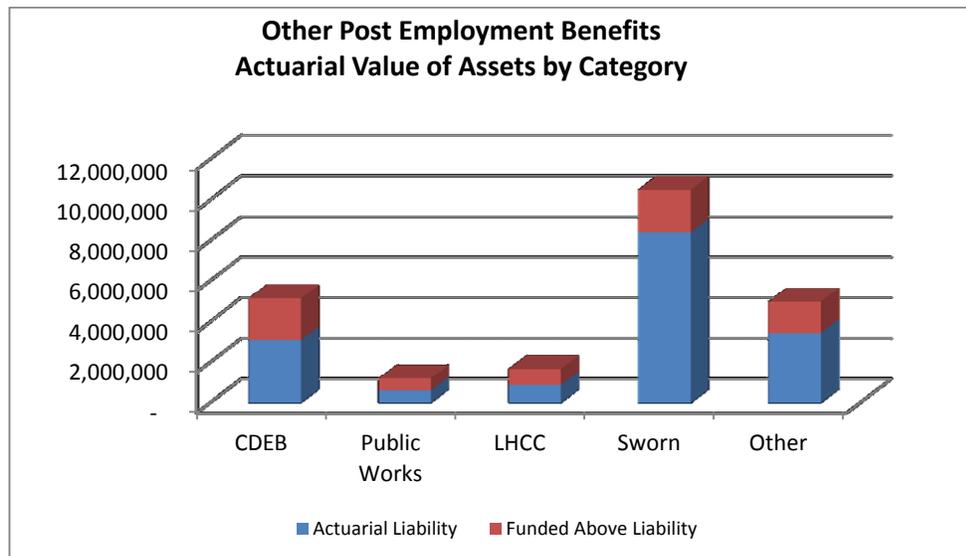
Changes to Wisconsin governments' collective bargaining unit rights have allowed the County human resources department to complete an analysis of all hourly employee base wage rates, other than sworn deputies, to establish market rates. Rates and pay plans have been adjusted to step at a slower pace, 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, 2014, the County has available assets of \$23,476,445. 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 ten years remaining in the amortization schedule.



FINANCIAL POLICIES

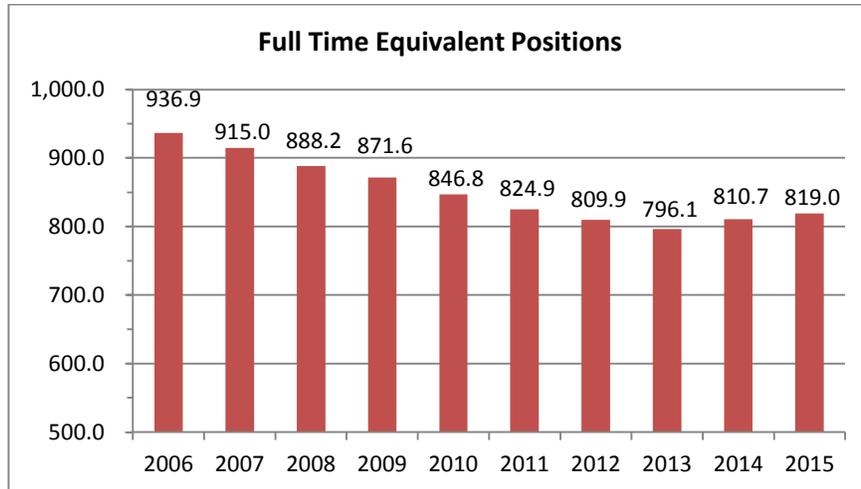
The County continues to follow all accounting requirements issued by the Governmental Accounting Standards Board. Management continues to expand and develop internal administrative procedures that support and uphold both County Board approved and externally required financial policies.

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 \$6.5 million during 2014. The largest committed addition during 2014 was \$3.2 million for future buildings and equipment purchases. 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 2006, budgeted full-time equivalent (FTE) positions have been reduced from 936.9 to 819.0 positions, effective with the 2015 budget. This is a net reduction of 117.9 FTEs. The following chart shows total FTEs for the last 10 years. After twelve years of downsizing, the County has added staff in 2014 and 2015. 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 2014 include the following:

- Committed \$280,000 in working capital and equipment financing to three businesses in Walworth County between October 2012 and May 2015;
- 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;
- Established the East Troy Community Development Alliance during 2014, 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. Business Procurement Assistance Center Online Education;
 - c. Service Corp of Retired Executives (SCORE) business counseling;
 - d. Supply Chain Management (APICS);
 - e. Entrepreneurship Excellence;
 - f. Manufacturing Job Fair;
 - g. Student manufacturing tours;
- Worked with over ten different businesses looking to relocate or establish a presence in Walworth County in 2014;
- 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, 2013. This was the twelfth 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, 2015. 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 tenth 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 2014. This is the fifth 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 2014, the County logged 11 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

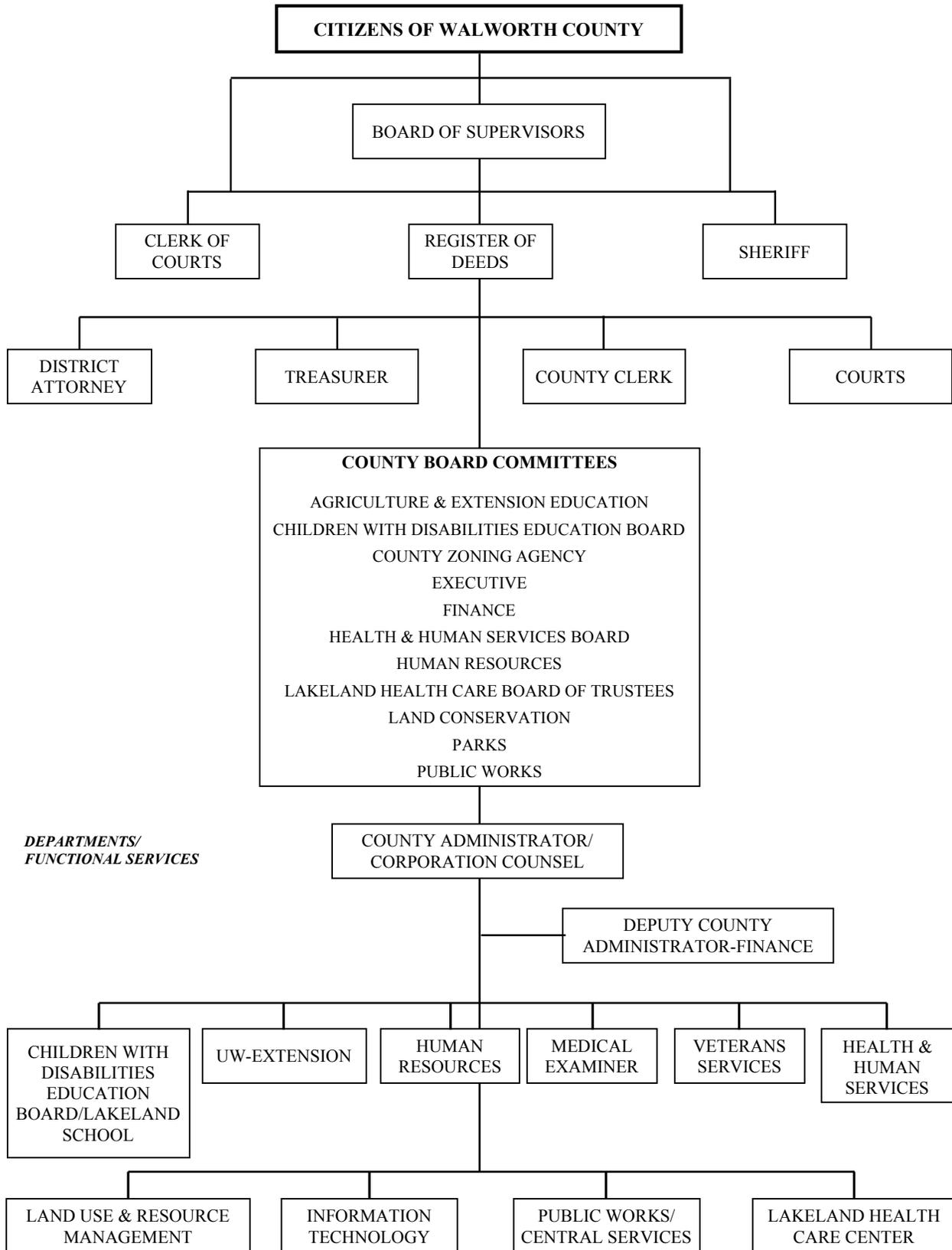
**Walworth County
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

WALWORTH COUNTY ORGANIZATION STRUCTURE



WALWORTH COUNTY, WISCONSIN
LIST OF PRINCIPAL OFFICIALS
As of December 31, 2014

ELECTED OFFICIALS

<u>Office</u>	.....	<u>Name</u>
County Clerk	.....	Kimberly Bushey
Clerk of Courts	.....	Sheila Reiff
Coroner	.....	Ronald Person (appointed)
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	.....	Paul Yvarra
5	.....	Charlene Staples
6	.....	Kathy Ingersoll
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, 2014, 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, 2014 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and schedule of employer contributions 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.

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.

To the Board of County Supervisors
Walworth County, Wisconsin

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.

A handwritten signature in black ink that reads "Baker Tilly Virchow Krause, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
May 29, 2015

Walworth County
Wisconsin

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**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

Walworth County
Wisconsin

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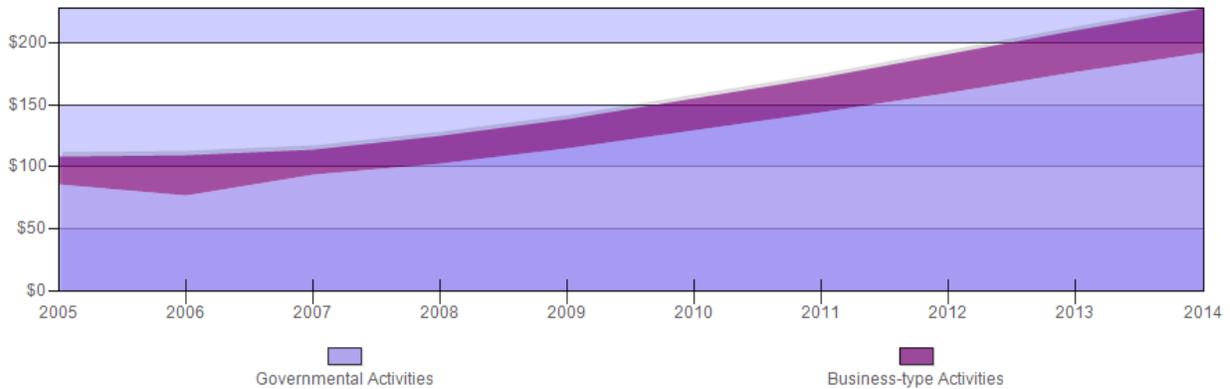
WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2014

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, 2014. 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, 2014 by \$229.1 million (*net position*), \$191.6 million in governmental activities and \$37.5 million in business-type activities. Of this amount, \$118.0 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 \$18.9 million. Governmental activities increased net position by \$14.7 million; business-type activities increased net position by \$4.2 million. This chart shows the history of net position increasing over the last 10 years.

Net Position



- As of December 31, 2014, the County's governmental funds reported combined ending fund balances of \$78.0 million. Approximately 31% of this total amount, \$24.4 million, is available for spending at the County's discretion (*unassigned fund balance*).
- The average mill rate decreased 0.21% to 4.71 per \$1,000 of property value for the year ended December 31, 2014. The following graph depicts the history of the average mill rate over the last 10 years. The total tax levy has a 0.45% change for the 2014 tax levy appropriated for the 2015 budget.

Average Mill Rate



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2014

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 services.

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, 2014

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. 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 and internal service funds are presented immediately following the required supplementary information. Combining

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2014

and individual fund statements and schedules can be found on pages 107 - 133. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 137 - 139.

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 \$229,093,649 at the close of 2014.

Walworth County's Net Position
(In thousands)

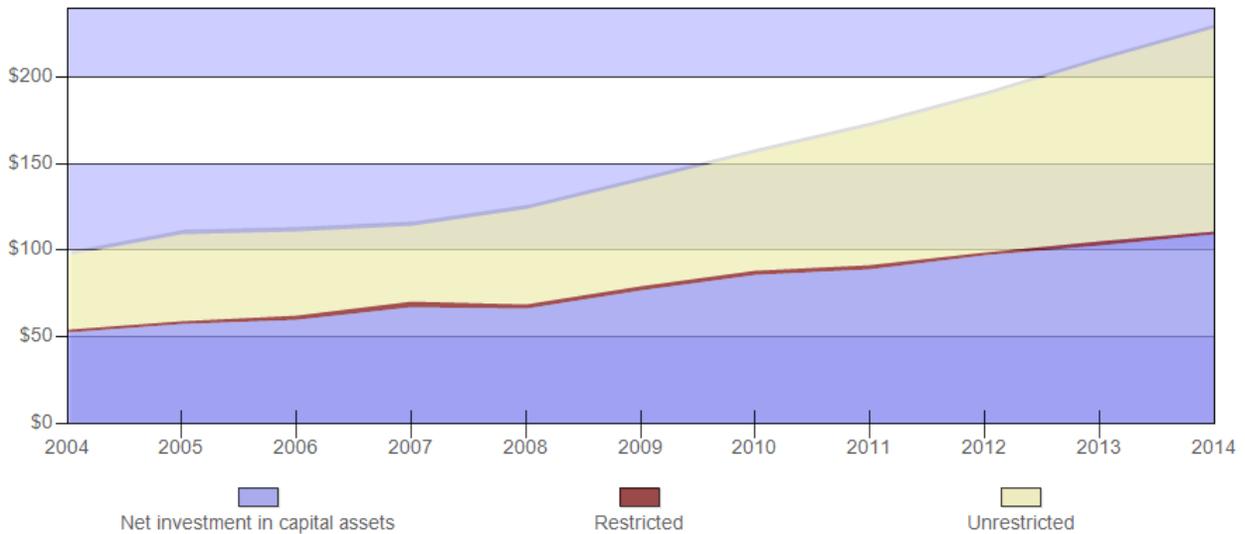
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current assets	\$ 166,718	\$ 155,528	\$ 24,560	\$ 20,321	\$ 191,278	\$ 175,849
Capital assets	109,463	106,680	22,144	21,658	131,607	128,338
Other noncurrent assets	9,184	8,803	763	725	9,947	9,528
Total assets	<u>285,365</u>	<u>271,011</u>	<u>47,467</u>	<u>42,704</u>	<u>332,832</u>	<u>313,715</u>
Current liabilities	15,015	13,044	1,772	881	16,787	13,925
Noncurrent liabilities	24,964	27,852	834	897	25,798	28,749
Total liabilities	<u>39,979</u>	<u>40,896</u>	<u>2,606</u>	<u>1,778</u>	<u>42,585</u>	<u>42,674</u>
Deferred inflows of resources	<u>53,763</u>	<u>53,165</u>	<u>7,390</u>	<u>7,712</u>	<u>61,153</u>	<u>60,877</u>
Net position						
Net investment in capital assets	86,848	81,206	22,144	21,658	108,992	102,864
Restricted	1,985	2,208	150	167	2,135	2,375
Unrestricted	102,790	93,536	15,177	11,389	117,967	104,925
Total net position	<u>\$ 191,623</u>	<u>\$ 176,950</u>	<u>\$ 37,471</u>	<u>\$ 33,214</u>	<u>\$ 229,094</u>	<u>\$ 210,164</u>

WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2014

A large portion of the County's net position (47.6%) 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 (0.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted* net position (\$117,967,383) 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 \$120,537,163 and total expenses of \$101,607,293, resulting in an increase in net position of \$18,929,870 (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, 2014

Walworth County's Change in Net Position

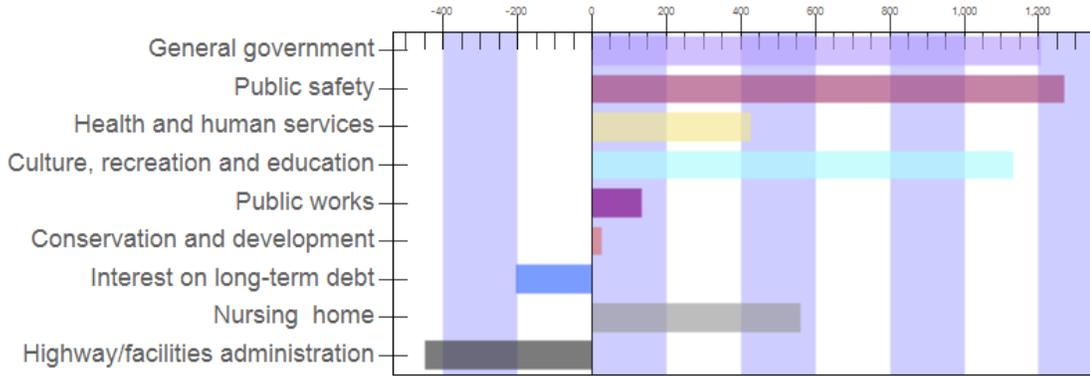
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 9,116	\$ 8,684	\$ 13,986	\$ 13,918	\$ 23,102	\$ 22,602
Operating grants and contributions	20,208	19,794	3,102	3,088	23,310	22,882
Capital grants and contributions	1,267	443	-	-	1,267	443
General revenues:						
Property tax	55,489	55,565	7,572	7,214	63,061	62,779
Other taxes	8,361	7,750	-	-	8,361	7,750
Grants and contributions not restricted to specific programs	344	329	-	-	344	329
Other	983	271	109	49	1,092	320
Total revenues	<u>95,768</u>	<u>92,836</u>	<u>24,769</u>	<u>24,269</u>	<u>120,537</u>	<u>117,105</u>
Expenses:						
General government	16,554	15,350	-	-	16,554	15,350
Public safety	24,280	23,010	-	-	24,280	23,010
Health and human services	24,105	23,679	-	-	24,105	23,679
Culture, recreation and education	11,066	9,933	-	-	11,066	9,933
Public works	2,102	1,968	-	-	2,102	1,968
Conservation and development	2,171	2,145	-	-	2,171	2,145
Interest on long-term debt	832	1,037	-	-	832	1,037
Nursing home	-	-	11,842	11,282	11,842	11,282
Highway/facilities administration	-	-	8,655	9,105	8,655	9,105
Total expenses	<u>81,110</u>	<u>77,122</u>	<u>20,497</u>	<u>20,387</u>	<u>101,607</u>	<u>97,509</u>
Increase in net position before transfers	14,658	15,714	4,272	3,882	18,930	19,596
Transfers	15	1,314	(15)	(1,314)	-	-
Increase in net position	<u>14,673</u>	<u>17,028</u>	<u>4,257</u>	<u>2,568</u>	<u>18,930</u>	<u>19,596</u>
Net position - January 1	<u>176,950</u>	<u>159,922</u>	<u>33,214</u>	<u>30,646</u>	<u>210,164</u>	<u>190,568</u>
Net position - December 31	<u>\$ 191,623</u>	<u>\$ 176,950</u>	<u>\$ 37,471</u>	<u>\$ 33,214</u>	<u>\$ 229,094</u>	<u>\$ 210,164</u>

WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2014

Dollar Change in Functional Expenses between 2013 and 2014

Thousands



Explanation of Functional Changes.

Major functional changes include the public safety transfer of confiscated funds to an agency fund for the confiscated fees controlled by the drug enforcement agency of \$338,000. The change in culture, recreation and education expenses is due primarily to elimination of the internal service fund activity. The decrease in highway/facilities administration is due primarily to an decrease in winter road maintenance costs. The addition of new positions, filling vacant positions and an office area renovation have occurred in the human resources department creating an increase of \$700,000 from the prior year in the general government area.

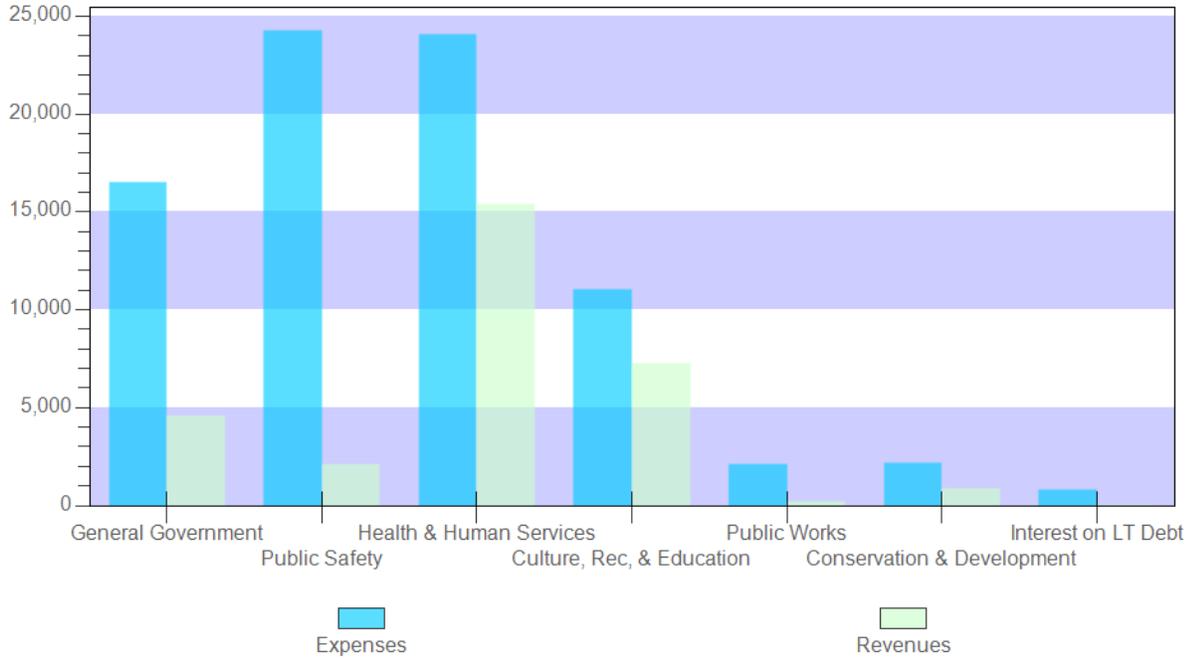
Governmental Activities. Governmental activities increased the County's net position by \$14,673,181, thereby accounting for 78% of the total growth in net position of the County. This growth is due to decreased expenses in comparison to expectations as well as increased revenues. Revenues including transfers for the County's governmental activities total \$95,783,665, with property taxes accounting for 57.9% of the total revenue, followed by operating grants and contributions at 21.1%. Expenses cover a range of services, with the majority in four areas: 29.9% for public safety, 29.7% for health and human services, 20.4% for general government, and 13.6% for culture, recreation and education.

