

Walworth County, Wisconsin



*Photos
courtesy
of
Mike
Hurlburt*

White River State Trail

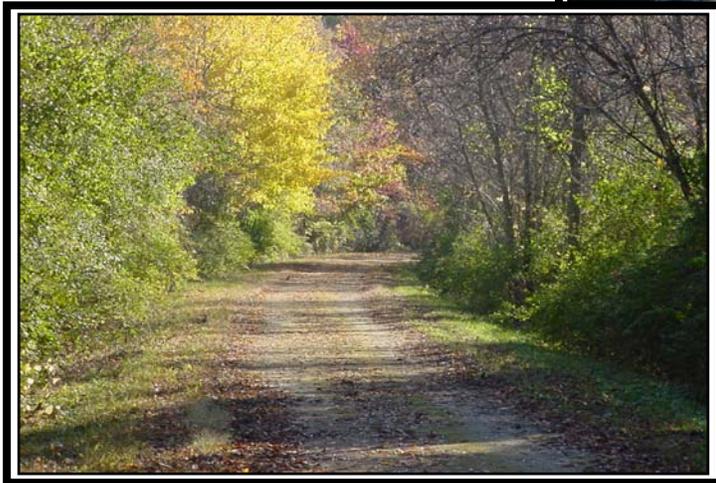


Photo courtesy of Nicole Andersen

Comprehensive Annual Financial Report

Including Auditor's Report
for the fiscal year ended December 31, 2006

**WALWORTH COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006**

Prepared by:
Walworth County Finance Department

WALWORTH COUNTY, WISCONSIN
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INTRODUCTORY SECTION



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May 31, 2007

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

Finance

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, 2006. 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.

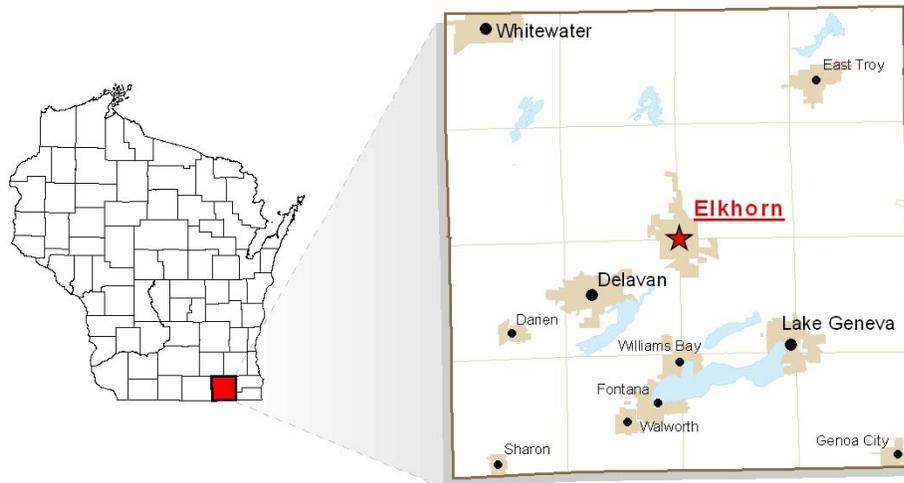
County policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related U.S. Office of Management and Budget Circular A-133. An independent firm of licensed certified public accountants, Clifton Gunderson 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, 2006, 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 unqualified ("clean") opinion that Walworth County's financial statements for the fiscal year ended December 31, 2006 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds of the County. It is organized and presented in three sections: introductory, financial, and statistical.

- The **introductory section** includes this transmittal letter, the GFOA Certificate of Achievement for the County's 2005 financial statements, the County's organizational chart and a list of principal officials.
- The **financial section** includes the independent auditor's report, Management's Discussion and Analysis (MD&A), the audited basic financial statements, disclosure notes, required supplementary information, and supporting statements and schedules necessary to fairly present the financial position and results of operations of the County in conformity with accounting principles generally accepted in the United States of America. The MD&A is prepared by management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.
- The **statistical section** includes selected financial and demographic information, typically presented on a multi-year basis.

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 4 cities, 8 villages, 16 towns and all or portions of 15 school districts.