Outstanding debt decreased by \$2.8 million. An increase in tax revenues of \$1.6 million resulted primarily from sales tax and delinquent interest and penalties. Capital assets increased by \$2.8 million.

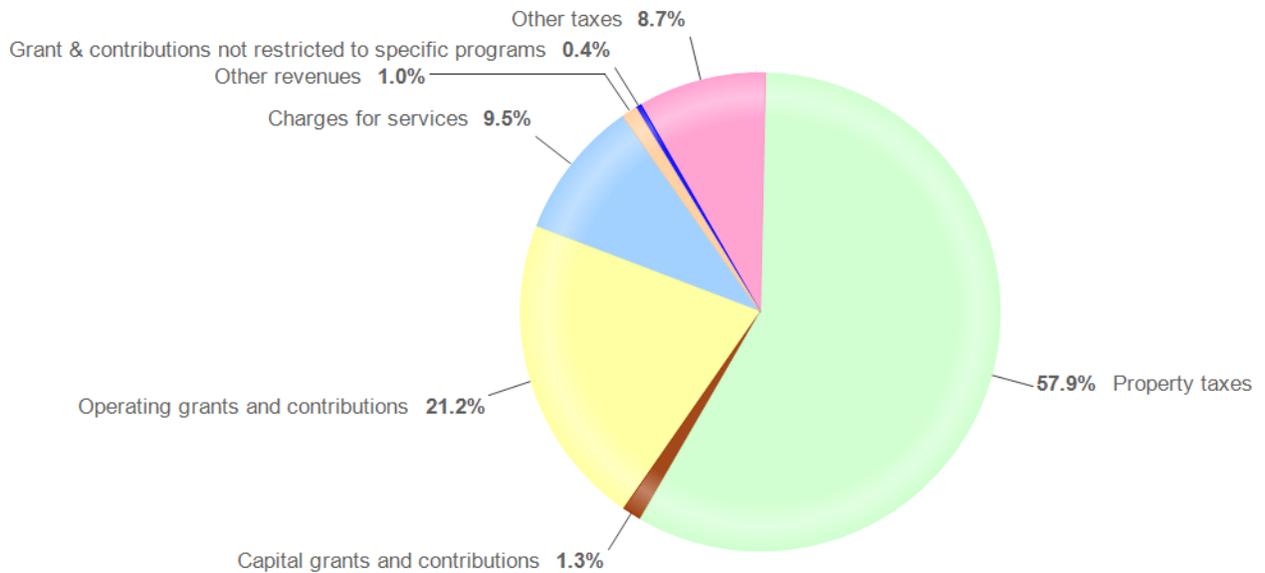
The graphs below compare (1) total governmental activity expenses to program revenue, which does not include general revenues of property and other taxes, or grants and contributions not related to specific programs, and (2) all revenue sources for governmental activities.

WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2014

Governmental Activities
(1) Expenses and Program Revenues
(In thousands)



Governmental Activities
(2) Revenues by Source

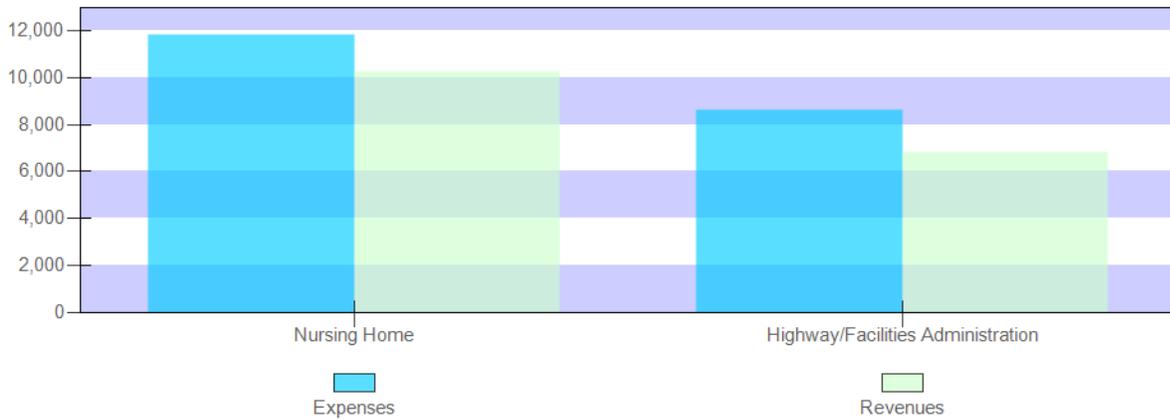


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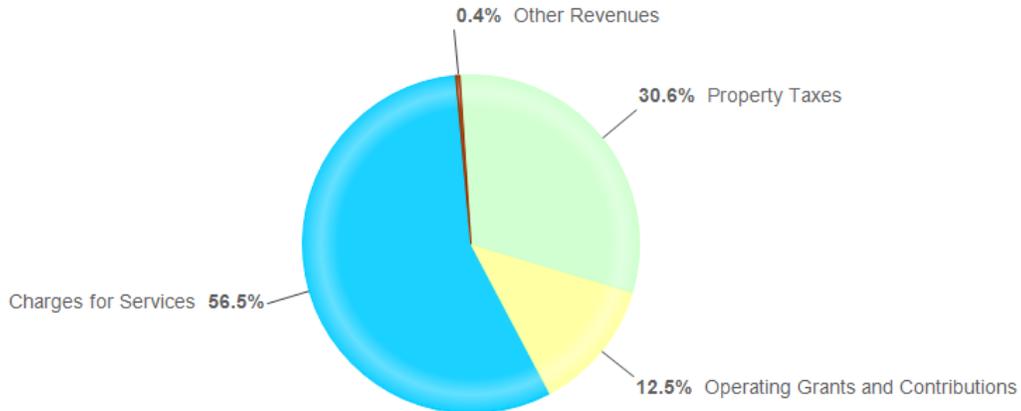
Business-type Activities. Business-type activities increased net position by \$4,256,689, thereby accounting for 22% of the total growth in net position of the County. This growth is due to decreased expenses in comparison to expectations as well as increased revenues. \$940,000 of wage and benefit savings resulted from position vacancies during 2014. Winter maintenance costs decreased from prior year due to less winter storm weather/maintenance needs with \$760,000 savings in sodium chloride needs from the prior year. The nursing home paid off \$744,490 of its advance from the General Fund. Capital assets increased by \$485,700 in total.

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
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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, 2014, the County's governmental funds reported combined ending fund balances of \$77,971,903, an increase of \$9,587,147 from the prior year. Approximately 31% of this amount (\$24,377,896) 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 (\$10,760,200), open projects carried forward into the next year (\$4,251,268), and non-specific Children with Disabilities Education Board purposes (\$2,593,048). 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 (\$10,365,300), future debt service payments (\$6,685,408), general donations (\$87,050), open encumbrances (\$926,333), carryforward projects (\$38,328), future investment market adjustments for potential short-term losses (\$1,007,170), future road construction (\$4,726,012), transfers to be made to the General fund (\$3,187,438), and for anticipated retirement severance payments (\$1,583,161). 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 (\$199,390), carryforward projects with restricted revenue funding (\$4,335), donations for school, sheriff, health and human services, and parks (\$387,153), encumbrances (\$47,074), land information projects (\$287,004), non-metallic mining fees collected and held by statute (\$304,422), redaction fees collected and held by statute (\$255,549), Sheriff confiscated fees and jail assessments collected and held by statute (\$492,340). 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 (\$1,371,673), delinquent taxes, not yet collected (\$3,263,739), and advances to other funds (\$770,612).

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 \$24,377,896, while total fund balance reached \$53,846,358. 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 57% of total General fund expenditures and transfers, while total fund balance represents 126% of that same amount.

The fund balance of the County's General fund increased by \$9,109,060. The fund was budgeted to increase by \$2,528,294. Many of the capital outlay expenditures and related grants have been carried forward into 2015. Lapsing individual General fund department savings of \$6,580,766 existed at year end. The largest excess revenue contributions were due to interest and penalties on delinquent taxes of \$532,000, and excess sales tax received of \$1,027,000. The largest expenditure savings was in wage and benefits due primarily to position vacancies and health insurance savings from staffing changes throughout the year. This resulted in a savings of \$1.5 million by the General fund. Additionally, \$564,724 of expected expenditure budget was encumbered into 2015 and \$1,153,746 was carried forward to 2015 for capital or grant related projects.

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.

WALWORTH COUNTY, WISCONSIN

Management's Discussion and Analysis

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The Health and Human Services special revenue fund has a total fund balance of \$4,009,939. Of this total, \$211,195 is restricted for donations, \$78,752 is restricted/committed for encumbrances, \$291,779 is nonspendable for inventory and prepaid expenses, and \$246,386 is committed/assigned to fund projects carried forward to future years. The fund balance increased by \$348,225, which is \$3,228,022 better than budgeted net change in fund balance due primarily to improved service and programs of \$1.3 million in professional services. \$989,000 was additional savings for position vacancies. Health and Human Services net change in fund balance will result in a 2015 transfer to the General fund in the amount of \$3,181,827 which has been committed in the fund balance.

The Children with Disabilities Education Board special revenue fund has a total fund balance of \$10,779,707. Of this fund balance, \$182,706 is nonspendable for inventory and prepaid expenses, \$85 is committed for encumbrances, \$1,000,000 is committed for building/equipment purchases, \$6,350,339 is committed for future debt service payments, \$280,420 is committed for anticipated retirement/severance payments, and \$231,289 is committed/restricted for donations. The fund balance increased by \$1,252,595 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.

The Debt Service fund has a total fund balance of \$335,069, which is committed to future debt service payments. The fund balance decrease of \$373,475 was due primarily to a planned use of debt service committed funds as part of the County's original budget. It is anticipated that debt service payments will be lower in the next couple of years.

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 \$6,615,828. The total growth in net position was \$2,421,837.

Unrestricted net position of the Public Works fund at the end of the year amounted to \$5,833,085. The total growth in net position was \$1,925,761.

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

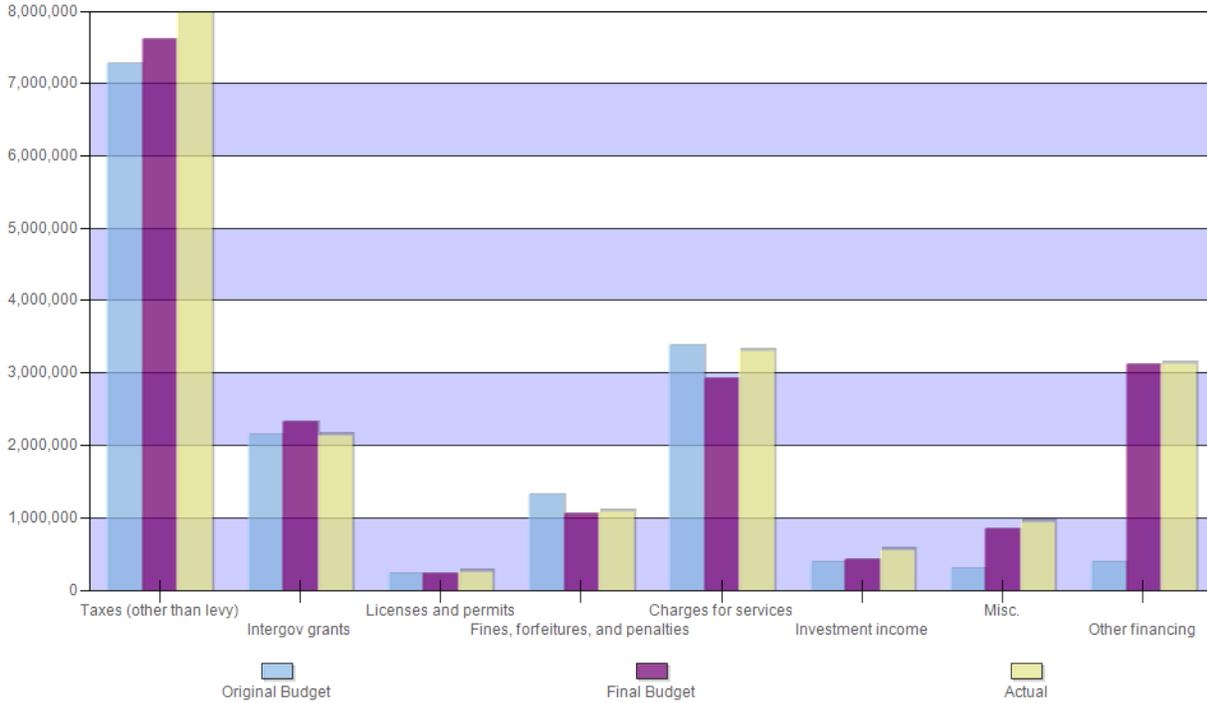
General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in a decrease of \$3,465,844 in appropriations; the major change in fund balance additions during the year included a transfer from health and human services for 2013 net income of \$2,846,560. 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 \$2,575,445. The largest increase in revenues compared to budget of \$2,170,194 is in tax revenue primarily due to excess interest and penalties on delinquent taxes and excess sales tax collections.

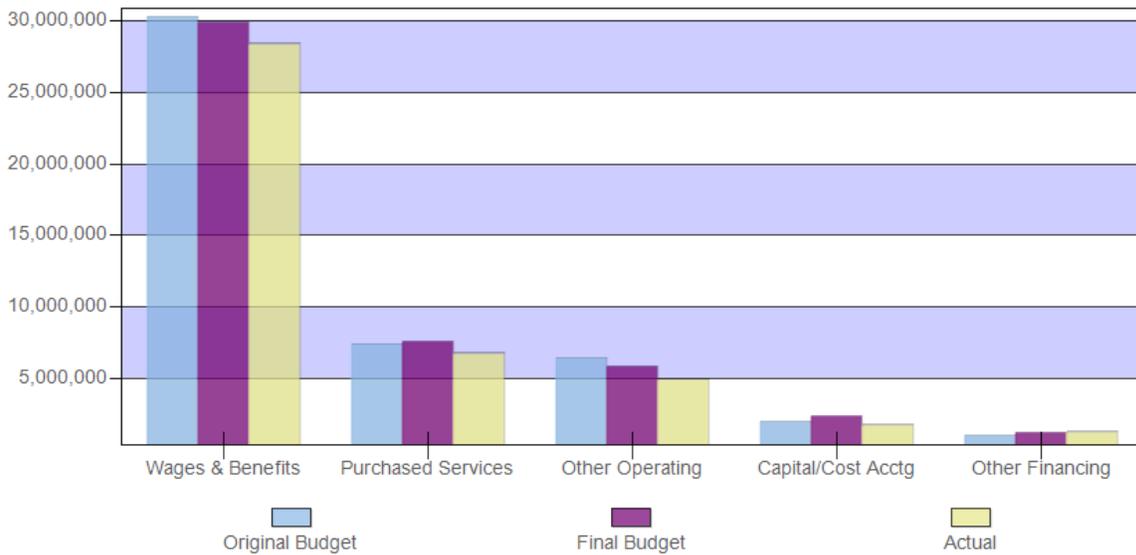
WALWORTH COUNTY, WISCONSIN
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General Fund Budget to Actual by Revenue Categories (excluding tax levy)



Actual expenditures were less than budgeted expenditures by \$4,005,320, primarily due to operational efficiencies from each department. Wages and benefits account for \$1.98 million of this savings due to position vacancies. Open operating encumbrances carried forward for expenditures not completed at year end account for \$564,724 of the total, while uncomplete capital and grant projects account for an additional \$1,153,746 carried forward to future years.

General Fund Budget to Actual by Expenditure Categories



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2014

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, 2014 amounts to \$131,606,277 (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 3%.

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

- Completed road and bridge construction, at a net increase in infrastructure of \$2,421,853.
- Park land acquisition of 194.8 acres including barn and house, at a cost of \$1,953,351.
- Replacement of 14 sheriff vehicles, at a cost of \$396,111
- Addition of video conferencing and security camera system for the Judicial Center courts, \$274,425.
- Addition of Sweeper Vacuum truck for roadwork, \$252,661.
- Purchase of 7 public works patrol trucks for a cost of \$1,044,775.

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 \$22,565,000. 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 \$641,778,559, which is significantly in excess of the County's \$22,565,000 in authorized general obligation debt.

The County's total general obligation debt decreased by \$2,850,000 for debt principal payments. A called portion of debt is included in the principal retirement total for outstanding 2007 general obligation notes in the amount of \$570,000.

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, 2014

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 2015 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, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 100,516,702	\$ 10,960,632	\$ 111,477,334
Restricted cash and investments	1,166,590	24,233	1,190,823
Receivables (net of allowance for uncollectibles):			
Taxes	53,763,087	7,390,384	61,153,471
Delinquent taxes	5,412,460	-	5,412,460
Accounts	2,739,691	1,194,875	3,934,566
Internal balances	(1,952,872)	1,952,872	-
Due from other governments	3,700,740	1,226,634	4,927,374
Inventories	27,387	1,534,688	1,562,075
Prepaid items	1,344,286	276,383	1,620,669
Long-term receivable	70,000	-	70,000
Restricted investments			
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	1,563,000	-	1,563,000
Other post employment benefits	7,550,987	762,759	8,313,746
Capital assets:			
Land and construction in progress	6,198,987	138,786	6,337,773
Other capital assets (net of accumulated depreciation)	103,263,650	22,004,854	125,268,504
Total assets	<u>285,364,695</u>	<u>47,467,100</u>	<u>332,831,795</u>
LIABILITIES			
Accounts payable	2,688,948	1,344,513	4,033,461
Accrued interest payable	192,748	-	192,748
Accrued liabilities	2,099,535	395,746	2,495,281
Claims payable	5,512,054	-	5,512,054
Deposits	1,600,364	24,233	1,624,597
Due to other governments	2,733,750	100	2,733,850
Unearned revenues	188,000	7,181	195,181
Noncurrent liabilities:			
Due within one year	3,871,620	541,894	4,413,514
Due in more than one year	21,091,830	292,159	21,383,989
Total liabilities	<u>39,978,849</u>	<u>2,605,826</u>	<u>42,584,675</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues-property taxes	53,763,087	7,390,384	61,153,471
NET POSITION			
Net investment in capital assets	86,848,206	22,143,640	108,991,846
Restricted for:			
Donations	394,381	87,237	481,618
Grants	47,426	4,184	51,610
Third party fees	1,542,688	58,504	1,601,192
Unrestricted	102,790,058	15,177,325	117,967,383
Total net position	<u>\$ 191,622,759</u>	<u>\$ 37,470,890</u>	<u>\$ 229,093,649</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, 2014

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	\$ 16,554,737	\$ 3,483,571	\$ 1,143,277	\$ -	\$ (11,927,889)	\$ -	\$ (11,927,889)
Public safety	24,280,347	1,068,174	936,944	107,148	(22,168,081)	-	(22,168,081)
Health and human services	24,104,775	2,991,936	12,440,244	10,196	(8,662,399)	-	(8,662,399)
Culture, recreation and education	11,065,897	984,515	5,320,861	950,000	(3,810,521)	-	(3,810,521)
Public works	2,102,045	39,343	-	199,267	(1,863,435)	-	(1,863,435)
Conservation and development	2,170,881	548,427	320,388	-	(1,302,066)	-	(1,302,066)
Interest on long-term debt	831,802	-	46,698	-	(785,104)	-	(785,104)
Total governmental activities	<u>81,110,484</u>	<u>9,115,966</u>	<u>20,208,412</u>	<u>1,266,611</u>	<u>(50,519,495)</u>	<u>-</u>	<u>(50,519,495)</u>
Business-type activities:							
Nursing home	11,842,132	9,306,902	968,900	-	-	(1,566,330)	(1,566,330)
Highway/facilities administration	8,654,677	4,679,382	2,133,148	-	-	(1,842,147)	(1,842,147)
Total business-type activities	<u>20,496,809</u>	<u>13,986,284</u>	<u>3,102,048</u>	<u>-</u>	<u>-</u>	<u>(3,408,477)</u>	<u>(3,408,477)</u>
Totals	<u>\$101,607,293</u>	<u>\$ 23,102,250</u>	<u>\$ 23,310,460</u>	<u>\$ 1,266,611</u>	<u>(50,519,495)</u>	<u>(3,408,477)</u>	<u>(53,927,972)</u>
General revenues:							
General property taxes					\$ 53,489,119	\$ 7,571,551	\$ 61,060,670
Property taxes for debt service					2,000,198	-	2,000,198
County share of sales taxes					8,272,599	-	8,272,599
Other taxes					88,684	-	88,684
Grants and contributions not restricted to specific programs					343,980	-	343,980
Investment earnings					978,589	55,106	1,033,695
Miscellaneous					4,507	53,509	58,016
Transfers					15,000	(15,000)	-
Total general revenues and transfers					<u>65,192,676</u>	<u>7,665,166</u>	<u>72,857,842</u>
Changes in net position					14,673,181	4,256,689	18,929,870
Net position - beginning					176,949,578	33,214,201	210,163,779
Net position - ending					<u>\$ 191,622,759</u>	<u>\$ 37,470,890</u>	<u>\$ 229,093,649</u>

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

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service		
ASSETS						
Cash and investments	\$ 48,923,106	\$ 6,782,737	\$ 10,252,370	\$ 335,069	\$ 8,717,060	\$ 75,010,342
Receivables (net of allowance for uncollectibles):						
Taxes	30,465,587	11,210,331	7,344,873	1,620,988	3,121,308	53,763,087
Delinquent taxes	5,412,460	-	-	-	-	5,412,460
Accounts	2,369,456	343,705	1,796	-	-	2,714,957
Due from other governments	1,593,321	914,287	781,365	-	411,767	3,700,740
Inventories	19,198	8,189	-	-	-	27,387
Prepaid items	875,964	283,590	182,706	-	2,026	1,344,286
Advances to other funds	770,612	-	-	-	-	770,612
Long-term receivables	70,000	-	-	-	-	70,000
Restricted cash and investments						
Bonds and unclaimed funds	210,745	-	-	-	-	210,745
Patient deposits	-	162,299	-	-	-	162,299
Land information	-	-	-	-	439,046	439,046
Total assets	<u>\$ 90,710,449</u>	<u>\$ 19,705,138</u>	<u>\$ 18,563,110</u>	<u>\$ 1,956,057</u>	<u>\$ 12,691,207</u>	<u>\$ 143,625,961</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,218,779	\$ 910,650	\$ 265,879	\$ -	\$ 164,351	\$ 2,559,659
Accrued liabilities	1,430,028	496,438	170,649	-	2,420	2,099,535
Due to other governments	1,716	2,732,024	-	-	10	2,733,750
Due to other funds	8,462	1,196	2,002	-	1	11,661
Deposits	13,456	2,194	-	-	-	15,650
Unearned revenues-other	188,000	-	-	-	-	188,000
Liabilities payable from restricted assets	210,745	162,299	-	-	-	373,044
Total liabilities	<u>3,071,186</u>	<u>4,304,801</u>	<u>438,530</u>	<u>-</u>	<u>166,782</u>	<u>7,981,299</u>
Deferred Inflows of Resources:						
Unearned revenues-property taxes	30,465,587	11,210,331	7,344,873	1,620,988	3,121,308	53,763,087
Unavailable revenues	3,327,318	180,067	-	-	402,287	3,909,672
Total deferred inflows of resources	<u>33,792,905</u>	<u>11,390,398</u>	<u>7,344,873</u>	<u>1,620,988</u>	<u>3,523,595</u>	<u>57,672,759</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET (CONCLUDED)
GOVERNMENTAL FUNDS
December 31, 2014

	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	\$ 770,612	\$ -	\$ -	\$ -	\$ -	\$ 770,612
Delinquent taxes	3,263,739	-	-	-	-	3,263,739
Inventory and prepaids	895,162	291,779	182,706	-	2,026	1,371,673
Restricted for:						
Alpine Valley	-	-	-	-	199,390	199,390
Carryforward projects	3,983	-	-	-	352	4,335
Donations	350	211,195	144,239	-	31,369	387,153
Encumbrances	-	46,989	85	-	-	47,074
Modernization fees	64,132	-	-	-	221,966	286,098
Non-metallic mining fees	906	-	-	-	-	906
Public access fees	64,131	-	-	-	240,291	304,422
Redaction fees	255,549	-	-	-	-	255,549
Sheriff confiscated fees/jail assessments	-	-	-	-	492,340	492,340
Committed for:						
Building/equipment	9,365,300	-	1,000,000	-	-	10,365,300
Carryforward projects	12,199	26,129	-	-	-	38,328
Debt service	-	-	6,350,339	335,069	-	6,685,408
Donations	-	-	87,050	-	-	87,050
Encumbrances	564,724	31,763	-	-	329,846	926,333
Investment market adjustments	1,007,170	-	-	-	-	1,007,170
Road construction	-	-	-	-	4,726,012	4,726,012
Severance	1,302,741	-	280,420	-	-	1,583,161
Transfer to General fund	-	3,181,827	-	-	5,611	3,187,438
Assigned for:						
Subsequent year budget items	10,760,200	-	-	-	-	10,760,200
Carryforward projects	1,137,564	220,257	141,820	-	2,751,627	4,251,268
Children with Disabilities Education Board	-	-	2,593,048	-	-	2,593,048
Unassigned	24,377,896	-	-	-	-	24,377,896
Total fund balances	<u>53,846,358</u>	<u>4,009,939</u>	<u>10,779,707</u>	<u>335,069</u>	<u>9,000,830</u>	<u>77,971,903</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 90,710,449</u>	<u>\$ 19,705,138</u>	<u>\$ 18,563,110</u>	<u>\$ 1,956,057</u>	<u>\$ 12,691,207</u>	<u>\$ 143,625,961</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, 2014

Total fund balances-governmental funds (page 54) \$ 77,971,903

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	\$ 2,811,454	
Construction in progress	3,387,533	
Buildings	66,427,411	
Improvements other than buildings	4,968,974	
Machinery and equipment	15,342,473	
Intangible assets	7,405,778	
Infrastructure	61,665,954	
Less: Accumulated amortization/depreciation	<u>(52,546,940)</u>	
		109,462,637

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	1,051,220	
Court assessments	869,804	
Delinquent real estate taxes - county share	981,086	
Sheriff - Huber/jail inmate charges	100,525	
Walworth County Historical Society receivable	80,000	
Charges for services	49,649	
Grant revenue	<u>777,388</u>	
		3,909,672

Other post employment benefits asset is not an available resource, and, therefore, is not reported in the funds. 7,550,987

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. 20,612,170

Due from business-type activities related to internal service funds (2,728,412)

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	(22,565,000)	
Debt premium	(49,431)	
Compensated absences	(2,349,019)	
Accrued interest on long-term obligations	<u>(192,748)</u>	
		<u>(25,156,198)</u>

Net position of governmental activities as reported on the statement of net position (page 51) \$ 191,622,759

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, 2014

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service		
REVENUES						
Taxes	\$ 40,581,088	\$ 11,394,684	\$ 7,460,976	\$ 2,000,198	\$ 3,186,032	\$ 64,622,978
Intergovernmental	2,134,116	12,363,710	4,649,473	46,698	951,000	20,144,997
Licenses and permits	249,241	-	-	-	-	249,241
Fines, forfeitures and penalties	1,083,876	-	-	-	4,488	1,088,364
Public charges for services	1,734,648	2,877,121	44,888	-	398,125	5,054,782
Intergovernmental charges for services	1,563,018	112,724	982,016	-	45,497	2,703,255
Investment income	549,964	-	10,583	-	406	560,953
Miscellaneous	945,016	174,805	494,078	-	3,711	1,617,610
Total revenues	<u>48,840,967</u>	<u>26,923,044</u>	<u>13,642,014</u>	<u>2,046,896</u>	<u>4,589,259</u>	<u>96,042,180</u>
EXPENDITURES						
Current:						
General government	15,180,887	-	-	-	-	15,180,887
Public safety	22,385,481	-	-	-	378,666	22,764,147
Health and human services	204,689	23,516,517	-	-	-	23,721,206
Culture, recreation, and education	671,177	-	10,334,474	-	-	11,005,651
Conservation and development	1,629,994	-	-	-	306,114	1,936,108
Capital outlay	1,609,223	90,731	202,003	-	6,347,033	8,248,990
Debt service:						
Principal retirement	-	-	-	2,850,000	-	2,850,000
Interest and fiscal charges	-	-	-	862,435	-	862,435
Total expenditures	<u>41,681,451</u>	<u>23,607,248</u>	<u>10,536,477</u>	<u>3,712,435</u>	<u>7,031,813</u>	<u>86,569,424</u>
Excess (deficiency) of revenues over expenditures	<u>7,159,516</u>	<u>3,315,796</u>	<u>3,105,537</u>	<u>(1,665,539)</u>	<u>(2,442,554)</u>	<u>9,472,756</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,029,415	-	-	1,292,064	1,300,273	5,621,752
Transfers out	(1,179,262)	(2,967,571)	(1,292,064)	-	(167,855)	(5,606,752)
Sale of capital assets	99,391	-	-	-	-	99,391
Total other financing sources (uses)	<u>1,949,544</u>	<u>(2,967,571)</u>	<u>(1,292,064)</u>	<u>1,292,064</u>	<u>1,132,418</u>	<u>114,391</u>
Net change in fund balances	9,109,060	348,225	1,813,473	(373,475)	(1,310,136)	9,587,147
Fund balances - beginning	44,737,298	3,661,714	8,966,234	708,544	10,310,966	68,384,756
Fund balances - ending	<u>\$ 53,846,358</u>	<u>\$ 4,009,939</u>	<u>\$ 10,779,707</u>	<u>\$ 335,069</u>	<u>\$ 9,000,830</u>	<u>\$ 77,971,903</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, 2014

Net change in fund balances-total governmental funds (page 56) \$ 9,587,147

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	\$ (4,493,085)	
Capital outlay	<u>8,248,990</u>	3,755,905

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	(383,128)	
Proceeds from the sale of assets/insurance recoveries	(99,391)	
Repair and maintenance projects not capitalized	<u>(490,588)</u>	(973,107)

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	(176,605)	
Court assessments	531,580	
Delinquent real estate taxes-county share	(291,043)	
Walworth County Historical Society receivable	(10,000)	
Sheriff - Huber/jail inmate charges	(12,062)	
Local governments charges for services not yet received	(26,932)	
City of Elkhorn receivable	(282,771)	
Grant revenues not yet received	<u>232,576</u>	(35,257)

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		2,850,000
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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 premiums		8,973
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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	21,660	
Compensated absences	29,777	
Health insurance retiree sick leave credits	(889,353)	
Other post employment benefits	<u>390,292</u>	(447,624)

Net effect of certain activities of internal service funds reported with governmental activities.		<u>(72,856)</u>
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Change in net position-governmental activities as reported on the statement of activities (page 52) \$ 14,673,181

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 37,956,566	\$ 38,410,894	\$ 40,581,088	\$ 2,170,194
Intergovernmental	2,162,177	2,333,607	2,134,116	(199,491)
Licenses and permits	234,117	233,196	249,241	16,045
Fines, forfeitures and penalties	1,334,900	1,074,646	1,083,876	9,230
Public charges for services	2,233,743	1,696,945	1,734,648	37,703
Intergovernmental charges for services	1,149,941	1,228,371	1,563,018	334,647
Investment income	403,550	439,067	549,964	110,897
Miscellaneous	311,865	857,864	945,016	87,152
Total revenues	<u>45,786,859</u>	<u>46,274,590</u>	<u>48,840,967</u>	<u>2,566,377</u>
EXPENDITURES				
Current:				
General government	17,307,448	16,860,143	15,180,887	1,679,256
Public safety	24,194,456	23,846,645	22,385,481	1,461,164
Health and human services	223,463	223,463	204,689	18,774
Culture, recreation, and education	759,461	747,446	671,177	76,269
Conservation and development	1,740,768	1,757,358	1,629,994	127,364
Capital outlay:				
General government	806,350	691,944	591,917	100,027
Public safety	704,400	1,092,167	812,013	280,154
Culture, recreation, and education	102,300	154,923	152,584	2,339
Conservation and development	320,000	312,682	52,709	259,973
Total expenditures	<u>46,158,646</u>	<u>45,686,771</u>	<u>41,681,451</u>	<u>4,005,320</u>
Excess (deficiency) of revenues over expenditures	<u>(371,787)</u>	<u>587,819</u>	<u>7,159,516</u>	<u>6,571,697</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	285,057	3,031,415	3,029,415	(2,000)
Transfers out	(955,220)	(1,179,263)	(1,179,262)	1
Sale of capital assets	104,400	88,323	99,391	11,068
Total other financing sources (uses)	<u>(565,763)</u>	<u>1,940,475</u>	<u>1,949,544</u>	<u>9,069</u>
Net change in fund balances	<u>(937,550)</u>	<u>2,528,294</u>	<u>9,109,060</u>	<u>6,580,766</u>
Fund balances - beginning	44,737,298	44,737,298	44,737,298	-
Fund balances - ending	<u>\$ 43,799,748</u>	<u>\$ 47,265,592</u>	<u>\$ 53,846,358</u>	<u>\$ 6,580,766</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,337,863	\$ 11,394,684	\$ 11,394,684	\$ -
Intergovernmental	11,490,869	11,994,157	12,363,710	369,553
Public charges for services	2,906,155	2,643,948	2,877,121	233,173
Intergovernmental charges for services	173,982	182,067	112,724	(69,343)
Miscellaneous	120,750	165,072	174,805	9,733
Total revenues	<u>26,029,619</u>	<u>26,379,928</u>	<u>26,923,044</u>	<u>543,116</u>
EXPENDITURES				
Current:				
Health and human services	25,879,769	26,111,715	23,516,517	2,595,198
Capital outlay:				
Health and human services	149,850	180,439	90,731	89,708
Total expenditures	<u>26,029,619</u>	<u>26,292,154</u>	<u>23,607,248</u>	<u>2,684,906</u>
Excess of revenues over expenditures	-	87,774	3,315,796	3,228,022
OTHER FINANCING USES				
Transfers out	-	(2,967,571)	(2,967,571)	-
Total other financing uses	-	<u>(2,967,571)</u>	<u>(2,967,571)</u>	-
Net change in fund balances	-	(2,879,797)	348,225	3,228,022
Fund balances - beginning	3,661,714	3,661,714	3,661,714	-
Fund balances - ending	<u>\$ 3,661,714</u>	<u>\$ 781,917</u>	<u>\$ 4,009,939</u>	<u>\$ 3,228,022</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,460,976	\$ 7,460,976	\$ 7,460,976	\$ -
Intergovernmental	4,311,295	4,311,295	4,649,473	338,178
Public charges for services	34,790	35,206	44,888	9,682
Intergovernmental charges for services	1,082,160	1,072,603	982,016	(90,587)
Investment income	12,480	12,480	10,583	(1,897)
Miscellaneous	66,600	491,137	494,078	2,941
Total revenues	<u>12,968,301</u>	<u>13,383,697</u>	<u>13,642,014</u>	<u>258,317</u>
EXPENDITURES				
Current:				
Culture, recreation, and education	11,691,107	11,328,752	10,334,474	994,278
Capital outlay:				
Culture, recreation, and education	85,130	202,003	202,003	-
Total expenditures	<u>11,776,237</u>	<u>11,530,755</u>	<u>10,536,477</u>	<u>994,278</u>
Excess of revenues over expenditures	<u>1,192,064</u>	<u>1,852,942</u>	<u>3,105,537</u>	<u>1,252,595</u>
OTHER FINANCING USES				
Transfers out	(1,292,064)	(1,292,064)	(1,292,064)	-
Total other financing uses	<u>(1,292,064)</u>	<u>(1,292,064)</u>	<u>(1,292,064)</u>	<u>-</u>
Net change in fund balances	(100,000)	560,878	1,813,473	1,252,595
Fund balances - beginning	8,966,234	8,966,234	8,966,234	-
Fund balances - ending	<u>\$ 8,866,234</u>	<u>\$ 9,527,112</u>	<u>\$ 10,779,707</u>	<u>\$ 1,252,595</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, 2014

	Business-type Activities -			Governmental
	Enterprise Funds		Total	Activities-
	Lakeland Health Care Center	Public Works	Enterprise Funds	Internal Service
ASSETS				
Current assets:				
Cash and investments	\$ 6,161,161	\$ 4,799,471	\$ 10,960,632	\$ 25,506,360
Restricted cash and investments:				
Resident deposits	24,233	-	24,233	-
Deposits held with fiscal agents	-	-	-	354,500
Taxes receivable	3,318,058	4,072,326	7,390,384	-
Accounts receivable (net of allowance for uncollectibles)	1,147,592	47,283	1,194,875	24,734
Due from other funds	-	-	-	16,589
Due from other governments	485,950	740,684	1,226,634	-
Inventories	20,788	1,513,900	1,534,688	-
Prepaid items	182,675	93,708	276,383	-
Total current assets	<u>11,340,457</u>	<u>11,267,372</u>	<u>22,607,829</u>	<u>25,902,183</u>
Noncurrent assets:				
Restricted cash and investments:				
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	-	-	-	1,563,000
Other post employment benefits	401,438	361,321	762,759	-
Capital assets:				
Land	36,260	62,226	98,486	-
Construction in progress	-	40,300	40,300	-
Other capital assets	15,599,000	19,045,499	34,644,499	-
Less: Accumulated amortization/depreciation	(2,925,678)	(9,713,967)	(12,639,645)	-
Net capital assets	<u>12,709,582</u>	<u>9,434,058</u>	<u>22,143,640</u>	<u>-</u>
Total noncurrent assets	<u>13,111,020</u>	<u>9,795,379</u>	<u>22,906,399</u>	<u>1,563,000</u>
Total assets	<u>24,451,477</u>	<u>21,062,751</u>	<u>45,514,228</u>	<u>27,465,183</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET POSITION (concluded)
 PROPRIETARY FUNDS
 December 31, 2014

	Business-type Activities -			Governmental
	Enterprise Funds		Total	Activities-
	Lakeland Health Care Center	Public Works	Enterprise Funds	Internal Service
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 225,445	\$ 1,119,068	\$ 1,344,513	\$ 129,289
Accrued liabilities	219,159	176,587	395,746	-
Claims payable	-	-	-	5,512,054
Due to other governments	100	-	100	-
Due to other funds	2,808	2,120	4,928	-
Deposits	24,233	-	24,233	1,211,670
Unearned revenues-other	-	7,181	7,181	-
Compensated absences - current	300,204	241,690	541,894	-
Advance from other funds	770,612	-	770,612	-
Total current liabilities	<u>1,542,561</u>	<u>1,546,646</u>	<u>3,089,207</u>	<u>6,853,013</u>
Noncurrent liabilities:				
Compensated absences	178,211	113,948	292,159	-
Total noncurrent liabilities	<u>178,211</u>	<u>113,948</u>	<u>292,159</u>	<u>-</u>
Total liabilities	<u>1,720,772</u>	<u>1,660,594</u>	<u>3,381,366</u>	<u>6,853,013</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues-property taxes	<u>3,318,058</u>	<u>4,072,326</u>	<u>7,390,384</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	12,709,582	9,434,058	22,143,640	-
Restricted for donations	87,237	-	87,237	7,228
Restricted for grants	-	4,184	4,184	-
Restricted for solid waste	-	58,504	58,504	-
Unrestricted	6,615,828	5,833,085	12,448,913	20,604,942
Total net position	<u>\$ 19,412,647</u>	<u>\$ 15,329,831</u>	<u>\$ 34,742,478</u>	<u>\$ 20,612,170</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.

2,728,412

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

\$ 37,470,890

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, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Charges for services	\$ 9,251,107	\$ 4,665,124	\$ 13,916,231	\$ 1,634,478
Interdepartmental	-	-	-	15,469,453
Total operating revenues	<u>\$ 9,251,107</u>	<u>\$ 4,665,124</u>	<u>\$ 13,916,231</u>	<u>\$ 17,103,931</u>
Operating expenses:				
Operation and maintenance	11,350,234	7,868,085	19,218,319	-
Insurance services	-	-	-	17,325,205
Amortization/depreciation	329,813	833,382	1,163,195	-
Total operating expenses	<u>11,680,047</u>	<u>8,701,467</u>	<u>20,381,514</u>	<u>17,325,205</u>
Operating loss	<u>(2,428,940)</u>	<u>(4,036,343)</u>	<u>(6,465,283)</u>	<u>(221,274)</u>
Nonoperating revenues (expenses):				
Property taxes	3,749,897	3,821,654	7,571,551	-
Intergovernmental grants	968,900	2,118,148	3,087,048	-
Investment income	53,395	1,711	55,106	28,075
Net loss on disposal of assets	-	(24,386)	(24,386)	-
Insurance recoveries	-	20,647	20,647	38,606
Legal claim settlement	-	18,684	18,684	(13,962)
Rent, rebates, and donations	78,585	20,646	99,231	4,790
Total nonoperating revenues	<u>4,850,777</u>	<u>5,977,104</u>	<u>10,827,881</u>	<u>57,509</u>
Income (loss) before transfers	<u>2,421,837</u>	<u>1,940,761</u>	<u>4,362,598</u>	<u>(163,765)</u>
Transfers out	-	(15,000)	(15,000)	-
Change in net position	<u>2,421,837</u>	<u>1,925,761</u>	<u>4,347,598</u>	<u>(163,765)</u>
Total net position - beginning	<u>16,990,810</u>	<u>13,404,070</u>	<u>30,394,880</u>	<u>20,775,935</u>
Total net position - ending	<u>\$ 19,412,647</u>	<u>\$ 15,329,831</u>	<u>\$ 34,742,478</u>	<u>\$ 20,612,170</u>

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

Net change in net position-total enterprise funds	4,347,598
The net expense of certain activities of internal service funds is reported within business-type activities	<u>(90,909)</u>

Net change in net position of business-type activities as reported on the statement of activities (see page 52)	<u>\$ 4,256,689</u>
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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, 2014**