Policy-making and legislative authority are vested in a 25-member Board of Supervisors. Supervisors serve two-year terms and are elected in April of the even numbered calendar years. Pursuant to an April 2007 binding referendum, the Board of Supervisors will be reduced from a 25-member board to an 11-member board effective with the April 2008 election. 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.

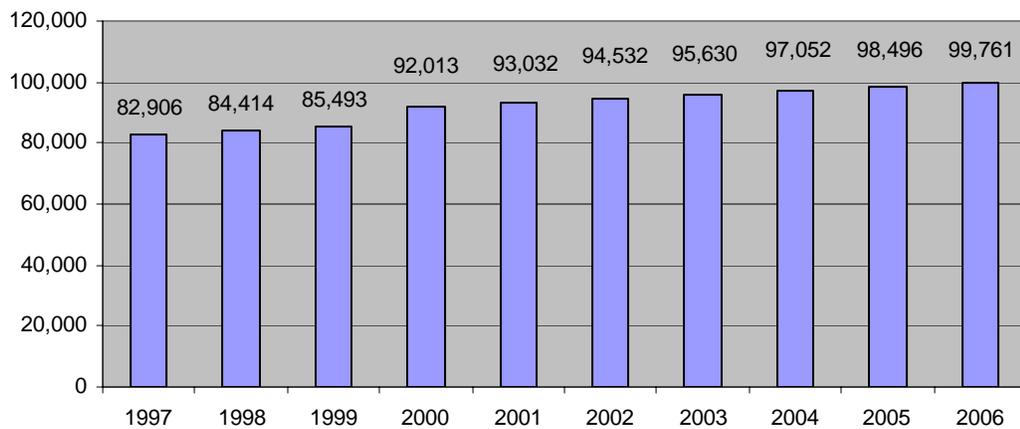
The County maintains budget controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Walworth County Board of Supervisors. All County departments are required to submit their annual budget requests for the ensuing year to the County Administrator 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 at the department level. Budget-to-actual comparisons are provided in the required supplemental information section of this report for the General Fund.

ECONOMIC CONDITIONS AND OUTLOOK

LOCAL ECONOMY

Walworth County added over 7,740 new residents since 2000, which represents a growth rate of 8%. This growth rate well surpasses both the state at 4% and the national average of 4.7% during that same period. The estimated population at December 31, 2006 is 99,761, an increase of 1,265 from 2005, with the majority of new residents being the result of immigration from surrounding counties. The graph below demonstrates the steady increase in census for the past 10 years. The 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.

Walworth County Population



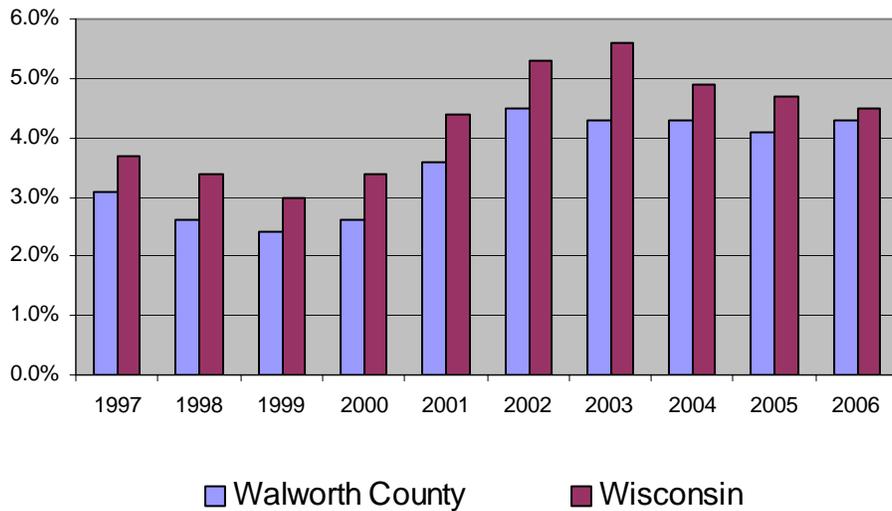
Source: Wisconsin Department of Administration, Demographic Services Center and US Census Bureau

Walworth County is home to the University of Wisconsin - Whitewater, a four-year institution with an enrollment of 10,502 students. Gateway Technical College maintains a campus in the City of Elkhorn and offers associate degrees and vocational education programs to serve the technical training needs of the area.