	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	\$ 8,485,512	\$ 3,977,187	\$ 12,462,699	\$ 2,117,808
Receipts from interfund services provided	-	621,527	621,527	14,579,679
Payments to suppliers	(2,588,579)	(2,692,910)	(5,281,489)	(17,030,649)
Payments to employees	(8,844,791)	(4,755,847)	(13,600,638)	-
Payments for interfund services used	(19,831)	(6,753)	(26,584)	-
Payments of patient trust deposits	111	-	111	-
Net cash used in operating activities	<u>(2,967,578)</u>	<u>(2,856,796)</u>	<u>(5,824,374)</u>	<u>(333,162)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
General property taxes	3,749,897	3,821,654	7,571,551	-
Intergovernmental grants	968,900	2,118,148	3,087,048	-
Insurance recoveries	-	-	-	38,606
Legal claim settlements	-	18,684	18,684	(13,962)
Rent, rebates, and donations	78,585	20,646	99,231	4,790
Transfer to other funds	-	(15,000)	(15,000)	-
Net cash provided by non-capital financing activities	<u>4,797,382</u>	<u>5,964,132</u>	<u>10,761,514</u>	<u>29,434</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(55,092)	(1,593,804)	(1,648,896)	-
Capital asset insurance recovery	-	20,647	20,647	-
Net proceeds from the sale of assets	-	(24,386)	(24,386)	-
Advance from other funds, capital related	(744,490)	-	(744,490)	-
Net cash used in capital and related financing activities	<u>(799,582)</u>	<u>(1,597,543)</u>	<u>(2,397,125)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	53,395	1,711	55,106	28,075
Net cash provided by investing activities	<u>53,395</u>	<u>1,711</u>	<u>55,106</u>	<u>28,075</u>
Net increase (decrease) in cash and investments	1,083,617	1,511,504	2,595,121	(275,653)
Cash and investments - beginning	5,101,777	3,287,967	8,389,744	27,699,513
Cash and investments - ending	<u>\$ 6,185,394</u>	<u>\$ 4,799,471</u>	<u>\$ 10,984,865</u>	<u>\$ 27,423,860</u>
Cash and investments on December 31 are reconciled from the Statement of Net Position as follows:				
Cash and investments	\$ 6,161,161	\$ 4,799,471	\$ 10,960,632	\$ 25,506,360
Restricted cash and investments	24,233	-	24,233	1,917,500
	<u>\$ 6,185,394</u>	<u>\$ 4,799,471</u>	<u>\$ 10,984,865</u>	<u>\$ 27,423,860</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS (concluded)
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (2,428,940)	\$ (4,036,343)	\$ (6,465,283)	\$ (221,274)
Noncash items included in operating loss				
Depreciation	329,813	833,382	1,163,195	-
Change in assets, liabilities and deferred inflows of resources:				
Accounts receivable	(283,023)	(9,414)	(292,437)	491,669
Due from other funds	-	-	-	9,926
Due from other governments	(482,672)	(10,162)	(492,834)	-
Inventories	318	(619,750)	(619,432)	25
Prepaid items	(10,600)	109,622	99,022	125,310
Other post employment benefits	(39,621)	1,711	(37,910)	-
Accounts payable	(80,355)	938,797	858,442	(40,855)
Accrued liabilities	28,951	(3,967)	24,984	-
Due to other governments	100	-	100	(159)
Due to other funds	(2,732)	(4,247)	(6,979)	-
Unearned revenues	-	7,181	7,181	-
Claims payable	-	-	-	234,810
Compensated absences	1,072	(63,606)	(62,534)	-
Deposits	111	-	111	(43,261)
Retiree health credits	-	-	-	(889,353)
Net cash used in operating activities	<u>\$ (2,967,578)</u>	<u>\$ (2,856,796)</u>	<u>\$ (5,824,374)</u>	<u>\$ (333,162)</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, 2014

	Other Post Employment Benefits Trust Fund	Private Purpose Trusts	Agency Funds
ASSETS			
Cash and short-term investments	\$ 195,428	\$ 37,384	\$ 1,619,118
Mutual funds-equity	12,836,164	-	-
Mutual funds-fixed income	10,451,791	-	-
Accounts receivable	-	-	15
Total assets	<u>23,483,383</u>	<u>37,384</u>	<u>1,619,133</u>
LIABILITIES			
Accounts payable	6,938	-	342,610
Due to other governments	-	-	22,037
Deposits	-	-	1,254,486
Total liabilities	<u>6,938</u>	<u>-</u>	<u>1,619,133</u>
NET POSITION			
Held in trust for post employment benefits:			
Children with Disabilities Education Board	5,130,141	-	-
Public Works	1,206,081	-	-
Lakeland Health Care Center	1,675,578	-	-
Sworn	10,494,577	-	-
Other	4,970,068	-	-
Held in trust for private purposes	<u>-</u>	<u>37,384</u>	<u>-</u>
Total net position	<u>\$ 23,476,445</u>	<u>\$ 37,384</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, 2014**

	<u>Other Post Employment Benefits Trust Fund</u>	<u>Private Purpose Trusts</u>
ADDITIONS		
Investment earnings:		
Interest and dividends	\$ 939,430	\$ 34
Increase in the fair value of investments	450,214	-
Total investment earnings	<u>1,389,644</u>	<u>34</u>
Less investment expense	83,689	-
Net investment earnings	<u>1,305,955</u>	<u>34</u>
Total additions	<u>1,305,955</u>	<u>34</u>
DEDUCTIONS		
Benefits	819,932	-
Educational outreach	-	3,000
Administrative expenses	2,500	-
Total deductions	<u>822,432</u>	<u>3,000</u>
Change in net position	483,523	(2,966)
Net position - beginning	<u>22,992,922</u>	<u>40,350</u>
Net position - ending	<u>\$ 23,476,445</u>	<u>\$ 37,384</u>

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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 balance, 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, 2014

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 Restricted 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, 2014

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.

B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards

The County has considered the implications of the Governmental Accounting Standards Board Statement No. 67: *Financial Reporting for Pensions-an amendment of GASB Statement No. 27* for the year ended December 31, 2014. This statement modifies existing requirements to improve financial reporting for pensions. Walworth County does not administer a pension plan and therefore has no changes required under this statement.

The County has implemented the Governmental Accounting Standards Board Statement No. 69: *Government Combinations and Disposals of Government Operations* for the year ended December 31, 2014. This statement establishes accounting and financial reporting standards related to combinations and disposals of government operations. No combinations or disposals are required to be reported for Walworth County under this statement for the year ended December 31, 2014.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards (continued)

The County has implemented the Governmental Accounting Standards Board Statement No. 70: *Accounting and Financial Reporting for Nonexchange Financial Guarantees* for the year ended December 31, 2014. This statement improves the accounting and financial reporting by governments that extend and receive nonexchange financial guarantees. No financial guarantees are required to be reported for Walworth County under this statement for the year ended December 31, 2014.

In addition, the Governmental Accounting Standards Board issued statements 68, 71, and 72 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 2014, these were completed on December 31, for Lakeland Health Care Center and November 11 for Public Works.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories (continued)

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.

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. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Normal maintenance and repairs costs 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/amortized using the straight-line method over the 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
Intangible assets	2-30	2-30
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/fund balance 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, 2014.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources (continued)

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/fund balance 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 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 balances are 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, 2014 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.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity (continued)

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.

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, 2014.

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.

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 Restricted 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 Sheriff Restricted special revenue fund began to utilize a formal budget process during 2014 and consequently, does not have an original budget for 2014.

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 2014 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.
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 County Board resolution.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

C - STEWARDSHIP AND COMPLIANCE (continued)

Budget and Budgetary Accounting (continued)

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.

Supplemental Appropriations

Supplemental appropriations for expenditures that were necessary for 2014 are as follows:

Department/Fund	Adopted Budget	Modified Budget	Increase/ (Decrease)
County board	\$ 262,528	\$ 272,528	\$ 10,000
County clerk	343,624	376,402	32,778
Elections	192,556	118,506	(74,050)
Administration	1,638,925	1,600,657	(38,268)
Human Resources	775,844	1,162,137	386,293
Finance	1,737,663	1,406,213	(331,450)
Treasurer	521,481	649,211	127,730
Coroner	449,700	524,700	75,000
Clerk of courts	3,233,174	3,150,908	(82,266)
District attorney	850,628	852,076	1,448
Register of deeds	641,595	522,331	(119,264)
Information systems	2,391,394	2,382,699	(8,695)
Central services	1,584,148	1,736,532	152,384
Non-departmental	4,188,918	3,719,610	(469,308)
Sheriff	24,898,856	24,938,812	39,956
UW extension	597,976	617,561	19,585
Parks	263,785	284,808	21,023
Land use & resource management	2,060,768	2,070,040	9,272
Total General fund	<u>47,113,866</u>	<u>46,866,034</u>	<u>(247,832)</u>
Health and Human Services fund	26,029,619	29,259,725	3,230,106
Children with Disabilities Education Board fund	13,068,301	12,822,819	(245,482)
Land Information fund	508,654	532,857	24,203
Sheriff Restricted fund	-	767,600	767,600

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, 2014. The County maintains the expenditure budget at a department level for budgeted accounts of the general, debt service, and special revenue funds. At December 31, 2014, no department total actual expenditures exceeded total budgeted appropriations.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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 \$139,371,042 on December 31, 2014 as summarized:

Petty cash	\$ 5,630
Demand deposits	2,187,510
Certificates of deposit	7,551,523
Deposits with fiscal agents	354,500
Wisconsin Municipal Mutual Insurance Company (WMMIC) Deposit	1,563,000
Investments	<u>127,708,879</u>
	<u>\$ 139,371,042</u>
Reconciliation to the basic financial statements:	
Basic financial statements	
Cash and investments	\$ 111,477,334
Restricted cash and investments	1,190,823
Restricted investment - deposit with WMMIC	1,563,000
Fiduciary funds	
Other post employment benefits trust fund	23,483,383
Private purpose trust funds	37,384
Agency funds	<u>1,619,118</u>
	<u>\$ 139,371,042</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, 2014

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, 2014, 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	Rating as of Year End			
	Amount	AAA	Aa	Not Rated
Federal agency securities	\$ 41,445,962	\$ 33,474,600	\$ 3,404,922	\$ 4,566,440
U.S. Treasury Notes	1,841,420	1,841,420	-	-
Wisconsin Municipal Bonds	6,690,481	449,419	6,241,062	-
Wisconsin Local Government				
Investment Pool	15,160,471	-	-	15,160,471
JP Morgan Repurchase	5,475,139	-	-	5,475,139
JP Morgan Money Market fund	2,104,734	-	-	2,104,734
Associated Money Market fund	22,845,270	-	-	22,845,270
BMO Trust Money Market fund	68,239	-	-	68,239
Pershing Money Market fund	9,500	-	-	9,500
Mid America Money Market fund	8,330,669	-	-	8,330,669
Peoples Bank Money Market fund	253,611	-	-	253,611
	<u>\$ 104,225,496</u>	<u>\$ 35,765,439</u>	<u>\$ 9,645,984</u>	<u>\$ 58,814,073</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

D - CASH AND INVESTMENTS (continued)

Credit Risk (continued)

The OPEB trust has various fixed income mutual funds totaling \$10,647,219. The funds are made up of fixed income bonds and securities with the following average ratings: 43.4% with an AAA average rating, 4.5% with an AA average rating, 13.4% with an A average rating, 11.6% with a BBB average rating, 7.6% with a BB average rating, 9.7% with a B average rating, 5.3% with below a B average rating, and 4.5% not rated. The remaining OPEB trust mutual funds are equity investment funds of \$12,836,164 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, which was \$28,679,000 for 2014. 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 2014, 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:

<u>Issuer Type</u>	<u>Percent of Total Investments</u>	<u>Amount</u>
Federal National Mortgage Association (FNMA)	10.82 %	\$ 12,091,666
Federal Home Loan Bank (FHLB)	8.52 %	\$ 9,519,403
Federal Home Loan Mortgage Corporation (FHLMC)	7.84 %	\$ 8,758,588
Federal Farm Credit Banks (FFCB)	5.82 %	\$ 6,509,865

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 \$10,451,791 with a maturity greater than 60 months due to the long-term nature of the trust fund. The \$13,031,592 remaining in the OPEB trust includes \$195,428 in a cash management fund and \$12,836,164 invested in equity funds that, by definition, do not have maturities.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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	\$ 41,445,962	\$ 125,279	\$ 5,876,917	\$ 35,443,766
U.S. Treasury Notes	1,841,420	-	277,405	1,564,015
Wisconsin Municipal Bonds	6,690,481	3,637,089	-	3,053,392
JP Morgan Repurchase	5,475,139	5,475,139	-	-
Wisconsin Local Government Investment Pool	15,160,471	15,160,471	-	-
JP Morgan Money Market	2,104,734	2,104,734	-	-
Associated Money Market	22,845,270	22,845,270	-	-
BMO Trust Money Market	68,239	68,239	-	-
Pershing Money Market	9,500	9,500	-	-
Mid America Money Market	8,330,669	8,330,669	-	-
Peoples Bank Money Market	253,611	253,611	-	-
Totals	<u>104,225,496</u>	<u>58,010,001</u>	<u>6,154,322</u>	<u>40,061,173</u>
Percent of Total Investments	100.0 %	55.7 %	5.9 %	38.4 %

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, 2014 is \$49,977,863. Of this amount, \$12,868,067 are callable, and therefore subject to early payment in a period of declining interest rates. The OPEB trust fund fair value of \$10,647,219 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 \$15,160,471 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, 2014, 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, 2014

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.

Governmental activities

General fund	
Clerk of courts	\$ 920,347
Sheriff	631,535
Health and Human Services fund	<u>2,052,161</u>
Total	\$ 3,604,043

Business-type activities

Lakeland Health Care Center fund	\$ 227,000
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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 \$61,153,471 is for financing 2015 operations and will be transferred in 2015 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, 2014 the General fund showed an investment of \$5,412,460 in delinquent taxes as follows:

Tax certificates	\$ 5,226,977
Tax deeds	173,138
Personal property taxes	<u>12,345</u>
Total	<u>\$ 5,412,460</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

E - RECEIVABLES (continued)

Delinquent Property Taxes - General Fund (continued)

An aging of the total delinquent taxes of \$5,412,460 on December 31, 2014 follows:

<u>Years Acquired</u>	<u>Tax</u>			<u>Personal</u>
	<u>Total</u>	<u>Certificates</u>	<u>Tax Deeds</u>	<u>Property Taxes</u>
2007	\$ 3,157	\$ 3,157	\$ -	\$ -
2008	6,520	6,520	-	-
2009	444	444	-	-
2010	7,900	7,900	-	-
2011	14,995	14,995	-	-
2012	721,249	708,904	-	12,345
2013	1,682,718	1,509,580	173,138	-
2014	2,975,477	2,975,477	-	-
	<u>\$ 5,412,460</u>	<u>\$ 5,226,977</u>	<u>\$ 173,138</u>	<u>\$ 12,345</u>

Of the total of \$5,226,977 for delinquent real estate tax certificates, the County collected \$982,151 within 60 days after December 31, 2014. The remaining unpaid balance of \$4,244,826 is reported as nonspendable fund balance for the General fund for the County purchased portion of \$3,263,739 and reported as unavailable revenues for the County levied portion of \$981,087.

The County holds \$173,138 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, 2014, 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.

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 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	\$ 210,745
Health and Human Services	Patient/Client Deposits	162,299
Nonmajor Governmental	Land information deposits	439,046
Lakeland Health Care Center	Resident Deposits	24,233
Workers Compensation	Held by Fiscal Agent	35,000
Risk Management	Held by Fiscal Agent	319,500
Risk Management	Held with WMMIC	1,563,000
Total Restricted Assets		<u>\$ 2,753,823</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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, 2014 are detailed below.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal service funds-Workers Compensation	General fund	\$ 8,462
	Health and Human Services fund	1,196
	Children with Disabilities Education Board fund	2,002
	Nonmajor Governmental fund - Land Information	1
	Lakeland Health Care Center fund	2,808
	Public Works fund	<u>2,120</u>
Subtotal - Fund financial statements		16,589
Less: Fund eliminations		(11,661)
Less: Interfund receivables created with internal service fund eliminations		(2,728,412)
Add: Advance between General fund and Lakeland Health Care Center fund		<u>770,612</u>
Total Internal balances-government-wide statement of net position		<u>\$ (1,952,872)</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 advanced \$1,515,102 to the Lakeland Health Care Center in 2013, allowing the County to call the remaining 2006 borrowing outstanding for the Lakeland Health Care Center building construction. The remaining interest-free installment of \$770,612 will be paid on April 1, 2015.

Interfund transfers for the year ended December 31, 2014 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General fund	Health and Human Service fund	\$ 2,846,560
	Land Information	167,855
	Public Works fund	15,000
Non-major Governmental funds-Sheriff Restricted Debt Service fund	General fund	224,042
Nonmajor Governmental funds-Capital Projects	Children with Disabilities Education Board fund	1,292,064
	General fund	955,220
	Health and Human Service fund	<u>121,011</u>
Subtotal transfers in- Fund financial statements		\$ 5,621,752
Less: Fund elimination		<u>(5,606,752)</u>
Total transfer - Government-wide statement of activities		<u>\$ 15,000</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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 (\$224,042), and capital purposes (\$1,236,231), 2) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due (\$1,292,064), and 3) move excess/shortage prior year fund balance in accordance with County ordinance related to lapsing funds (\$2,869,415).

H - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being amortized/depreciated:				
Land	\$ 1,091,454	\$ 1,720,000	\$ -	\$ 2,811,454
Construction in progress	<u>3,036,243</u>	<u>680,399</u>	<u>329,109</u>	<u>3,387,533</u>
Total capital assets, not being amortized/depreciated	<u>4,127,697</u>	<u>2,400,399</u>	<u>329,109</u>	<u>6,198,987</u>
Capital assets, being amortized/depreciated				
Buildings	66,104,100	363,311	40,000	66,427,411
Improvements other than buildings	4,889,554	79,420	-	4,968,974
Machinery and equipment	15,101,935	1,175,026	934,488	15,342,473
Intangible assets	7,389,885	53,556	37,663	7,405,778
Infrastructure	<u>59,244,101</u>	<u>3,990,153</u>	<u>1,568,300</u>	<u>61,665,954</u>
Subtotals	<u>152,729,575</u>	<u>5,661,466</u>	<u>2,580,451</u>	<u>155,810,590</u>
Less accumulated amortization/depreciation for:				
Buildings	14,831,399	1,254,810	12,500	16,073,709
Improvements other than buildings	2,478,973	172,851	-	2,651,824
Machinery and equipment	9,807,889	1,080,049	848,159	10,039,779
Intangible assets	2,087,864	294,601	37,663	2,344,802
Infrastructure	<u>20,971,308</u>	<u>1,690,774</u>	<u>1,225,256</u>	<u>21,436,826</u>
Subtotals	<u>50,177,433</u>	<u>4,493,085</u>	<u>2,123,578</u>	<u>52,546,940</u>
Total capital assets, being amortized/depreciated, net	<u>102,552,142</u>	<u>1,168,381</u>	<u>456,873</u>	<u>103,263,650</u>
Governmental activities capital assets, net	<u>\$ 106,679,839</u>	<u>\$ 3,568,780</u>	<u>\$ 785,982</u>	<u>\$ 109,462,637</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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	334,734	40,300	334,734	40,300
Total capital assets, not being amortized/depreciated	<u>433,220</u>	<u>40,300</u>	<u>334,734</u>	<u>138,786</u>
Capital assets, being amortized/depreciated:				
Buildings	19,680,340	-	-	19,680,340
Improvements other than buildings	331,335	-	-	331,335
Machinery and equipment	12,949,294	1,990,639	334,057	14,605,876
Intangible assets	26,948	-	-	26,948
Subtotals	<u>32,987,917</u>	<u>1,990,639</u>	<u>334,057</u>	<u>34,644,499</u>
Less accumulated amortization/depreciation for:				
Buildings	3,956,324	370,321	-	4,326,645
Improvements other than buildings	164,345	10,476	-	174,821
Machinery and equipment	7,617,289	782,398	286,748	8,112,939
Intangible assets	25,240	-	-	25,240
Subtotals	<u>11,763,198</u>	<u>1,163,195</u>	<u>286,748</u>	<u>12,639,645</u>
Total capital assets, being amortized/depreciated, net	<u>21,224,719</u>	<u>827,444</u>	<u>47,309</u>	<u>22,004,854</u>
Business-type activities capital assets, net	<u>\$ 21,657,939</u>	<u>\$ 867,744</u>	<u>\$ 382,043</u>	<u>\$ 22,143,640</u>

In 2014, \$490,588 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. In addition, it was determined that \$25,645 included in construction in progress on December 31, 2013 would not be capitalized and was expensed in 2014.

The governmental funds report includes internal reclassifications of capital assets in the amount of \$209,335, due to transfers between governmental departments.

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

Governmental activities	
General government	\$ 936,026
Public safety	1,177,556
Health and human services	177,936
Culture, recreation and education	310,437
Public works	1,690,774
Conservation and development	200,356
Total amortization/depreciation expense - governmental activities	<u>\$ 4,493,085</u>
Business-type activities	
Nursing home	\$ 329,813
Highway/facilities administration	833,382
Total amortization/depreciation expense - business-type activities	<u>\$ 1,163,195</u>

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

I - DEFERRED INFLOWS OF RESOURCES (continued)

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.

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>
General Fund		
Subsequent year tax levy receivable	\$ 30,465,587	\$ -
Delinquent real estate taxes - County share	-	981,086
Walworth County Historical Society receivable	-	80,000
Grant funds not received meeting all eligibility requirements	-	244,683
Clerk of Courts fines and penalties	-	869,804
Sheriff - Huber/jail inmate charges, not yet received	-	100,525
Tax interest and penalty	-	1,051,220
Charges for services received prior to meeting all eligibility requirements	188,000	-
Health and Human Services		
Subsequent year tax levy receivable	11,210,331	-
Grant funds not received meeting all eligiblity requirements	-	130,418
Charges for services earned, but not yet received	-	49,649
Children with Disabilities Education Board		
Subsequent year tax levy receivable	7,344,873	-
Debt Service		
Subsequent year tax levy receivable	1,620,988	-
Nonmajor Governmental funds		
Subsequent year tax levy receivable	3,121,308	-
Grant funds not received meeting all eligibility requirements	-	402,287
Total unearned/unavailable revenue for governmental funds	<u>\$ 53,951,087</u>	<u>\$ 3,909,672</u>
Unearned revenue included in liabilities	188,000	
Unearned revenue included in deferred inflows	<u>53,763,087</u>	
Totals	<u>\$ 53,951,087</u>	

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 \$771,906, and the depreciation for year ended December 31, 2014 was \$71,053. 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 2014. Remaining annual required future lease payments are as follows:

<u>Year Ended</u>	<u>Rent Amount</u>	<u>Reimbursed Costs</u>	<u>Total</u>
2015	\$ 10,200	\$ 68,936	\$ 79,136
2016	5,950	40,213	46,163
Total:	<u>\$ 16,150</u>	<u>\$ 109,149</u>	<u>\$ 125,299</u>

The County entered into an operating lease with David E. Geils, effective January 1, 2015 for use of County farmland located in Geneva Township. The various parcels were purchased between 1852 and 2000 at a total value of \$624,445.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

J - LEASES AND LONG-TERM OBLIGATIONS (continued)

Operating Leases (continued)

The carrying value is \$624,445, as land is not depreciated. The four-year lease expires December 31, 2018. Remaining annual required future lease payments to the County are \$170,000 for 2015, 2016, 2017 and 2018 for a total of \$680,000.

The County entered into an operating lease with David E. Geils, effective January 1, 2015 for use of County farmland located in Lyons Township. The various parcels were purchased in 2014 a total value of \$979,960. The current carrying value is \$979,960, as land is not depreciated. The four-year lease expires December 31, 2018. Remaining annual required future lease payments to the County are \$33,300 for 2015, 2016, 2017 and 2018 for a total of \$133,200.

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 \$107,387 for the year ended December 31, 2014. 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>
2015	\$ 103,491
2016	60,370
Total	\$ 163,861

The County leases electronic monitoring and alcohol monitoring equipment, services, and support for the Walworth County Law Enforcement Center for offenders on supervised probation. Total cost of the lease was \$206,447 for the year ended December 31, 2014. The County entered into a new three-year lease for 2015-2017. The lease payment varies by service provided and/or number of monitors issued for a particular month. The future minimum lease payments, based on the equipment in place as of December 31, 2014, are as follows:

<u>Year Ended</u>	<u>Amount</u>
2015	\$ 215,350
2016	219,000
2017	222,650
Total	\$ 657,000

General Obligation 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.

Long-term Obligations

Total interest and fees paid during the year on long-term debt totaled \$862,435. The County's 2009 debt issuance resulted in a 2014 reimbursement of interest payment by the federal Build America Bond program in the amount of \$46,698.

The following table is a summary of changes in long-term obligations of the County for the year ended December 31, 2014:

	Outstanding 1/1/14	Issued	Retired	Outstanding 12/31/14	Due Within One Year
Governmental Activities:					
<u>By Type:</u>					
General obligation debt					
Bonds	\$ 14,090,000	\$ -	\$ 750,000	\$ 13,340,000	\$ 780,000
Notes	11,325,000	-	2,100,000	9,225,000	1,390,000
Unamortized debt premium	58,404	-	8,973	49,431	8,973

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

J - LEASES AND LONG-TERM OBLIGATIONS (continued)

Long-term Obligations (continued)

	Outstanding 1/1/14	Issued	Retired	Outstanding 12/31/14	Due Within One Year
Total general obligation debt	\$ 25,473,404	\$ -	\$ 2,858,973	\$ 22,614,431	\$ 2,178,973
Compensated absences	2,378,796	5,230,037	5,259,814	2,349,019	1,692,647
	<u>\$ 27,852,200</u>	<u>\$ 5,230,037</u>	<u>\$ 8,118,787</u>	<u>\$ 24,963,450</u>	<u>\$ 3,871,620</u>

By Purpose:

General government	\$ 429,117	\$ 758,139	\$ 766,293	\$ 420,963	\$ 315,446
Public safety	845,587	2,553,874	2,532,386	867,075	752,481
Health and human services	595,102	1,320,231	1,319,053	596,280	421,970
Culture, recreation and education	14,402,546	429,631	1,229,673	13,602,504	868,708
Public works	11,414,581	-	2,111,275	9,303,306	1,401,275
Conservation and development	165,267	168,162	160,107	173,322	111,740
	<u>\$ 27,852,200</u>	<u>\$ 5,230,037</u>	<u>\$ 8,118,787</u>	<u>\$ 24,963,450</u>	<u>\$ 3,871,620</u>

Business-type activities:

By Type:

Compensated absences	\$ 896,587	\$ 1,295,162	\$ 1,357,695	\$ 834,053	\$ 541,894
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By Purpose:

Nursing home	\$ 477,343	\$ 683,768	\$ 682,696	\$ 478,415	\$ 300,204
Highway/facilities administration	419,244	611,393	674,999	355,638	241,690
	<u>\$ 896,587</u>	<u>\$ 1,295,161</u>	<u>\$ 1,357,695</u>	<u>\$ 834,053</u>	<u>\$ 541,894</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	\$ 6,775,000
\$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	6,565,000

Notes:

\$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	3,200,000
\$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	6,025,000
Total Outstanding General Obligation Debt	<u>\$ 22,565,000</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

J - LEASES AND LONG-TERM OBLIGATIONS (continued)

Long-term Obligations (continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$22,565,000 on December 31, 2014 are detailed in the following table.

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2015	\$ 2,170,000	\$ 741,420	\$ 2,911,420
2016	2,245,000	680,037	2,925,037
2017	2,320,000	612,760	2,932,760
2018	2,405,000	539,716	2,944,716
2019	2,495,000	461,131	2,956,131
2020-2024	7,145,000	1,383,474	8,528,474
2025-2027	3,785,000	237,625	4,022,625
	<u>\$ 22,565,000</u>	<u>\$ 4,656,163</u>	<u>\$ 27,221,163</u>

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2014 was \$641,778,559 as follows:

Equalized valuation of the County	\$ 13,280,169,800
Statutory limitation percentage	5 %
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>664,008,490</u>
Total outstanding general obligation debt applicable	\$ 22,565,000
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>(335,069)</u>
Net outstanding general obligation debt applicable to debt limitation	<u>22,229,931</u>
Legal Margin for New Debt	<u>\$ 641,778,559</u>

K - EQUITY CLASSIFICATIONS

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2014 include the following:

Net investment in capital assets	
Land	\$ 2,811,454
Construction in progress	3,387,533
Buildings, net of accumulated depreciation	50,353,702
Improvements other than buildings, net of accumulated depreciation	2,317,150
Machinery and equipment, net of accumulated depreciation	5,302,694
Intangible assets, net of amortization	5,060,976
Infrastructure, net of accumulated depreciation	<u>40,229,128</u>
Subtotal	109,462,637
Less: related long-term debt outstanding and debt premium	<u>(22,614,431)</u>
Total Net investment in capital assets	<u>\$ 86,848,206</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

K - EQUITY CLASSIFICATIONS (continued)

Restricted			
Donations			
Crime prevention and Sheriff restricted miscellaneous	\$	31,369	
Employee wellness		7,228	
Health and human services		211,195	
Park		350	
School programs		<u>144,239</u>	
			394,381
Grant related encumbrances/carryforwards			
Health and human services		46,989	
Land information		352	
School		<u>85</u>	
			47,426
Fees			
Alpine Valley Concert fees		199,390	
Land modernization fees		286,098	
Non-metallic mining fees		906	
Public access fees		304,422	
Redaction fees		255,549	
Sheriff confiscated fees and jail assessments		492,340	
UW-Extension restricted program fees		<u>3,983</u>	
			<u>1,542,688</u>
Total Restricted			1,984,495
Unrestricted			<u>102,790,058</u>
Total governmental activities net position			<u>\$191,622,759</u>

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

L - OTHER POST EMPLOYMENT BENEFITS

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 teachers 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, 2014

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
Former 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, 39 retirees meet the eligibility requirements for this benefit. During 2014, approximately \$166,142 of expenditures were recognized for post employment health care benefits from these sick leave insurance credits. The OPEB calculation includes these benefits.

Teacher 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, 2014, 22 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 2014, \$182,113 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, 2014, 12 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 2014, \$102,821 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. Due to the County's current funded status, the plan was amended January 1, 2014 to adjust the amortization to an 11 year period with full amortization by December 31, 2024. 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, 2014, the County's investment held in trust was \$23,483,383 of which \$3,549,798 was due to realized interest earned, net of investment expense, and \$2,839,903 of unrealized interest since inception of the trust.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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	(433,705)
Adjustment to annual required contribution	<u>825,434</u>
Annual OPEB cost	391,729
Contributions made	<u>(819,931)</u>
Decrease in net OPEB Obligation	(428,202)
Net OPEB obligation (asset) - beginning of year	<u>(7,885,544)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (8,313,746)</u></u>
Governmental activities net OPEB obligation (asset)	\$ (7,550,987)
Business-type activities net OPEB obligation (asset)	<u>(762,759)</u>
	<u><u>\$ (8,313,746)</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 2014 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	2012	\$ 68,017	489%	\$ (2,470,659)
	2013	103,911	354%	(2,734,510)
	2014	135,842	225%	(2,904,059)
Public Works	2012	19,861	261%	(355,173)
	2013	14,938	153%	(363,032)
	2014	18,034	91%	(361,321)
LHCC	2012	44,284	542%	(320,537)
	2013	13,481	406%	(361,817)
	2014	17,974	320%	(401,438)

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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	2012	\$ 287,598	936%	\$ (3,712,437)
	2013	156,137	239%	(3,929,609)
	2014	195,211	163%	(4,053,367)
Other Departments	2012	274,854	139%	(358,048)
	2013	15,059	1,020%	(496,576)
	2014	24,668	493%	(593,561)
Total County	2012	694,614	533%	(7,216,854)
	2013	303,526	320%	(7,885,544)
	2014	\$ 391,729	209%	\$ (8,313,746)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2014 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)	\$ 3,103,696	\$ 613,450	\$ 876,677	\$ 8,415,824	\$ 3,477,661	\$16,487,308
Actuarial value of plan assets	5,130,141	1,206,081	1,675,578	10,494,577	4,970,068	23,476,445
Unfunded actuarial accrued liability (UAAL)	(2,026,445)	(592,631)	(798,901)	(2,078,753)	(1,492,407)	(6,989,137)
Funded ratio (actuarial value of plan assets/AAL)	165 %	197 %	191 %	125 %	143 %	142 %
Covered payroll	3,436,571	2,213,027	2,652,537	4,411,409	12,967,665	25,681,209
UAAL as a percentage of covered payroll	(59)%	(27)%	(30)%	(47)%	(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, 2014

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, 2014 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, 2014 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. 2014 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, 2014 over 10 years. Gains and losses are currently being amortized over 10 years.

M - TERMINATION BENEFITS

There were no new termination benefit agreements or activity during 2014.

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 employees are the same 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 2014 are:

	Employee	Employer
General (including teachers)	7.00%	7.00%
Executives and elected officials	7.75%	7.75%
Protective with social security	7.00%	10.10%
Protective without social security	7.00%	13.70%

The payroll for County employees covered by WRS for the year ended December 31, 2014 was \$39,961,501; the employer's total payroll was \$42,045,029. The total required contribution for the year ended December 31, 2014 was \$5,779,465 or 14.46% of covered payroll. This amount consisted of \$2,980,084 (7.46%) from the employer and \$2,799,381 (7.01%) from employees. Of this amount, 100% was contributed for the current year. Total contributions for the years ended December 31, 2013 and 2012 were \$5,314,568 and \$4,746,434, respectively, equal to the required contributions for each year.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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.

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>
2012	\$ 1,432,277
2013	1,296,600
2014	<u>837,143</u>
Total	<u>\$ 3,566,020</u>

The County has recognized a total of \$4,170,095 in claims liabilities in the Health, Dental and Workers Compensation internal service funds at December 31, 2014. This actuarial determined liability amount was based on reviewing the 2014 claim settlements, inclusive of claims settled through February, 2015 and extrapolating forward.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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, 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>
January 1, 2014 claims liabilities	1,769,000	55,000	2,235,597	4,059,597
2014 claims incurred during the period	\$ 14,275,128	\$ 755,483	\$ 925,621	\$ 15,956,232
2014 discounts, rebates, and refunds	(920,625)	-	-	(920,625)
2014 claims payments	<u>(13,256,503)</u>	<u>(757,483)</u>	<u>(911,123)</u>	<u>(14,925,109)</u>
Unpaid claims - end of year	<u>\$ 1,867,000</u>	<u>\$ 53,000</u>	<u>\$ 2,250,095</u>	<u>\$ 4,170,095</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, LaCrosse 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, 2014 this amount is valued at \$2,075,072. 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, 2014 is \$1,341,959. 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, 2014

O - RISK MANAGEMENT (continued)

Investment in Wisconsin Municipal Mutual Insurance Company (continued)

At December 31, 2014, the County's liability claims reserve is recorded at a 95% confidence level. Changes in the fund's claim liability amount for 2014 and 2013 follow:

January 1, 2013 Claims liabilities	\$ 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	1,217,647
2014 claims incurred during the period	11,758
2014 change in estimates of prior years	217,691
2014 claims payments	<u>(105,137)</u>
Unpaid claims - December 31, 2014	<u>\$ 1,341,959</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.

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, 2014 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, 2014, the County's governmental funds had encumbered commitments under various goods and service agreements which provide for payments in the amount of \$973,322. 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, 2014

P - CONTINGENCIES AND COMMITMENTS (continued)

Outstanding Encumbrances (continued)

Governmental funds			
General fund	\$	564,724	
Health and Human Services fund		78,752	
Capital Projects		<u>329,846</u>	
	\$		973,322
Proprietary funds			
Lakeland Health Care Center fund		27,752	
Public Works fund		<u>35,006</u>	
			<u>62,758</u>
	\$		<u><u>1,036,080</u></u>

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 County has agreed to 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 2014 tax levy collected in 2015 to the greater of 0.0% growth plus terminated TID (0.0%) or the percentage of change in equalized value due to net new construction (0.571%) plus terminated TID (0.0%). The limit for the County for the 2015 budget was 0.571%. 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 2015 budget by \$2,157.

Q - SUBSEQUENT EVENTS

Management Monitoring of Subsequent Events

Management evaluated subsequent events through May 29, 2015, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2014, but prior to May 29, 2015 that provided additional evidence about conditions that existed at December 31, 2014, have been recognized in the financial statements for the year ended December 31, 2014. Events or transactions that provided evidence about conditions that did not exist at December 31, 2014, 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, 2014.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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WALWORTH COUNTY, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Reserve	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.

**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					
	12/31/2009	\$ 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)
	12/31/2014	-	-	- %	(2,904,059)
Public Works					
	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)
	12/31/2014	-	-	- %	(361,321)
Lakeland Health Care Center					
	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)
	12/31/2014	-	-	- %	(401,438)
Deputies-Sworn					
	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)
	12/31/2014	-	-	- %	(4,053,367)
Other County Departments					
	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	393,873	243,583	161.7 %	(358,048)
	12/31/2013	500,000	-	- %	(496,576)
	12/31/2014	-	-	- %	(593,561)
Total County					
	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	3,709,082	932,769	397.6 %	(7,216,854)
	12/31/2013	500,000	-	- %	(7,885,544)
	12/31/2014	\$ -	\$ -	- %	\$ (8,313,746)

**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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
TAXES				
Real and personal property taxes	\$ 30,676,446	\$ 30,795,774	\$ 31,930,306	\$ 1,134,532
Retail sales and use taxes	7,000,120	7,245,120	8,272,599	1,027,479
Other taxes	280,000	370,000	378,183	8,183
TOTAL	37,956,566	38,410,894	40,581,088	2,170,194
INTERGOVERNMENTAL				
State shared taxes	272,000	279,335	343,980	64,645
Federal grants	769,000	784,796	775,806	(8,990)
State grants	1,121,177	1,269,476	1,014,330	(255,146)
TOTAL	2,162,177	2,333,607	2,134,116	(199,491)
LICENSES AND PERMITS				
Licenses	69,727	68,806	71,271	2,465
Permits	164,390	164,390	177,970	13,580
TOTAL	234,117	233,196	249,241	16,045
FINES, FORFEITURES AND PENALTIES				
Law and ordinance violations	626,000	477,287	477,767	480
Court fees and costs	708,900	597,359	606,109	8,750
TOTAL	1,334,900	1,074,646	1,083,876	9,230
PUBLIC CHARGES FOR SERVICES				
Public charges for services	2,233,743	1,696,945	1,734,648	37,703
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State and federal	258,385	353,633	400,929	47,296
Local districts	64,892	63,796	357,989	294,193
Interdepartmental revenues	826,664	810,942	804,100	(6,842)
TOTAL	1,149,941	1,228,371	1,563,018	334,647

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
INVESTMENT INCOME				
Investment income	\$ 403,550	\$ 439,067	\$ 549,964	\$ 110,897
MISCELLANEOUS				
Rental revenue	240,020	220,688	220,722	34
Property sales and loss compensation	39,950	134,204	195,720	61,516
Donations and contributions	1,175	6,900	8,279	1,379
Rebates, refunds and reimbursements	30,720	496,072	520,295	24,223
TOTAL	311,865	857,864	945,016	87,152
TOTAL REVENUES	45,786,859	46,274,590	48,840,967	2,566,377
OTHER FINANCING SOURCES				
Transfers in	285,057	3,031,415	3,029,415	(2,000)
Sale of capital assets	104,400	88,323	99,391	11,068
TOTAL	389,457	3,119,738	3,128,806	9,068
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 46,176,316	\$ 49,394,328	\$ 51,969,773	\$ 2,575,445

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CURRENT:				
GENERAL GOVERNMENT				
County board	\$ 262,528	\$ 272,528	\$ 238,730	\$ 33,798
County clerk	343,624	376,402	368,168	8,234
Elections	192,556	118,506	79,158	39,348
Administration	1,638,925	1,600,657	1,529,366	71,291
Human resources	775,844	1,141,087	896,951	244,136
Finance	1,737,663	1,398,878	1,321,856	77,022
Treasurer	521,481	575,186	517,091	58,095
Coroner	449,700	524,700	502,176	22,524
Clerk of courts	3,221,174	3,138,908	2,815,881	323,027
District attorney	850,628	852,076	782,956	69,120
Register of deeds	641,595	520,474	512,519	7,955
Information technology	2,107,044	2,166,505	1,867,300	299,205
Central services	1,074,148	1,377,049	1,291,693	85,356
Non-departmental	3,233,698	2,540,347	2,222,342	318,005
Community initiative	256,840	256,840	234,700	22,140
TOTAL	17,307,448	16,860,143	15,180,887	1,679,256
PUBLIC SAFETY				
Sheriff	24,194,456	23,846,645	22,385,481	1,461,164
HEALTH AND HUMAN SERVICES				
Veterans services	223,463	223,463	204,689	18,774
CULTURE, RECREATION, AND EDUCATION				
UW extension	597,976	617,561	570,863	46,698
Parks	161,485	129,885	100,314	29,571
TOTAL	759,461	747,446	671,177	76,269
CONSERVATION AND DEVELOPMENT				
Land use and resource management	1,740,768	1,757,358	1,629,994	127,364
TOTAL CURRENT EXPENDITURES	44,225,596	43,435,055	40,072,228	3,362,827

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CAPITAL OUTLAY:				
GENERAL GOVERNMENT				
Human Resources	\$ -	\$ 21,050	\$ 21,013	\$ 37
Finance	-	7,335	7,335	-
Treasurer	-	74,025	17,914	56,111
Clerk of courts	12,000	12,000	9,890	2,110
Register of deeds	-	1,857	1,856	1
Information technology	284,350	216,194	194,612	21,582
Central services	510,000	359,483	339,297	20,186
TOTAL	806,350	691,944	591,917	100,027
PUBLIC SAFETY				
Sheriff	704,400	1,092,167	812,013	280,154
CULTURE, RECREATION, AND EDUCATION				
Parks	102,300	154,923	152,584	2,339
CONSERVATION AND DEVELOPMENT				
Land use and resource management	320,000	312,682	52,709	259,973
TOTAL CAPITAL OUTLAY	1,933,050	2,251,716	1,609,223	642,493
TOTAL EXPENDITURES	46,158,646	45,686,771	41,681,451	4,005,320
OTHER FINANCING USES:				
Transfers out	955,220	1,179,263	1,179,262	1
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 47,113,866	\$ 46,866,034	\$ 42,860,713	\$ 4,005,321

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,000,198	\$ 2,000,198	\$ 2,000,198	\$ -
Intergovernmental	45,500	45,500	46,698	1,198
Total revenues	<u>2,045,698</u>	<u>2,045,698</u>	<u>2,046,896</u>	<u>1,198</u>
EXPENDITURES				
Debt service:				
Principal retirement	2,850,000	2,850,000	2,850,000	-
Interest and fiscal charges	862,762	862,762	862,435	327
Total expenditures	<u>3,712,762</u>	<u>3,712,762</u>	<u>3,712,435</u>	<u>327</u>
Excess (deficiency) of revenues over expenditures	<u>(1,667,064)</u>	<u>(1,667,064)</u>	<u>(1,665,539)</u>	<u>1,525</u>
OTHER FINANCING SOURCES				
Transfers in	1,292,064	1,292,064	1,292,064	-
Total other financing sources	<u>1,292,064</u>	<u>1,292,064</u>	<u>1,292,064</u>	<u>-</u>
Net change in fund balances	(375,000)	(375,000)	(373,475)	1,525
Fund balances - beginning	708,544	708,544	708,544	-
Fund balances - ending	<u>\$ 333,544</u>	<u>\$ 333,544</u>	<u>\$ 335,069</u>	<u>\$ 1,525</u>

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NONMAJOR GOVERNMENTAL FUNDS

- ◆ **Land Information Fund** - to account for the financial activity of the Wisconsin Land Information Board. Its services are funded with tax levy, intergovernmental revenues, and retained filing fees to coordinate land records modernization and public access activities.
- ◆ **Sheriff Restricted Fund** - to account for several sheriff restricted revenue funding sources for use by the County for specific law enforcement purposes including jail assessments awarded by the courts, county portion of state and federal money confiscated for crimes, Alpine Valley concert fees, and law enforcement and crime prevention program donations.
- ◆ **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.