Recreation is an integral part of the Walworth County economy. Golfing, boating, fishing, and hiking are popular activities. The County is home to Geneva Lake, a well-known mid-west 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.

Walworth County has an economy marked by steady growth, diversity and stability. The County has consistently experienced an unemployment rate below the state and national averages. The average 2006 unemployment rate for the County was 4.3% compared to a statewide average of 4.5%. Historically, unemployment levels within the County are lower than that of the State, as indicated in the following chart.

Unemployment Rate



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. Four of the County's top ten largest taxpayers and two of its top ten employers are from the hospitality industry. Without a stadium, regional mall or convention center, Walworth County currently ranks sixth in the state in terms of spending by tourists, according to the Wisconsin Department of Tourism. Tourism is a clean industry. It provides employment as well as sales and property tax revenue. For a listing of the County's top ten employers, please see the *Statistical Section* of this report. The table below outlines the County's top employing industries.

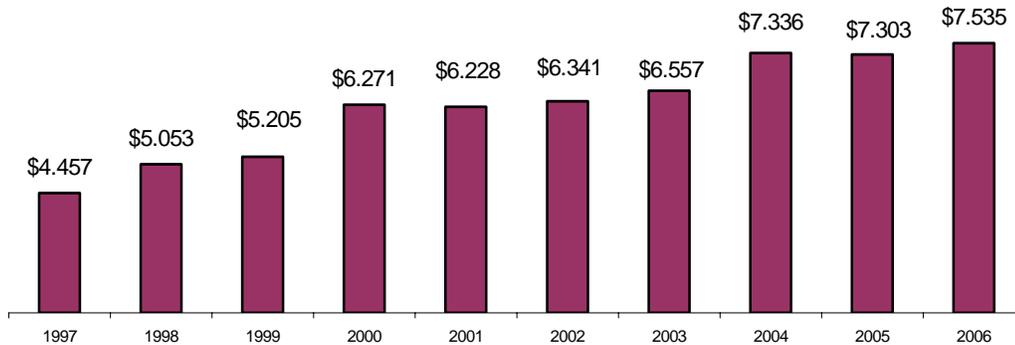
**Top 10 Industries in Walworth County
As of September, 2005**

<u>Industry</u>	<u>Establishments</u>	<u>Employees</u>
Educational Services	34	3,900
Food Services & Drinking Places	196	3,702
Accommodation	28	2,133
Executive, Legislative & General Gov't	30	1,844
Machinery Manufacturing	19	1,710
Plastics & Rubber Products Manufacturing	22	1,664
Administrative & Support Services	93	1,567
Fabricated Metal Product Manufacturing	42	1,423
Nursing & Residential Care Facilities	34	1,254
General Merchandise Stores	11	1,031

Source: Wisconsin Department of Workforce Development

Growth in retail is also a factor in the economic stability of Walworth County. The County imposes a .5% sales tax on retail purchases, providing additional revenues to fund County programs.