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WALWORTH COUNTY, WISCONSIN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

	Special Revenue Funds			Totals
	Land Information	Sheriff Restricted	Capital Projects	
ASSETS				
Cash and investments	\$ 52,691	\$ 773,169	\$ 7,891,200	\$ 8,717,060
Restricted cash and investments	439,046	-	-	439,046
Taxes receivable	126,708	-	2,994,600	3,121,308
Due from other governments	50	9,430	402,287	411,767
Prepaid items	2,026	-	-	2,026
Total assets	<u>\$ 620,521</u>	<u>\$ 782,599</u>	<u>\$ 11,288,087</u>	<u>\$ 12,691,207</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 21,136	\$ 59,500	\$ 83,715	\$ 164,351
Accrued liabilities	2,420	-	-	2,420
Due to other governments	10	-	-	10
Due to other funds	1	-	-	1
Total liabilities	<u>23,567</u>	<u>59,500</u>	<u>83,715</u>	<u>166,782</u>
Deferred Inflows of Resources:				
Unearned revenues-property taxes	126,708	-	2,994,600	3,121,308
Unavailable revenues	-	-	402,287	402,287
Total deferred inflows of resources	<u>126,708</u>	<u>-</u>	<u>3,396,887</u>	<u>3,523,595</u>
Fund Balances:				
Nonspendable for:				
Prepays	2,026	-	-	2,026
Restricted for:				
Alpine Valley	-	199,390	-	199,390
Carryforward projects	352	-	-	352
Donations	-	31,369	-	31,369
Modernization fees	221,966	-	-	221,966
Public access fees	240,291	-	-	240,291
Sheriff confiscated fees/jail assessments	-	492,340	-	492,340
Committed for:				
Encumbrances	-	-	329,846	329,846
Road construction	-	-	4,726,012	4,726,012
Transfer to General fund	5,611	-	-	5,611
Assigned for:				
Carryforward projects	-	-	2,751,627	2,751,627
Total fund balances	<u>470,246</u>	<u>723,099</u>	<u>7,807,485</u>	<u>9,000,830</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 620,521</u>	<u>\$ 782,599</u>	<u>\$ 11,288,087</u>	<u>\$ 12,691,207</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Land Information</u>	<u>Sheriff Restricted</u>	<u>Capital Projects</u>	
REVENUES				
Taxes	\$ 178,432	\$ -	\$ 3,007,600	\$ 3,186,032
Intergovernmental	1,000	-	950,000	951,000
Fines, forfeitures and penalties	-	4,488	-	4,488
Public charges for services	155,569	242,556	-	398,125
Intergovernmental charges for services	9,512	-	35,985	45,497
Investment income	406	-	-	406
Miscellaneous	-	353	3,358	3,711
Total revenues	<u>344,919</u>	<u>247,397</u>	<u>3,996,943</u>	<u>4,589,259</u>
EXPENDITURES				
Current:				
Public safety	-	378,666	-	378,666
Conservation and development	306,114	-	-	306,114
Capital outlay:				
General government	-	-	7,188	7,188
Public safety	-	171,192	40,857	212,049
Health and human services	-	-	89,593	89,593
Culture, recreation, and education	-	-	1,908,173	1,908,173
Public works	-	-	4,130,030	4,130,030
Total expenditures	<u>306,114</u>	<u>549,858</u>	<u>6,175,841</u>	<u>7,031,813</u>
Excess (deficiency) of revenues over expenditures	<u>38,805</u>	<u>(302,461)</u>	<u>(2,178,898)</u>	<u>(2,442,554)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	224,042	1,076,231	1,300,273
Transfers out	(167,855)	-	-	(167,855)
Total other financing sources (uses)	<u>(167,855)</u>	<u>224,042</u>	<u>1,076,231</u>	<u>1,132,418</u>
Net change in fund balances	(129,050)	(78,419)	(1,102,667)	(1,310,136)
Fund balances - beginning	599,296	801,518	8,910,152	10,310,966
Fund balances - ending	<u>\$ 470,246</u>	<u>\$ 723,099</u>	<u>\$ 7,807,485</u>	<u>\$ 9,000,830</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 178,464	\$ 178,432	\$ 178,432	\$ -
Intergovernmental	300	1,000	1,000	-
Public charges for services	158,650	158,650	155,569	(3,081)
Intergovernmental charges for services	16,500	16,532	9,512	(7,020)
Investment income	537	537	406	(131)
Total revenues	<u>354,451</u>	<u>355,151</u>	<u>344,919</u>	<u>(10,232)</u>
EXPENDITURES				
Current:				
Conservation and development	348,654	349,002	306,114	42,888
Capital outlay:				
Conservation and development	-	16,000	-	16,000
Total expenditures	<u>348,654</u>	<u>365,002</u>	<u>306,114</u>	<u>58,888</u>
Excess (deficiency) of revenues over expenditures	<u>5,797</u>	<u>(9,851)</u>	<u>38,805</u>	<u>48,656</u>
OTHER FINANCING USES				
Transfers out	<u>(160,000)</u>	<u>(167,855)</u>	<u>(167,855)</u>	<u>-</u>
Net change in fund balances	<u>(154,203)</u>	<u>(177,706)</u>	<u>(129,050)</u>	<u>48,656</u>
Fund balances - beginning	<u>599,296</u>	<u>599,296</u>	<u>599,296</u>	<u>-</u>
Fund balances - ending	<u>\$ 445,093</u>	<u>\$ 421,590</u>	<u>\$ 470,246</u>	<u>\$ 48,656</u>

WALWORTH COUNTY, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHERIFF RESTRICTED SPECIAL REVENUE FUND
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 4,488	\$ 4,488
Public charges for services	-	422,685	242,556	(180,129)
Miscellaneous	-	1,025	353	(672)
Total revenues	-	423,710	247,397	(176,313)
EXPENDITURES				
Current:				
Public safety	-	595,813	378,666	217,147
Capital outlay:				
Public safety	-	171,787	171,192	595
Total expenditures	-	767,600	549,858	217,742
Excess (deficiency) of revenues over expenditures	-	(343,890)	(302,461)	41,429
OTHER FINANCING SOURCES				
Transfers in	-	224,043	224,042	(1)
Total other financing sources	-	224,043	224,042	(1)
Net change in fund balances	-	(119,847)	(78,419)	41,428
Fund balances - beginning	801,518	801,518	801,518	-
Fund balances - ending	\$ 801,518	\$ 681,671	\$ 723,099	\$ 41,428

WALWORTH COUNTY, WISCONSIN

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

For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,007,600	\$ 3,007,600	\$ 3,007,600	\$ -
Intergovernmental	1,625,000	1,822,863	950,000	(872,863)
Intergovernmental charges for services	-	-	35,985	35,985
Miscellaneous	-	2,112	3,358	1,246
Total revenues	<u>4,632,600</u>	<u>4,832,575</u>	<u>3,996,943</u>	<u>(835,632)</u>
EXPENDITURES				
Capital outlay:				
General government	-	99,373	7,188	92,185
Public safety	-	1,483,107	40,857	1,442,250
Health and human services	-	367,893	89,593	278,300
Culture, recreation, and education	1,910,220	1,912,653	1,908,173	4,480
Public works	3,677,600	6,725,592	4,130,030	2,595,562
Total expenditures	<u>5,587,820</u>	<u>10,588,618</u>	<u>6,175,841</u>	<u>4,412,777</u>
Excess (deficiency) of revenues over expenditures	<u>(955,220)</u>	<u>(5,756,043)</u>	<u>(2,178,898)</u>	<u>3,577,145</u>
OTHER FINANCING SOURCES				
Transfers in	955,220	1,076,231	1,076,231	-
Total other financing sources	<u>955,220</u>	<u>1,076,231</u>	<u>1,076,231</u>	<u>-</u>
Net change in fund balances	-	(4,679,812)	(1,102,667)	3,577,145
Fund balances - beginning	<u>8,910,152</u>	<u>8,910,152</u>	<u>8,910,152</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,910,152</u>	<u>\$ 4,230,340</u>	<u>\$ 7,807,485</u>	<u>\$ 3,577,145</u>

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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, 2014

	<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	\$ 18,030,125	\$ 759,503	\$ 2,630,240	\$ 4,086,492	\$ 25,506,360
Restricted cash and investments:					
Deposits held with fiscal agents	-	-	35,000	319,500	354,500
Accounts receivable	24,734	-	-	-	24,734
Due from other funds	-	-	16,589	-	16,589
Total current assets	<u>18,054,859</u>	<u>759,503</u>	<u>2,681,829</u>	<u>4,405,992</u>	<u>25,902,183</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>18,054,859</u>	<u>759,503</u>	<u>2,681,829</u>	<u>5,968,992</u>	<u>27,465,183</u>
LIABILITIES					
Current liabilities:					
Accounts payable	127,377	12	1,900	-	129,289
Claims payable	1,867,000	53,000	2,250,095	1,341,959	5,512,054
Deposits	1,140,161	71,509	-	-	1,211,670
Total liabilities	<u>3,134,538</u>	<u>124,521</u>	<u>2,251,995</u>	<u>1,341,959</u>	<u>6,853,013</u>
NET POSITION					
Restricted for donations	7,228	-	-	-	7,228
Unrestricted	14,913,093	634,982	429,834	4,627,033	20,604,942
Total net position	<u>\$ 14,920,321</u>	<u>\$ 634,982</u>	<u>\$ 429,834</u>	<u>\$ 4,627,033</u>	<u>\$ 20,612,170</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2014

	Health Insurance	Dental Insurance	Workers Compensation	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 1,614,704	\$ 19,774	\$ -	\$ -	\$ 1,634,478
Interdepartmental	13,527,547	830,681	917,542	193,683	15,469,453
Total operating revenues	<u>15,142,251</u>	<u>850,455</u>	<u>917,542</u>	<u>193,683</u>	<u>17,103,931</u>
Operating expenses:					
Insurance services	<u>15,105,859</u>	<u>777,872</u>	<u>1,031,502</u>	<u>409,972</u>	<u>17,325,205</u>
Total operating expenses	<u>15,105,859</u>	<u>777,872</u>	<u>1,031,502</u>	<u>409,972</u>	<u>17,325,205</u>
Operating income (loss)	<u>36,392</u>	<u>72,583</u>	<u>(113,960)</u>	<u>(216,289)</u>	<u>(221,274)</u>
Nonoperating revenues (expenses):					
Investment income	15,972	610	2,401	9,092	28,075
Insurance recoveries	-	-	-	38,606	38,606
Legal claim settlement	-	-	-	(13,962)	(13,962)
Rent, rebates, and donations	<u>4,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,790</u>
Total nonoperating revenues	<u>20,762</u>	<u>610</u>	<u>2,401</u>	<u>33,736</u>	<u>57,509</u>
Income (loss) before transfers	<u>57,154</u>	<u>73,193</u>	<u>(111,559)</u>	<u>(182,553)</u>	<u>(163,765)</u>
Change in net position	57,154	73,193	(111,559)	(182,553)	(163,765)
Total net position - beginning	<u>14,863,167</u>	<u>561,789</u>	<u>541,393</u>	<u>4,809,586</u>	<u>20,775,935</u>
Total net position - ending	<u>\$ 14,920,321</u>	<u>\$ 634,982</u>	<u>\$ 429,834</u>	<u>\$ 4,627,033</u>	<u>\$ 20,612,170</u>

WALWORTH COUNTY, WISCONSIN

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2014**

	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Workers Compensation</u>	<u>Risk Management</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 2,097,466	\$ 20,342	\$ -	\$ -	\$ 2,117,808
Receipts from interfund services provided	12,627,340	831,188	927,468	193,683	14,579,679
Payments to suppliers	<u>(14,945,652)</u>	<u>(779,860)</u>	<u>(1,027,589)</u>	<u>(277,548)</u>	<u>(17,030,649)</u>
Net cash provided by (used in) operating activities	<u>(220,846)</u>	<u>71,670</u>	<u>(100,121)</u>	<u>(83,865)</u>	<u>(333,162)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Insurance recovery	-	-	-	38,606	38,606
Legal claim settlements	-	-	-	(13,962)	(13,962)
Rent, rebates, and donations	4,790	-	-	-	4,790
Net cash provided by non-capital financing activities	<u>4,790</u>	<u>-</u>	<u>-</u>	<u>24,644</u>	<u>29,434</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	15,972	610	2,401	9,092	28,075
Net cash provided from investing activities	<u>15,972</u>	<u>610</u>	<u>2,401</u>	<u>9,092</u>	<u>28,075</u>
Net increase (decrease) in cash and investments	<u>(200,084)</u>	<u>72,280</u>	<u>(97,720)</u>	<u>(50,129)</u>	<u>(275,653)</u>
Cash and investments - beginning	18,230,209	687,223	2,762,960	6,019,121	27,699,513
Cash and investments - ending	<u>\$ 18,030,125</u>	<u>\$ 759,503</u>	<u>\$ 2,665,240</u>	<u>\$ 5,968,992</u>	<u>\$ 27,423,860</u>
Cash and investments	\$ 18,030,125	\$ 759,503	\$ 2,630,240	\$ 4,086,492	\$ 25,506,360
Restricted cash and investments	-	-	35,000	1,882,500	1,917,500
	<u>\$ 18,030,125</u>	<u>\$ 759,503</u>	<u>\$ 2,665,240</u>	<u>\$ 5,968,992</u>	<u>\$ 27,423,860</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	36,392	72,583	(113,960)	(216,289)	(221,274)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Change in assets and liabilities:					
Accounts receivable	491,622	47	-	-	491,669
Due from other funds	-	-	9,926	-	9,926
Inventories	25	-	-	-	25
Prepaid items	117,198	-	-	8,112	125,310
Accounts payable	(30,282)	12	(10,585)	-	(40,855)
Claims payable	98,000	(2,000)	14,498	124,312	234,810
Due to other governments	(159)	-	-	-	(159)
Deposits	(44,289)	1,028	-	-	(43,261)
Retiree health credits	(889,353)	-	-	-	(889,353)
Net cash provided by (used in) operating activities	<u>\$ (220,846)</u>	<u>\$ 71,670</u>	<u>\$ (100,121)</u>	<u>\$ (83,865)</u>	<u>\$ (333,162)</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.
 - ◆ **Sheriff Confiscated Funds** - to account for the holding of funds related to federal and state confiscations on behalf of the Drug Enforcement Agency.

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WALWORTH COUNTY, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2014

	Private Purpose Trusts		
	G. Charter Harrison Trust	Tricentennial Trust	Fiduciary Funds Total
ASSETS			
Cash and short-term investments	\$ 36,748	\$ 636	\$ 37,384
NET POSITION			
Held in trust for private purposes	\$ 36,748	\$ 636	\$ 37,384

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2014

	Private Purpose Trusts		Fiduciary
	G. Charter Harrison Trust	Tricentennial Trust	Funds Total
ADDITIONS			
Interest and dividends	\$ 33	\$ 1	\$ 34
DEDUCTIONS			
Educational outreach	3,000	-	3,000
Change in net position	(2,967)	1	(2,966)
Net position - beginning	39,715	635	40,350
Net position - ending	\$ 36,748	\$ 636	\$ 37,384

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<u>PENDING COURT CASES</u>				
ASSETS				
Cash and investments	\$ 810,180	\$ 5,520,184	\$ 5,299,646	\$ 1,030,718
Total assets	<u>\$ 810,180</u>	<u>\$ 5,520,184</u>	<u>\$ 5,299,646</u>	<u>\$ 1,030,718</u>
LIABILITIES				
Accounts payable	\$ 132,109	\$ 1,858,840	\$ 1,859,121	\$ 131,828
Deposits	678,071	3,661,344	3,440,525	898,890
Total liabilities	<u>\$ 810,180</u>	<u>\$ 5,520,184</u>	<u>\$ 5,299,646</u>	<u>\$ 1,030,718</u>
<u>OTHER</u>				
ASSETS				
Cash and investments	\$ 307,709	\$ 1,883,801	\$ 1,603,110	\$ 588,400
Accounts receivable	14	1,075,009	1,075,008	15
Total assets	<u>\$ 307,723</u>	<u>\$ 2,958,810</u>	<u>\$ 2,678,118</u>	<u>\$ 588,415</u>
LIABILITIES				
Accounts payable	\$ 252,567	\$ 329,970	\$ 371,755	\$ 210,782
Due to other governments	20,903	1,661,771	1,660,637	22,037
Deposits	34,253	967,069	645,726	355,596
Total liabilities	<u>\$ 307,723</u>	<u>\$ 2,958,810</u>	<u>\$ 2,678,118</u>	<u>\$ 588,415</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 1,117,889	\$ 7,403,985	\$ 6,902,756	\$ 1,619,118
Accounts receivable	14	1,075,009	1,075,008	15
Total assets	<u>\$ 1,117,903</u>	<u>\$ 8,478,994</u>	<u>\$ 7,977,764</u>	<u>\$ 1,619,133</u>
LIABILITIES				
Accounts payable	\$ 384,676	\$ 2,188,810	\$ 2,230,876	\$ 342,610
Due to other governments	20,903	1,661,771	1,660,637	22,037
Deposits	712,324	4,628,413	4,086,251	1,254,486
Total liabilities	<u>\$ 1,117,903</u>	<u>\$ 8,478,994</u>	<u>\$ 7,977,764</u>	<u>\$ 1,619,133</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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Capital assets:		
Land	\$ 2,811,454	\$ 1,091,454
Buildings	66,427,411	66,104,100
Improvements other than buildings	4,968,974	4,889,554
Infrastructure	61,665,954	59,244,101
Machinery and equipment	15,342,473	15,101,935
Intangible assets	7,405,778	7,389,885
Construction in progress	3,387,533	3,036,243
TOTAL CAPITAL ASSETS	<u>\$ 162,009,577</u>	<u>\$ 156,857,272</u>
Investment in capital assets by source:		
Bonds	\$ 84,795,105	\$ 84,799,785
Donations	1,566,602	1,566,602
Grants	6,591,746	5,649,796
Tax levy	37,530,792	32,250,407
Restricted fees	142,650	128,480
Capital projects **	30,914,667	32,462,202
Other	468,015	-
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$ 162,009,577</u>	<u>\$ 156,857,272</u>

This schedule presents only the capital asset balances related to governmental funds, and includes internal reclassifications of capital assets in the amount of \$209,335 due to transfers between governmental departments. 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, 2014**

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	-	-	-	-	26,384	6,557	-	32,941
Finance	-	-	-	-	24,702	689,672	-	714,374
Treasurer	-	-	-	-	21,255	256,960	-	278,215
Clerk of courts	-	-	-	-	539,941	-	-	539,941
District attorney	-	-	-	-	54,812	-	-	54,812
Register of deeds	-	-	-	-	14,518	79,300	-	93,818
Information technology	-	-	-	-	1,429,116	301,524	-	1,730,640
Purchasing	-	-	-	-	6,046	-	-	6,046
Central services	-	21,620,548	2,598,308	-	2,594,825	8,633	-	26,822,314
Non-departmental	708,190	90,530	405,278	-	27,500	-	-	1,231,498
TOTAL GENERAL GOVERNMENT	708,190	21,711,078	3,003,586	-	4,824,605	1,342,646	-	31,590,105
Public Safety								
Sheriff	-	22,003,594	1,321,345	-	8,832,142	723,231	449,904	33,330,216
TOTAL PUBLIC SAFETY	-	22,003,594	1,321,345	-	8,832,142	723,231	449,904	33,330,216
Health and Human Services								
Veterans	-	-	-	-	13,117	-	-	13,117
Human services	-	5,224,544	98,466	-	727,182	-	1,927,434	7,977,626
TOTAL HEALTH AND HUMAN SERVICES	-	5,224,544	98,466	-	740,299	-	1,927,434	7,990,743
Culture, Recreation, and Education								
Children with Disabilities Education Board	-	16,839,101	-	-	497,425	6,796	-	17,343,322
Parks	2,103,264	649,094	545,577	-	-	-	-	3,297,935
TOTAL CULTURE, RECREATION AND EDUCATION	2,103,264	17,488,195	545,577	-	497,425	6,796	-	20,641,257
Public Works								
Capital projects	-	-	-	-	-	-	981,853	981,853
Infrastructure	-	-	-	61,665,954	-	-	-	61,665,954
TOTAL PUBLIC WORKS	-	-	-	61,665,954	-	-	981,853	62,647,807
Conservation and Development								
Land use and resource management	-	-	-	-	128,568	-	28,342	156,910
Land information	-	-	-	-	319,434	5,333,105	-	5,652,539
TOTAL CONSERVATION AND DEVELOPMENT	-	-	-	-	448,002	5,333,105	28,342	5,809,449
TOTAL CAPITAL ASSETS	\$ 2,811,454	\$ 66,427,411	\$ 4,968,974	\$ 61,665,954	\$ 15,342,473	\$ 7,405,778	\$ 3,387,533	\$ 162,009,577

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, 2014**

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS January 1, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS December 31, 2014</u>
General Government				
County clerk	\$ 11,886	\$ -	\$ -	\$ 11,886
Elections	18,750	-	-	18,750
Administration	54,870	-	-	54,870
Human resources	6,557	26,384	-	32,941
Finance	712,411	7,334	5,371	714,374
Treasurer	256,960	21,255	-	278,215
Clerk of courts	530,051	9,890	-	539,941
District attorney	54,812	-	-	54,812
Register of deeds	93,818	-	-	93,818
Information technology	2,378,151	259,265	906,776	1,730,640
Purchasing	6,046	-	-	6,046
Central services	26,575,239	274,425	27,350	26,822,314
Non-departmental	1,231,498	-	-	1,231,498
TOTAL GENERAL GOVERNMENT	31,931,049	598,553	939,497	31,590,105
Public Safety				
Sheriff	32,643,520	1,175,804	489,108	33,330,216
TOTAL PUBLIC SAFETY	32,643,520	1,175,804	489,108	33,330,216
Health and Human Services				
Veterans	13,117	-	-	13,117
Human services	7,902,446	127,516	52,336	7,977,626
TOTAL HEALTH AND HUMAN SERVICES	7,915,563	127,516	52,336	7,990,743
Culture, Recreation and Education				
Children with Disabilities Education Board	17,185,322	158,000	-	17,343,322
Parks	1,294,065	2,043,870	40,000	3,297,935
TOTAL CULTURE, RECREATION AND EDUCATION	18,479,387	2,201,870	40,000	20,641,257
Public Works				
Capital projects	868,594	113,259	-	981,853
Infrastructure	59,244,101	3,990,153	1,568,300	61,665,954
TOTAL PUBLIC WORKS	60,112,695	4,103,412	1,568,300	62,647,807
Conservation and Development				
Land use and resource management	104,295	64,045	11,430	156,910
Land information	5,670,763	-	18,224	5,652,539
TOTAL CONSERVATION AND DEVELOPMENT	5,775,058	64,045	29,654	5,809,449
TOTAL CAPITAL ASSETS	\$ 156,857,272	\$ 8,271,200	\$ 3,118,895	\$ 162,009,577

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. This report includes internal reclassifications of capital assets between departments, in the amount of \$209,335.