**Walworth County Sales Tax Revenue
1997 to 2006
(in millions)**

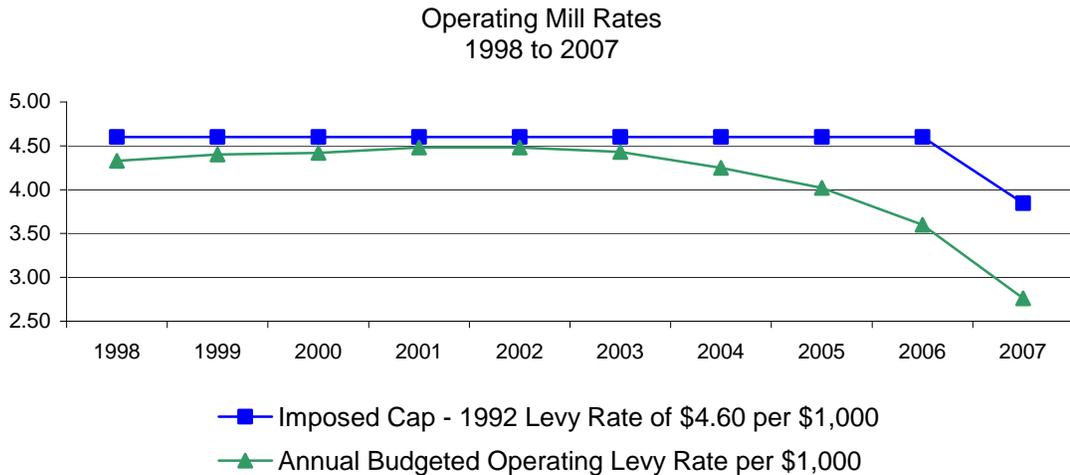


LONG-TERM FINANCIAL PLANNING

Flexibility under the Levy Cap

A fundamental step in keeping the County in a sound financial position is to maintain flexibility under the state-imposed operating levy rate cap. In 1993, State Legislature imposed an operating mill rate limit on Wisconsin counties. Counties are required to limit the mill rate attributable to operating expenses at or below the rate they imposed in 1992. Since the passage of the 1993 legislation, Walworth County's operating mill rate has been capped at \$4.60 per thousand dollars of equalized value. In 2006, the County established a segregated Children with Disabilities Education Board (CDEB) levy as allowed by state statute. The segregation of the CDEB levy resulted in an adjustment of the operating mill rate cap from \$4.60/\$1,000 equalized value to \$3.846/\$1,000 valuation. The illustration below graphically

demonstrates the County operating mill rate against the imposed cap over the past 10 years. Debt service, library, and CDEB tax rates are excluded from the cap. The 2005 operating mill rate for 2006 operations was \$3.60 per thousand dollars of equalized value, equating to \$11 million under the levy cap. The 2006 levy for the 2007 budget resulted in an operating mill rate of \$2.76 per thousand dollars of equalized value, increasing the room under the cap to \$13.8 million.



Note: The 1992 Operating Mill Rate Cap was adjusted to reflect the creation of a segregated CDEB district effective for calendar year 2007.

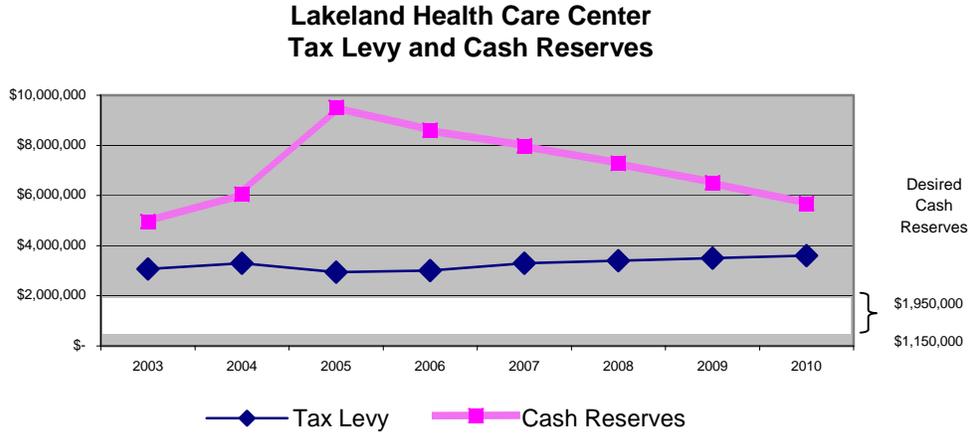
Effective for the 2006 and 2007 fiscal year budgets, the State Legislature imposed a secondary levy limit. Unless specific exemptions apply, no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision's valuation factor. The valuation factor is defined as a percentage equal to the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current year, but not less than 2%. Levies for Debt Service and Children with Disabilities Education Board expenditures are excluded. The 2006 levy for 2007 purposes is compliant with the new cap and results in the county being \$.9 million below the limit. The State of Wisconsin continues to debate legislation which may place additional restrictions on county taxing capabilities in the future.

Capital Projects

Construction of a 120-bed County nursing home, which began in 2005, was completed in 2006. The new facility replaced the previous facility built in 1968. Due to the anticipated loss of aid from the Federal Intergovernmental Transfer (IGT) Program and inadequate reimbursement through the Medicaid program, the County reviewed its options and selected a proactive approach in 2002. Following a year of discussions, County Board Supervisors articulated a need to support a 120 bed nursing home facility, a reduction from the existing 235 beds. The number of beds was reduced over a three-year timeframe as a result of freezing admissions. The County budgeted to increase nursing home reserves in anticipation of future reduction in revenue.

At the beginning of 2004, the County Board voted to construct a smaller, more efficient nursing home that could operate within the existing \$3.3 million tax levy. To maximize funding, the County entered into a downsizing agreement with the State of Wisconsin in 2003 to reduce the licensed beds from 235 to 120 by December of 2005. Staff reductions and operational efficiencies began during the third quarter of 2003. Included in the 2005 budget

was \$15.2 million for the construction of a new 120-bed nursing home facility, which was completed June 2006. Demolition of the previous facility began in late 2006. The County established a policy to maintain nursing home reserves between \$1.1 million and \$1.9 million to manage funding volatility. The graph below represents a long-range plan for maintaining cash reserves without a substantial increase in levy appropriation.



Remodeling of County's Government Center was also completed in 2006. The renovations upgraded the building to a more modern, efficient facility and provided space for departments previously located offsite at the annex facility. Departments new to the Government Center include the University Wisconsin – Extension program and the Land Use and Resource Development Department. Demolition of the aging annex facility began in the fall of 2006.

Walworth County operates a Children's 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 staff in the local school districts necessary to provide integrated special education services. The second component is the county-run school for special education students. The current facility was evaluated and options provided to the County Board. The Board authorized the issuance of \$22 million (amended to \$17.1 million in May 2007) in debt for the purpose of constructing a new special education facility on a new site with stipulations. The major stipulation was the development of an implementation plan for transfer of county-sponsored CDEB services offered in the local school districts from county oversight to individual school district oversight. The plan was adopted by the County Board in August 2006 and ratified by all participating school districts. Groundbreaking for the new school is scheduled for 2007 and completion is scheduled for the fall of 2008.

Additional capital resources will be used to repair and maintain other County buildings and for the replacement or repair of County roads. For additional capital asset activity information, refer to page 57 in the notes to the financial statements.

Other Long Term Planning

The County is taking proactive steps in regards to the changes required by GASB related to Other Post Employment Benefits (OPEB). Traditionally, health-care costs paid to retirees have been financially accounted for on a pay-as-you-go basis, which has been common among governments. In October, 2004, actuaries estimated the present value of the County's retiree medical cost to be \$25.4 million. In November 2004, the County Board established a 30-year time frame to fully fund retiree health benefits. Per the adopted policy, OPEB will be fully funded no later than 2034. 2005 was the first year that the County designated funding for the OPEB liability. The 2006 budget designated \$500,000 for this purpose. The 2007 budget designated an additional \$802,500. Total accumulated funding for OPEB liabilities, including those in the adopted 2007 budget, is approximately \$1.6 million.

To reduce our long-term OPEB liability, the County has negotiated with all of its 7 labor unions the elimination of retiree health care insurance for all new hires. In lieu of retiree insurance, employees will receive a one-time payment, upon satisfactory completion of probation, to a Post Employment Health Plan (PEHP) as permitted under IRS Code, Section 501(c)(9) VEBA. The change also applies to new, non-represented staff.

RELEVANT FINANCIAL POLICIES

Use of Undesignated Fund Balance

Walworth County Ordinance 30-157 defines the appropriate undesignated General Fund balance to be 15 – 20% of the General Fund revenues plus the property tax revenue allocated to each fund. As of December 31, 2006, the undesignated fund balance is at 25.76%, providing excess funds in the amount of approximately \$4.0 million to be appropriated as authorized by the County Board of Supervisors. Use of the funds is limited 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 obligation to achieve a discount, or other nonrecurring expenditures.

Cash Management

Cash temporarily idle during the year was invested in U.S. Treasury obligations and government securities, certificates of deposit, government obligation bonds or securities, State of Wisconsin Local Government Investment Pool, and collateralized repurchase agreements. On December 31, 2006, the County had \$56.5 million of investments. For additional information, refer to page 53 of the notes to the financial statements.