Walworth County
Wisconsin

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STATISTICAL SECTION

Walworth County
Wisconsin

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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	145 - 152
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	153 - 156
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
DEBT CAPACITY	157 - 160
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	161 - 162
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	163 - 167
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.

Walworth County
Wisconsin

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

	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	Fiscal Year 2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 86,848,206
Restricted	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	1,984,495
Unrestricted	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	102,790,058
Subtotal governmental activities net position	<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>	<u>\$ 191,622,759</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 22,143,640
Restricted	250,998	121,838	128,927	144,269	433,244	266,883	235,849	201,684	166,700	149,925
Unrestricted	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	15,177,325
Subtotal business-type activities net position	<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>	<u>\$ 37,470,890</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 108,991,846
Restricted	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	2,134,420
Unrestricted	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	117,967,383
Total primary government net position	<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>	<u>\$ 229,093,649</u>

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

	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	Fiscal Year 2014
Expenses										
Governmental activities:										
General government	\$ 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	\$ 16,554,737
Public safety	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	24,280,347
Health and human services	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	24,104,775
Culture, recreation and education	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	11,065,897
Public works	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	2,102,045
Conservation and development	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	2,170,881
Interest on long-term debt	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	831,802
Subtotal governmental activities expenses	<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>	<u>81,110,484</u>
Business-type activities:										
Nursing home	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	11,842,132
Highway/facilities administration	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	8,654,677
Subtotal business-type activities expenses	<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>	<u>20,496,809</u>
Total primary government expenses	<u>\$100,756,933</u>	<u>\$109,413,552</u>	<u>\$111,777,669</u>	<u>\$111,628,128</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>	<u>\$101,607,293</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 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	\$ 3,483,571
Public safety	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	1,068,174
Health and human services	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	2,991,936
Culture, recreation and education	173,618	154,992	160,090	174,430	203,711	337,201	451,602	378,695	479,666	984,515
Public works	26,180	137,782	-	-	-	4,259	698	16,850	4,578	39,343
Conservation and development	1,029,192	988,825	856,256	724,190	653,502	629,506	630,145	620,678	744,341	548,427
Operating grants and contributions										
General government	542,107	557,570	652,215	574,195	831,676	683,474	871,920	717,068	1,177,212	1,143,277
Public safety	803,228	953,121	851,120	852,400	793,455	1,022,525	957,714	1,255,858	944,733	936,944
Health and human services	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	12,440,244
Culture, recreation and education	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	5,320,861
Public works	-	-	-	-	-	151,548	-	399,740	-	-
Conservation and development	363,915	290,133	293,649	323,639	345,300	313,749	340,873	368,219	245,103	320,388
Interest on long-term debt	-	-	-	-	-	-	-	58,380	53,564	46,698
Capital grants and contributions										
General government	-	640,305	6,979	-	-	423,388	-	-	3,951	-
Public safety	542,469	86,275	93,555	70,674	207,118	142,399	286,687	1,302,049	34,710	107,148
Health and human services	-	-	-	3,732	-	3,563	2,667	80,500	5,323	10,196
Culture, recreation and education	-	14,702	421,773	282,352	72,298	22,500	13,866	4,055	1,900	950,000
Public works	922,761	756,813	150,712	-	220,491	2,222,380	25,000	-	397,092	199,267
Conservation and development	226,109	-	-	-	-	-	-	-	-	-
Subtotal governmental activities program revenues	<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>	<u>30,590,989</u>

(continued)

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

	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	Fiscal Year 2014
Program Revenues (continued)										
Business-type activities										
Charges for services										
Nursing home	\$ 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	\$ 9,306,902
Highway/facilities administration	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	4,679,382
Operating grants and contributions										
Nursing home	1,777,526	1,017,463	919,389	1,520,883	1,315,580	1,347,952	555,797	1,135,603	989,480	968,900
Highway/facilities administration	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	2,133,148
Capital grants and contributions										
Highway/facilities administration	2,740	-	37,738	123,040	107,750	8,069	-	-	-	-
Subtotal business-type activities program revenues	<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>	<u>17,088,332</u>
Total primary government program revenues	<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>	<u>\$ 47,679,321</u>
Net (Expense) Revenue by Function:										
Governmental activities:										
General government	\$ (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)	\$ (11,927,889)
Public safety	(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)	(22,168,081)
Health and human services	(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)	(8,662,399)
Culture, recreation and education	(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)	(3,810,521)
Public works	(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)	(1,863,435)
Conservation and development	(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)	(1,302,066)
Interest on long-term debt	(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)	(785,104)
Subtotal governmental activities expenses	<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>	<u>(50,519,495)</u>
Business-type activities:										
Nursing home	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)	(1,566,330)
Highway/facilities administration	(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)	(1,842,147)
Subtotal business-type activities expenses	<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>	<u>(3,408,477)</u>
Total primary government net (expense)/revenue	<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>	<u>\$ (53,927,972)</u>

(continued)

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

	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	Fiscal Year 2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
General property taxes	\$ 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	\$ 53,489,119
Property taxes for debt service	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	2,000,198
County share of sales taxes	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	8,272,599
Real estate transfer fees	648,518	-	-	-	-	-	-	-	-	-
Other taxes	90,475	77,710	82,751	76,789	64,719	87,930	71,607	70,546	73,393	88,684
Grants and contributions not										
restricted to specific programs	325,169	341,622	341,038	331,464	347,144	381,381	375,478	327,119	328,672	343,980
Investment earnings	2,873,982	4,480,264	4,642,076	2,992,572	2,056,156	849,201	724,442	595,493	270,905	978,589
Gain on sale of assets	-	-	-	-	-	4,804	-	-	-	-
Miscellaneous	7,225	13,925	124,731	46,561	108,223	74,594	69,213	59,302	-	4,507
Transfers	(1,688,014)	(14,643,794)	(1,290,254)	49,714	31,400	30,000	441,485	1,055,714	1,313,880	15,000
Subtotal governmental activities general revenues	<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>64,903,859</u>	<u>65,337,115</u>	<u>65,228,794</u>	<u>65,192,676</u>
Business-type activities:										
Property taxes	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	7,571,551
Investment earnings	75,608	134,101	129,806	63,731	11,997	5,486	6,542	4,261	10,832	55,106
Gain/(Loss) on sale of capital assets	-	-	-	98,145	-	6,128	165,790	-	-	-
Miscellaneous	25,590	-	36,247	46,055	36,704	256,053	638,888	49,144	39,019	53,509
Transfers	1,688,014	14,643,794	1,290,254	(49,714)	(31,400)	(30,000)	(441,485)	(1,055,714)	(1,313,880)	(15,000)
Subtotal business-type activities general revenues	<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>	<u>7,665,166</u>
Total primary government general revenues	<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>\$ 72,773,080</u>	<u>\$ 71,616,829</u>	<u>\$ 71,178,442</u>	<u>\$ 72,857,842</u>
Change in Net Position										
Governmental activities	\$ 7,585,949	\$ (9,952,829)	\$ 4,490,820	\$ 8,960,338	\$ 11,816,413	\$ 14,507,499	\$ 14,546,184	\$ 15,735,981	\$ 17,027,169	\$ 14,673,181
Business-type activities	3,256,577	11,242,004	713,548	1,493,912	2,300,727	2,355,739	2,311,720	2,149,618	2,568,590	4,256,689
Total primary government change in net position	<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>\$ 16,857,904</u>	<u>\$ 17,885,599</u>	<u>\$ 19,595,759</u>	<u>\$ 18,929,870</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 2,995,254	\$ 3,649,929	\$ 8,898,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	4,929,513
Restricted	-	-	-	194,371	301,795	220,625	311,935	384,802	479,977	389,051
Committed	-	-	-	269,797	642,254	1,055,834	2,302,078	4,219,940	9,110,470	12,252,134
Assigned	-	-	-	5,182,772	3,346,237	3,713,293	7,818,552	6,792,650	4,549,470	11,897,764
Unassigned	-	-	-	18,471,322	18,883,279	23,113,817	21,493,566	22,808,649	24,051,322	24,377,896
Total general fund	<u>\$26,844,518</u>	<u>\$26,448,366</u>	<u>\$ 28,159,193</u>	<u>\$27,873,596</u>	<u>\$28,169,146</u>	<u>\$32,511,366</u>	<u>\$36,985,022</u>	<u>\$39,015,650</u>	<u>\$44,737,298</u>	<u>\$53,846,358</u>
All other governmental funds										
Reserved	\$ 7,418,986	\$ 3,389,038	\$ 4,896,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Special revenue funds	199,376	1,901,176	2,562,710	-	-	-	-	-	-	-
Capital projects fund	2,659,242	1,923,875	(3,838,378)	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	493,150	476,511
Restricted	-	-	-	1,480,527	3,700,877	3,076,630	3,693,933	1,533,304	1,720,578	1,588,216
Committed	-	-	-	421,560	582,755	4,581,036	5,279,657	10,245,796	13,243,056	16,354,066
Assigned, specifically*	-	-	-	1,493,221	1,281,030	514,276	909,994	1,699,774	5,176,887	3,113,704
Assigned, non-specific**	-	-	-	6,056,580	5,680,452	2,827,290	3,551,139	3,316,819	3,013,787	2,593,048
Total all other governmental funds	<u>\$10,277,604</u>	<u>\$ 7,214,089</u>	<u>\$ 3,620,795</u>	<u>\$ 9,451,888</u>	<u>\$11,245,114</u>	<u>\$10,999,232</u>	<u>\$13,434,723</u>	<u>\$16,795,693</u>	<u>\$23,647,458</u>	<u>\$24,125,545</u>
Total governmental funds, fund balances	<u>\$37,122,122</u>	<u>\$33,662,455</u>	<u>\$ 31,779,988</u>	<u>\$37,325,484</u>	<u>\$39,414,260</u>	<u>\$43,510,598</u>	<u>\$50,419,745</u>	<u>\$55,811,343</u>	<u>\$68,384,756</u>	<u>\$77,971,903</u>

Note: With the conversion of GASB 54, 2005 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 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	\$ 64,622,978
Intergovernmental	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	20,144,997
Licenses and permits	359,380	351,552	376,192	309,766	258,150	257,319	262,145	258,324	252,859	249,241
Fines, forfeitures and penalties	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	1,088,364
Charges for services	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	7,758,037
Miscellaneous	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	2,178,563
Total revenues	<u>89,313,895</u>	<u>92,014,568</u>	<u>96,784,980</u>	<u>97,647,248</u>	<u>100,136,215</u>	<u>96,048,386</u>	<u>95,123,700</u>	<u>96,324,655</u>	<u>93,573,957</u>	<u>96,042,180</u>
Expenditures										
General government	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	15,180,887
Public safety	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	22,764,147
Health and human services	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	23,721,206
Culture, recreation and education	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	11,005,651
Public works	-	-	-	-	-	-	-	-	4,453	-
Conservation and development	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	1,936,108
Capital outlay	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	8,248,990
Debt service										
Principal retirement	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	2,850,000
Interest and fiscal charges	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	862,435
Total expenditures	<u>94,221,080</u>	<u>102,737,302</u>	<u>107,133,712</u>	<u>104,541,926</u>	<u>103,478,528</u>	<u>92,099,203</u>	<u>96,611,449</u>	<u>92,056,345</u>	<u>82,417,492</u>	<u>86,569,424</u>
Excess (deficiency) of revenues over expenditures	(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	9,472,756
Other financing sources (uses)										
Proceeds from borrowing, net	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	-	-	-
Transfers in	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	5,621,752
Transfers out	(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)	(5,606,752)
Sale of capital assets	-	-	-	474,719	111,194	106,955	67,357	46,000	92,218	99,391
Total other financing sources	<u>8,123,914</u>	<u>7,263,067</u>	<u>8,466,265</u>	<u>12,440,174</u>	<u>5,431,089</u>	<u>147,155</u>	<u>8,396,896</u>	<u>1,123,288</u>	<u>1,416,948</u>	<u>114,391</u>
Net change in fund balances	<u>\$ 3,216,729</u>	<u>\$ (3,459,667)</u>	<u>\$ (1,882,467)</u>	<u>\$ 5,545,496</u>	<u>\$ 2,088,776</u>	<u>\$ 4,096,338</u>	<u>\$ 6,909,147</u>	<u>\$ 5,391,598</u>	<u>\$ 12,573,413</u>	<u>\$ 9,587,147</u>
Debt service as a percentage of non-capital expenditures	7.82%	9.50%	8.28%	11.45%	10.72%	9.19%	7.85%	8.20%	4.00%	4.74%

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	
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%	0.0%	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%	0.0%	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%	0.0%	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%	0.0%	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%	0.0%	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%	0.0%	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%	26.9%	24.6%	15.5%	0.0%	2.1%	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%	0.0%	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%	0.0%	2.3%	7.5%	2.5%	1.1%	100.0%
2014	\$ 15,180,887	\$22,764,147	\$ 23,721,206	\$ 11,005,651	\$ -	\$ 1,936,108	\$ 8,248,990	\$ 2,850,000	\$ 862,435	\$ 86,569,424
% of Total	17.5%	26.3%	27.4%	12.7%	0.0%	2.3%	9.5%	3.3%	1.0%	100.0%

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

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

Fiscal Year	Taxes	Inter- governmental	Licenses and Permits	Fines Forfeits & Penalties	Charges for Services	Miscellaneous	Total
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%	1.5%	100.0%
2014	\$ 64,622,978	\$ 20,144,997	\$ 249,241	\$ 1,088,364	\$ 7,758,037	\$ 2,178,563	\$ 96,042,180
% of Total	67.30%	21.00%	0.30%	1.10%	8.10%	2.20%	100.00%

Note: This summary includes general fund, special revenue funds, debt service fund, and capital projects fund.

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

Fiscal Year	Real Estate ^(a)							Personal Property	Total	Less: Tax Incremental Districts (TIDS)	Total ^(b)	General County Tax Rate ^(c)
	Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Other					
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	11,565,232,700	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	13,207,425,100	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	14,599,872,200	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	15,466,199,300	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	15,610,583,100	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	15,004,870,300	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	14,662,709,200	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	13,720,420,300	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	13,183,359,700	281,043,800	12,902,315,900	4.72
2014	10,911,566,200	1,531,684,200	231,187,700	46,836,200	31,292,500	70,016,300	297,475,600	160,111,100	13,280,169,800	291,918,800	12,988,251,000	4.71

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 districts such as counties are required to use equalized value for levying property taxes. Equalized 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 increments 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)

District	2014		NET TAX RATE - YEAR LEVIED								
	TOTAL EQUALIZED VALUE ^(a)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
County Direct Rates											
Library	\$ 7,619,787,200	0.20	0.21	0.20	0.18	0.16	0.09	0.09	0.09	0.09	0.11
Children with Disabilities Education Board	12,648,658,436	0.58	0.59	0.64	0.60	0.60	0.59	0.61	0.64	0.63	n/a
County Debt Service	12,988,251,000	0.12	0.16	0.10	0.25	0.29	0.35	0.45	0.48	0.62	0.69
County Operating	12,988,251,000	3.90	3.86	3.72	3.32	3.23	2.93	2.74	2.70	2.76	3.60
Total of County Direct Rates ^(b)		4.80	4.82	4.66	4.35	4.28	3.96	3.89	3.91	4.10	4.40
CITY											
Burlington	\$ 594,100	\$ 27.07	\$ 22.69	\$ 23.11	\$ 22.93	\$ 22.72	\$ 20.63	\$ 19.95	\$ 16.51	\$ 19.43	\$ 20.28
Delavan	527,057,900	23.41	25.20	22.91	21.37	21.22	20.20	19.28	19.90	19.43	20.28
Elkhorn	610,887,900	22.83	22.61	21.95	20.99	20.49	18.75	17.83	16.72	16.96	18.15
Lake Geneva	1,096,509,800	21.48	22.61	20.67	18.55	18.57	17.20	17.17	17.35	18.00	19.60
Whitewater	495,780,200	21.29	22.30	20.87	19.90	19.98	18.29	17.49	17.39	17.24	19.16
CITY TOTAL	\$ 2,730,829,900										
TOWN											
Bloomfield	\$ 101,197,000	\$ 17.91	\$ 18.24	\$ 19.47	\$ 16.63	\$ 16.67	\$ 15.76	\$ 15.48	\$ 15.21	\$ 15.28	\$ 17.26
Darien	189,163,200	13.60	14.93	14.67	13.73	13.46	12.66	11.91	11.64	11.55	12.46
Delavan	871,856,800	14.54	15.44	15.27	14.55	14.21	13.53	12.89	13.04	13.66	15.14
East Troy	712,378,000	15.48	15.92	16.21	15.08	15.00	13.99	13.14	13.16	12.69	13.84
Geneva	798,463,200	17.32	18.93	16.17	14.69	14.66	13.59	13.35	13.39	13.88	15.32
La Fayette	248,249,000	17.16	17.70	17.57	15.91	15.92	14.77	13.66	13.76	13.43	14.46
La Grange	684,324,700	15.00	16.77	15.51	14.74	14.62	13.63	12.65	12.44	13.17	13.81
Linn	1,594,022,300	15.50	15.81	14.95	13.58	13.62	12.76	12.54	12.88	13.37	14.99
Lyons	397,085,600	16.13	15.17	16.63	15.06	14.76	13.49	13.05	13.08	13.01	13.70
Richmond	235,202,200	16.55	17.18	16.09	15.33	15.17	14.08	13.20	13.03	12.84	13.98
Sharon	76,207,200	19.92	20.09	18.83	17.75	17.24	16.27	15.72	16.30	16.80	18.12
Spring Prairie	239,833,800	18.08	18.79	18.23	16.69	16.51	15.30	14.68	14.74	14.89	15.87
Sugar Creek	351,464,000	15.86	16.35	16.19	15.30	15.06	13.85	13.13	12.73	12.64	13.79
Troy	250,791,100	17.45	17.80	17.50	16.25	16.05	14.99	14.17	13.76	13.86	15.09
Walworth	221,418,600	14.51	14.55	14.23	13.54	13.14	12.50	12.07	12.28	13.22	14.68
Whitewater	302,697,300	15.89	16.45	16.48	15.74	15.83	14.44	13.44	13.14	12.93	14.45
TOWN TOTAL	\$ 7,274,354,000										
VILLAGE											
Bloomfield	\$ 345,433,200	\$ 17.41	\$ 17.45	\$ 20.38	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Darien	79,310,400	25.98	27.48	28.10	\$ 26.92	\$ 26.25	\$ 24.33	\$ 22.95	\$ 22.89	\$ 22.37	\$ 23.87
East Troy	308,366,600	20.70	20.66	21.90	19.87	20.07	19.05	17.46	17.30	16.84	18.21
Fontana	1,112,417,400	14.67	14.29	14.59	13.64	13.38	12.94	12.52	12.57	13.71	15.35
Genoa City	159,663,400	24.56	25.08	28.71	24.00	24.89	24.11	22.75	20.31	21.69	22.44
Mukwonago	13,258,000	21.11	21.97	20.43	17.29	12.25	19.37	17.83	17.54	18.41	18.73
Sharon	71,326,300	26.87	26.93	27.13	25.39	24.40	21.44	20.87	21.98	22.43	25.36
Walworth	188,306,300	18.28	18.85	20.73	19.00	18.89	18.13	16.68	16.55	17.67	18.79
Williams Bay	704,985,500	14.08	14.78	15.08	14.02	13.51	12.61	12.70	12.97	14.07	15.43
VILLAGE TOTAL	\$ 2,983,067,100										
COUNTY TOTAL	\$ 12,988,251,000										

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, 2014 and Nine Years Prior

Taxpayer	2014			2005		
	Equalized Value	Rank*	Percentage of Total County Equalized Value	Equalized Value	Rank*	Percentage of Total County Equalized Value
Grand Geneva, LLC	\$ 30,916,700	1	0.23%	\$ 41,943,037	1	0.36%
DLK Enterprises, Inc.	24,668,700	2	0.19%	37,121,400	2	0.32%
Art Mortgage Borrower Propco	27,468,500	3	0.21%			
Kikkoman Foods, Inc.	21,420,900	4	0.16%	17,554,231	6	0.15%
Lake Geneva Retail DST	15,055,800	5	0.11%			
Wal-Mart Real Estate Business Trust	13,213,600	6	0.10%	27,296,127	3	0.24%
Lake Geneva Shopping Center	13,202,600	7	0.10%			
Lake Geneva Investors, LLC	13,153,000	8	0.10%	11,601,947	9	0.10%
Honey Creek of East Troy, LLP	10,942,700	9	0.08%			
Paloma Geneva National, LLC	13,163,500	10	0.10%	16,802,575	8	0.15%
Geneva Project LLC				25,168,898	4	0.22%
Delavan Lake Lawn, LLC (Lake Lawn Lodge/Airport)				18,972,350	5	0.16%
Geneva Lakes Cold Storage				17,228,580	7	0.15%
Edwin Kowalski				11,390,829	10	0.10%
Total	\$ 183,206,000		1.38%	\$ 225,079,974		1.95%

*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
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%	\$ 2,754,411	\$ 52,232,362	99.99%	\$ 3,157	0.01%
2007	2008	\$ 54,753,860	\$ 50,648,952	92.5%	\$ 4,098,388	\$ 54,742,960	99.98%	\$ 6,520	0.01%
2008	2009	\$ 57,426,336	\$ 51,840,251	90.3%	\$ 5,585,641	\$ 57,421,057	99.99%	\$ 444	0.00%
2009	2010	\$ 59,087,867	\$ 54,048,583	91.5%	\$ 5,031,384	\$ 59,072,783	99.97%	\$ 7,900	0.01%
2010	2011	\$ 60,793,425	\$ 56,132,950	92.3%	\$ 4,645,480	\$ 60,774,573	99.97%	\$ 14,995	0.02%
2011	2012	\$ 60,880,052	\$ 56,419,388	92.7%	\$ 3,751,759	\$ 60,160,641	98.82%	\$ 708,904	1.16%
2012	2013	\$ 60,879,863	\$ 56,980,090	93.6%	\$ 2,390,193	\$ 59,370,283	97.52%	\$ 1,509,580	2.48%
2013	2014	\$ 60,877,860	\$ 57,902,383	95.1%	\$ -	\$ 57,902,383	95.11%	\$ 2,975,477	4.89%

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 ending December 31, 2014		<u>\$ 13,280,169,800</u>
Legal debt margin:		
Debt limitation, 5% of total equalized value (Wisconsin Statutory Limitation)		664,008,490
Debt applicable to limitation:		
General obligation bonds	13,340,000	
General obligation notes	<u>9,225,000</u>	
Total debt applicable to limitation at December 31, 2014	22,565,000	
Less amount available in debt service fund	<u>(335,069)</u>	<u>(22,229,931)</u>
Legal debt margin for year ending December 31, 2014		<u>641,778,559</u>

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total equalized value - 12/31	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	13,280,169,800
Legal debt margin (5% of equalized value)	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	664,008,490
Debt applicable to limitation										
General Obligation Bonds	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	13,340,000
General Obligation Notes	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	9,225,000
Authorized debt, not yet issued	-	-	-	5,300,000	-	7,740,000	-	-	-	-
Total debt applicable to limitation - 12/31	<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>	<u>22,565,000</u>
Less amount available in debt service fund	<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>	<u>(335,069)</u>
Total debt applicable to limitation - 12/31	<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>	<u>22,229,931</u>
Legal debt margin - 12/31	<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>	<u>\$ 641,778,559</u>
Total net debt applicable to the limit as a percentage of debt limit	8%	7%	7%	7%	6%	6%	5%	4%	4%	3%

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

Fiscal Year	Equalized Value ^(a)	Governmental		Business-Type	Total Gross Bonded Debt ^(b)	Less Debt Service Fund ^(c)	Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Value	Total Gross Debt as a Percentage of Personal Income ^(d)	Total Gross Debt per Capita ^(e)
		General Obligation Bonds ^(b)	General Obligation Notes ^(b)	General Obligation Notes ^(b)						
2005	\$ 11,565,232,700	\$ 3,720,000	\$ 36,314,439	\$ 7,581,811	\$ 47,616,250	\$ 453,929	\$ 47,162,321	0.41%	1.53%	\$ 483
2006	\$ 13,207,425,100	\$ 2,970,000	\$ 31,847,784	\$ 13,983,725	\$ 48,801,509	\$ 413,600	\$ 48,387,909	0.37%	1.48%	\$ 489
2007	\$ 14,599,872,200	\$ 10,683,711	\$ 28,463,672	\$ 12,527,924	\$ 51,675,307	\$ 420,897	\$ 51,254,410	0.35%	1.50%	\$ 513
2008	\$ 15,466,199,300	\$ 21,851,940	\$ 19,793,131	\$ 11,243,553	\$ 52,888,624	\$ 594,892	\$ 52,293,732	0.34%	1.50%	\$ 522
2009	\$ 15,610,583,100	\$ 19,192,190	\$ 18,989,892	\$ 9,910,270	\$ 48,092,352	\$ 638,844	\$ 47,453,508	0.30%	1.39%	\$ 472
2010	\$ 15,004,870,300	\$ 16,121,917	\$ 15,243,566	\$ 8,531,953	\$ 39,897,436	\$ 600,009	\$ 39,297,427	0.26%	1.14%	\$ 390
2011	\$ 14,662,709,200	\$ 15,438,284	\$ 18,124,638	\$ 7,100,370	\$ 40,663,292	\$ 566,218	\$ 40,097,074	0.27%	1.09%	\$ 397
2012	\$ 13,720,420,300	\$ 14,776,521	\$ 12,810,876	\$ 3,031,707	\$ 30,619,104	\$ 711,121	\$ 29,907,983	0.22%	0.79%	\$ 299
2013	\$ 13,183,359,700	\$ 14,058,823	\$ 11,414,581	\$ -	\$ 25,473,404	\$ 708,544	\$ 24,764,860	0.19%	0.64%	\$ 248
2014	\$ 13,280,169,800	\$ 13,418,306	\$ 9,196,125	\$ -	\$ 22,614,431	\$ 335,069	\$ 22,279,362	0.17%	n/a	\$ 220

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

- (a) Source: Wisconsin Department of Revenue, Bureau of Property Tax
- (b) Amount shown is net of related premiums, discounts, and adjustments
- (c) Amount available for repayment of general obligation debt
- (d) Personal income presented on Table 15, Wisconsin Department of Workforce Development, per April 2, 2015 data
- (e) Population presented on Table 15, Wisconsin Department of Administration, Demographic Services Center

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
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%
2014	\$ 2,850,000	\$ 862,435	\$ 3,712,435	\$ 86,569,424	4.3%

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, 2014

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Walworth County	Amount Applicable to Government
Direct:			
Walworth County	\$ 22,614,431	100.00%	\$ 22,614,431
Overlapping:			
City:			
Burlington	18,845,000	0.10%	18,845
Delavan	16,695,846	100.00%	16,695,846
Elkhorn	22,105,000	100.00%	22,105,000
Lake Geneva	7,205,000	100.00%	7,205,000
Whitewater	18,570,000	88.10%	16,360,170
CITY TOTAL	<u>83,420,846</u>		<u>62,384,861</u>
Town:			
Delavan	3,840,811	100.00%	3,840,811
East Troy	653,861	100.00%	653,861
Sharon	507,284	100.00%	507,284
Spring Prairie	995,000	100.00%	995,000
Sugar Creek	57,608	100.00%	57,608
Troy	718,074	100.00%	718,074
Walworth	818,184	100.00%	818,184
Whitewater	684,000	100.00%	684,000
TOWN TOTAL	<u>8,274,822</u>		<u>8,274,822</u>
Village:			
Darien	3,534,236	100.00%	3,534,236
East Troy	6,210,000	100.00%	6,210,000
Fontana	27,592,938	100.00%	27,592,938
Genoa City	5,370,000	100.00%	5,370,000
Mukwonago	25,934,159	1.80%	466,815
Sharon	1,541,086	100.00%	1,541,086
Walworth	920,121	100.00%	920,121
Williams Bay	4,780,449	100.00%	4,780,449
VILLAGE TOTAL	<u>75,882,989</u>		<u>50,415,645</u>
School Districts:			
Big Foot (Walworth UHS)	681,445	100.00%	681,445
Clinton Community	8,310,000	0.40%	33,567
Delavan-Darien	3,280,000	99.68%	3,269,443
East Troy Community	3,190,470	99.46%	3,173,101
Elkhorn Area	15,130,000	100.00%	15,130,000
Fontana Jt 8	780,000	100.00%	780,000
Geneva Jt 4	1,289,814	100.00%	1,289,814
Genoa City Jt 2	6,665,000	100.00%	6,665,000
Lake Geneva Jt 1	24,915,300	100.00%	24,915,300
Lake Geneva-Genoa City Unified High School	14,845,000	100.00%	14,845,000
Linn Jt 4	795,000	100.00%	795,000
Linn Jt 6	2,851,323	100.00%	2,851,323
Mukwonago	12,880,000	0.03%	3,758
Palmyra-Eagle	17,195,000	3.54%	608,207
Sharon Jt 11	2,372,232	100.00%	2,372,232
Walworth Jt 1	192,529	100.00%	192,529
Whitewater	9,355,000	83.25%	7,788,335
Williams Bay	9,480,000	100.00%	9,480,000
SCHOOL DISTRICT TOTAL	<u>134,208,113</u>		<u>94,874,054</u>
Technical College:			
Gateway	59,675,000	34.00%	20,289,500
Special Districts:			
Country Estates	1,235,115	100.00%	1,235,115
East Troy #2	35,000	100.00%	35,000
Lake Beulah	225,000	100.00%	225,000
Lake Como Sanitary #1	7,251,742	100.00%	7,251,742
Lauderdale Lakes Lake Management District	7,682	100.00%	7,682
Lyons Sanitary #2	2,160,588	100.00%	2,160,588
Troy Center Sanitary District #1	25,505	100.00%	25,505
WALCOMET	27,605,051	100.00%	27,605,051
SPECIAL DISTRICT TOTAL	<u>38,545,683</u>		<u>38,545,683</u>
Subtotal of Direct Debt	<u>22,614,431</u>		<u>22,614,431</u>
Subtotal of Overlapping Debt	<u>400,007,453</u>		<u>274,784,565</u>
TOTAL DEBT APPLICABLE TO WALWORTH COUNTY	<u>\$ 422,621,884</u>		<u>\$ 297,398,996</u>

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 & Co.

Note: Amount shown is net of related premiums, discounts, and adjustments.

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)
2005	98,496	3,108,075	31,555	17,699	4.2%	48,575
2006	99,761	3,293,483	33,014	17,710	4.3%	49,560
2007	100,672	3,438,561	34,156	17,868	4.5%	50,174
2008	101,315	3,517,001	34,714	17,819	4.7%	50,666
2009	101,808	3,461,833	34,004	17,736	9.2%	50,958
2010	102,228	3,513,422	34,368	17,651	8.8%	51,531
2011	102,485	3,721,624	36,314	17,758	7.9%	51,601
2012	102,530	3,881,488	37,857	17,551	7.3%	51,664
2013	102,579	3,970,211	38,704	17,484	7.0%	51,772
2014	102,837	n/a	n/a	17,467	5.6%	51,895

Source:

- (a) Wisconsin Department of Administration, Demographic Services Center
- (b) Wisconsin Department of Workforce Development, per April 2, 2015 data
- (c) Wisconsin Department of Public Instruction - public and private enrollment
- (d) US Department of Labor, Bureau of Labor Statistics

n/a - information not yet available

TABLE 16
WALWORTH COUNTY, WISCONSIN
Principal Employers
For December 31, 2014 and Nine Years Prior

Employer	Type of Business	2014 ^(a)			2005 ^(b)		
		Employees	Rank	Percentage of Total County Labor Force	Employees	Rank	Percentage of Total County Labor Force
Grand Geneva LLC	Resort	1100	1	1.95%	500-999	4	1.79%
University of Wisconsin - Whitewater	College	1018	2	1.80%	1000+	1	1.79%
Sta-Rite Industries LLC	Manufacturer - Pumps	950	3	1.68%	500-999	3	1.79%
County of Walworth	Governmental Agency	810	4	1.43%	1000+	2	1.79%
Aurora Health Care of Southern Lakes	Medical/Surgical Hospital	716	5	1.27%	500-999	7	1.79%
Birds Eye Foods LLC	Manufacturer - Fruits & Vegetables	700	6	1.24%			
Wal-Mart Associates	Discount Department Store	580	7	1.03%	500-999	5	1.79%
The Abbey	Resort	490	8	0.87%	250-499	10	0.89%
Geneva National	Resort	470	9	0.83%			
Primex	Manufacturer - Clocks	460	10	0.81%			
Miniature Precision Components Inc.	Manufacturer - Plastics				500-999	6	1.79%
Elkhorn Area School District	Elementary/Secondary School				250-499	8	0.89%
Compass Group He Services LLC	Caterer				250-499	9	0.89%
Total				12.92%			15.20%

Source:

(a) Reference USA, prior source no longer available as the US Department of Labor Statistics will no longer provide employer names with employment size.

(b) Wisconsin Department of Workforce Development, Office of Economic Advisors, US Department of Labor Statistics

Note: Exact employee count was not available for 2005, the percentage of total employment was calculated using the top of each range.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
County Board	0.50	0.50	0.50	0.75	0.75	0.50	0.50	0.50	0.50	1.00
County Clerk	4.00	4.20	4.20	4.20	4.00	4.00	4.00	4.00	4.00	4.00
Administration	15.00	15.00	13.50	10.50	12.50	11.50	11.50	11.50	11.50	8.00
Human Resources	-	-	-	-	-	-	-	-	-	5.00
Finance	16.00	16.00	16.00	14.00	16.00	14.50	14.50	14.50	14.50	15.50
Treasurer	4.99	4.99	4.99	5.88	5.88	4.93	5.33	5.33	6.33	5.33
Medical Examiner	1.32	1.44	1.44	1.44	0.77	0.77	0.77	0.77	0.77	0.77
Clerk of Courts	30.30	30.30	30.30	29.61	29.61	29.61	29.61	29.61	29.61	31.36
District Attorney	11.55	11.55	11.55	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Register of Deeds	6.50	8.00	8.00	8.00	8.00	7.00	7.00	6.50	6.50	6.50
Information Technology	17.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00	13.50	13.00
	<u>107.16</u>	<u>105.98</u>	<u>103.48</u>	<u>98.88</u>	<u>102.01</u>	<u>97.31</u>	<u>97.71</u>	<u>97.21</u>	<u>98.71</u>	<u>101.96</u>
Public Safety										
Sheriff	224.92	221.40	219.90	213.90	214.90	214.90	214.90	212.90	204.60	205.10
	<u>224.92</u>	<u>221.40</u>	<u>219.90</u>	<u>213.90</u>	<u>214.90</u>	<u>214.90</u>	<u>214.90</u>	<u>212.90</u>	<u>204.60</u>	<u>205.10</u>
Health and Human Services										
Health and Human Services	158.34	156.32	158.53	162.62	163.62	164.63	163.74	161.74	166.66	176.49
Veterans	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50
	<u>160.34</u>	<u>158.32</u>	<u>160.53</u>	<u>164.62</u>	<u>165.62</u>	<u>166.63</u>	<u>165.74</u>	<u>163.74</u>	<u>168.66</u>	<u>178.99</u>
Culture, Recreation, and Education										
UW Extension	3.00	3.00	3.00	2.75	2.75	4.00	3.00	2.00	2.00	3.00
Children with Disabilities Education Board	188.89	196.90	190.81	167.51	148.55	134.64	118.22	113.72	108.22	108.32
	<u>191.89</u>	<u>199.90</u>	<u>193.81</u>	<u>170.26</u>	<u>151.30</u>	<u>138.64</u>	<u>121.22</u>	<u>115.72</u>	<u>110.22</u>	<u>111.32</u>

(Continued)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Conservation and Development										
Land Use and Resource Management	23.00	22.00	21.00	21.00	20.00	19.00	19.00	18.00	18.00	17.00
	<u>23.00</u>	<u>22.00</u>	<u>21.00</u>	<u>21.00</u>	<u>20.00</u>	<u>19.00</u>	<u>19.00</u>	<u>18.00</u>	<u>18.00</u>	<u>17.00</u>
Lakeland Health Care Center										
Lakeland Health Care Center	197.76	163.77	150.49	142.29	139.54	137.04	136.83	134.86	128.36	131.35
	<u>197.76</u>	<u>163.77</u>	<u>150.49</u>	<u>142.29</u>	<u>139.54</u>	<u>137.04</u>	<u>136.83</u>	<u>134.86</u>	<u>128.36</u>	<u>131.35</u>
Highway/Facilities Administration										
Public Works	66.49	65.49	65.75	77.25	78.25	73.25	69.50	67.50	67.50	65.00
	<u>66.49</u>	<u>65.49</u>	<u>65.75</u>	<u>77.25</u>	<u>78.25</u>	<u>73.25</u>	<u>69.50</u>	<u>67.50</u>	<u>67.50</u>	<u>65.00</u>
Total Full-time Equivalents	<u>971.56</u>	<u>936.86</u>	<u>914.96</u>	<u>888.20</u>	<u>871.62</u>	<u>846.77</u>	<u>824.90</u>	<u>809.93</u>	<u>796.05</u>	<u>810.72</u>

Source: Walworth County adopted budget book, authorized positions

*Reorganization of Administration, Finance & Public Works in 2007

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Register of deeds										
Real estate documents processed	36,987	32,937	29,225	25,513	28,078	26,146	23,170	24,764	23,813	19,326
Birth records processed	1,548	1,646	1,649	1,668	1,613	1,544	n/a	**	**	**
Death records processed	925	897	851	860	892	883	958	898	1,038	995
Marriage records processed	825	841	811	809	745	826	856	844	819	953
Domestic partnership declarations recorded	n/a	n/a	n/a	n/a	11	0	6	0	3	2
Vital Record copies issued	11,230	11,890	11,774	11,829	11,909	11,725	12,026	12,169	14,101	14,447
County clerk										
Marriage licenses issued	788	755	739	745	693	748	758	769	759	808
Domestic partnership declarations issued	n/a	n/a	n/a	n/a	12	0	6	1	3	2
Single dog tags issued	4,962	5,085	5,065	5,038	4,803	4,759	4,724	4,626	4,435	4,211
Multiple dog tags (12 each) issued	8	6	6	12	7	9	9	8	9	8
Single multiple dog tags issued	17	19	13	13	11	15	4	5	10	0
Clerk of courts										
Case filings	22,492	22,458	17,971	19,058	21,742	25,313	51,634	25,460	23,070	21,810
District Attorney										
Felony cases	691	642	551	566	515	510	565	572	584	515
Misdemeanor cases	764	820	777	756	701	620	617	619	522	445
Juvenile delinquency cases	120	157	94	124	85	116	79	99	77	109
Criminal traffic cases	1,080	1,131	1,028	1,124	1,011	1,042	945	940	442	397
Victim/witness contacts	1,270	1,698	1,505	1,097	1,575	1,498	1,276	1,499	1,627	1,517
Coroner										
Death investigations	868	887	891	879	1,014	1,016	1,122	1,102	1,343	1,252
Autopsies performed	106	75	88	86	101	82	105	82	89	84
Cremation permit issues	333	345	318	337	386	391	421	408	523	468
Treasurer										
Tax parcels	61,250	62,312	63,764	64,945	68,760	69,037	69,038	69,033	68,991	69,052
Information Technology										
Help desk requests received	6,985	6,969	5,488	6,243	6,447	5,614	6,229	5,966	5,731	7,809
Public safety										
Traffic citations	3,649	5,035	3,605	3,370	3,697	3,456	4,083	4,685	3,059	4,113
Ordinance citations	1,029	1,322	1,093	1,025	1,461	917	648	852	618	512
Traffic accidents reported	833	704	783	801	506	537	733	701	609	576
Jail admissions	5,759	5,662	5,578	5,719	5,296	4,999	4,763	3,868	3,595	3,182
Average daily population - jail	163	163	170	176	188	175	145	169	165	172
Average daily population - huber	178	181	181	208	204	179	169	99	60	59
Average daily population - electronic monitoring	n/a	5	11	19	20	12	14	45	72	59

n/a = not readily available

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

(Continued)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Health and human services										
Veterans office										
Phone/e-mail inquiries	8,369	9,205	9,311	10,293	11,354	7,181	6,998	6,252	7,056	7,509
Office visits	4,020	4,438	4,824	5,116	5,322	1,828	2,124	2,146	2,105	2,221
New clients	n/a	n/a	n/a	139	150	140	132	141	177	222
VA compensation/pension claims filed	237	262	243	246	240	262	287	292	273	313
VA health care applications filed	90	101	93	94	129	112	108	102	113	115
Culture, recreation, and education										
School										
Students (onsite)	258	270	251	231	219	209	208	226	229	236
Students (outlying districts)	1,785	1,786	943	779	679	581	511	416	383	271
Parks										
Trail: yearly passes sold	703	750	754	619	684	761	684	753	689	696
Trail: daily passes sold	1,187	1,614	1,344	1,732	1,581	1,738	1,950	2,085	1,944	1,977
Conservation and development										
Land use and resource management										
Zoning permits issued	1,352	1,141	1,016	804	706	595	670	725	596	619
Sanitation permits issued	458	348	292	203	195	173	151	98	162	170
Certified survey maps reviewed	107	83	45	48	28	22	35	26	28	23
Separation of farm structures from farmland	14	20	15	9	9	7	14	12	15	6
Lot line/parcel split reviews	75	78	70	65	52	41	42	45	36	45
Highway/facilities administration										
Hazardous waste collected-agricultural (lbs)	14,812	n/a	3,411	n/a	n/a	14,173	n/a	n/a	1,587	n/a
Hazardous waste collected-household (lbs)	26,513	28,531	25,927	28,153	34,877	31,312	36,403	34,113	36,061	40,313
Hazardous waste collected-computer equip (lbs)	38,346	55,727	62,304	80,286	57,711	8,063*	11,805*	5,523*	16,627	4,200*
State lane miles maintained	656	689	689	689	694	694	698	699	699	699
County lane miles maintained	405	405	405	406	405	405	405	405	405	405
Nursing Home										
Licensed beds	235	120	120	120	120	120	120	120	120	120
Payor mix:										
Medicaid	89.69%	87.91%	83.37%	76.75%	71.85%	74.79%	70.17%	71.04%	65.88%	61.63%
Private pay	8.35%	7.92%	10.90%	16.15%	19.93%	17.40%	22.02%	19.99%	21.74%	28.34%
Medicare	1.57%	4.17%	5.73%	7.10%	8.22%	7.81%	7.81%	8.97%	12.38%	10.03%
Hospice	0.39%	0.02%	n/a	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 there wasn't a computer roundup held for County residents.

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Information Technology										
Desktop systems	n/a	720	755	769	801	867	829	817	801	795
Computer servers	n/a	23	27	36	40	49	52	56	62	70
Multi-user applications	n/a	n/a	n/a	95	99	112	121	122	129	129
Public safety										
Vehicles insured	61	57	51	54	54	57	55	56	56	57
Boats/trailers/ATV/snowmobiles	n/a	n/a	n/a	12	12	12	15	12	13	13
Culture, recreation, and education										
Acreage (park)	237	237	237	237	237	237	237	237	237	433
Highway/facilities administration										
County lane miles	405	405	405	406	405	405	405	405	405	405
County bridges	26	26	26	26	26	26	26	26	26	26
Vehicles insured	86	94	125	124	123	95	92	92	91	99
County facility buildings (sq ft)	1,033,450	861,450	861,450	867,780	881,882	881,882	887,682	977,329	977,329	977,329

Source: Statistics obtained from departments.

n/a - information not available

Walworth County
Wisconsin

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