The primary objectives of the Walworth County investment policy are to preserve capital in the overall portfolio, to remain sufficiently liquid to meet disbursement requirements, and to realize the maximum return consistent with portfolio safety and liquidity needs.

Risk Management

The County is self-insured for worker's compensation, employee health and dental insurance, and, as of 2004, general liability insurance. The County purchases stop loss insurance for catastrophic coverage. In 2005, the County contracted with an actuarial firm to establish adequate cash reserve balances for these funds. As of December 31, 2006, combined equity for all four funds totals \$7,300,182, with \$4,000,000 of that designated for catastrophic coverage. The County continues to review alternatives for rebuilding reserves in the health fund.

MAJOR INITIATIVES

Significant department consolidations have occurred over the previous three years. Consolidations have resulted in the elimination of several positions, provided significant cost savings, yet maintained or improved services. Since fiscal year 2000, budgeted full-time equivalent (FTE) positions have been reduced from 1,069.65 to 914.96, effective with the 2007 budget. This is a net reduction of 154.69 FTE's.

The adoption of the Walworth County CDEB plan will allow the County to focus on the operation of its county owned special education school. Special education programs existing in the local district, and currently funded with county tax dollars, will be transitioned to local school districts no later than 2016. All fifteen of the local school districts have signed the transition agreement and the change was initiated with the 2006-2007 school year.

The Sheriff's department accounts for 39% of the 2006 levy. At the end of 2005, they contracted with an outside agency to determine the appropriate staffing levels for the services provided. In conjunction, they are looking at programs to determine priorities of services offered, as well as to create efficiencies within the existing structure. One such initiative is the use of electronic monitoring for qualified inmates.

The second largest appropriation in 2006 is allocated to the Health and Human Services Department, accounting for 21.3% of the levy. Beginning in 2005 and continuing into 2007, the County began a reorganization of services and staff, which has resulted in a positive financial outcome. In particular, the County has focused on maximizing its state reimbursements for allowable programs. A new initiative in 2007 will be the consolidation of the Health and Human Services department and Lakeland Health Care Center under one management umbrella. It is anticipated that this consolidation of effort will have positive financial results.

With Walworth County's economy and population continually growing, an economic development initiative was introduced in the County in 2003 with the appointment of an economic development advisory committee. That committee recommended that economic development be pursued as a private-public partnership. In late 2005, the Walworth County Economic Development Alliance, Inc. (WCEDA) was formed. WCEDA now includes representation and funding from businesses, government and institutions of higher education. The aim of the program is to retain existing business and to promote new, quality business growth. Since its inception, WCEDA has worked on a number of high profile projects, including a proposal to host a number of events for the 2016 Olympics.

Walworth County also supports the efforts of the Walworth County Visitors Bureau. The County currently ranks sixth statewide in terms of expenditures by tourists. The total estimated economic impact of tourism in 2006 was \$452 Million.

Technological advances over the past 20 years made the County's financial and human resource software obsolete. In 2005, the County, with the assistance of the Government Finance Officers Association (GFOA), obtained proposals from several software vendors, conducted a thorough evaluation process, and selected a vendor. Phase I of the project included the installation of the general ledger, accounts payable and purchasing modules. The system went live on January 1, 2007. Phase II of the project includes the installation of the human resources/payroll modules and is scheduled to go live in 2007. In addition, timekeeping and scheduling modules will be installed in 2007 to complement the financial system.

2007 will bring a new Board structure to the county. On April 3, 2007, the voters elected to downsize the County Board from a 25-member board to an 11-member board, effective with the April, 2008 election. The county's executive committee is evaluating options for

restructuring its committees and developing a new operational workflow. The County Board will finalize their new structure in 2007.

AWARDS

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, 2005. This was the fourth 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.

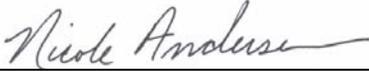
ACKNOWLEDGMENTS

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 members of the department who assisted and contributed to the preparation of this report.

Appreciation is also expressed for the assistance received from our independent auditors, Clifton Gunderson LLP. We would also like to thank the County Board and Finance Committee Chairpersons, the County Board of Supervisors, and the Finance Committee for their interest and support in planning and conducting 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

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, 2005

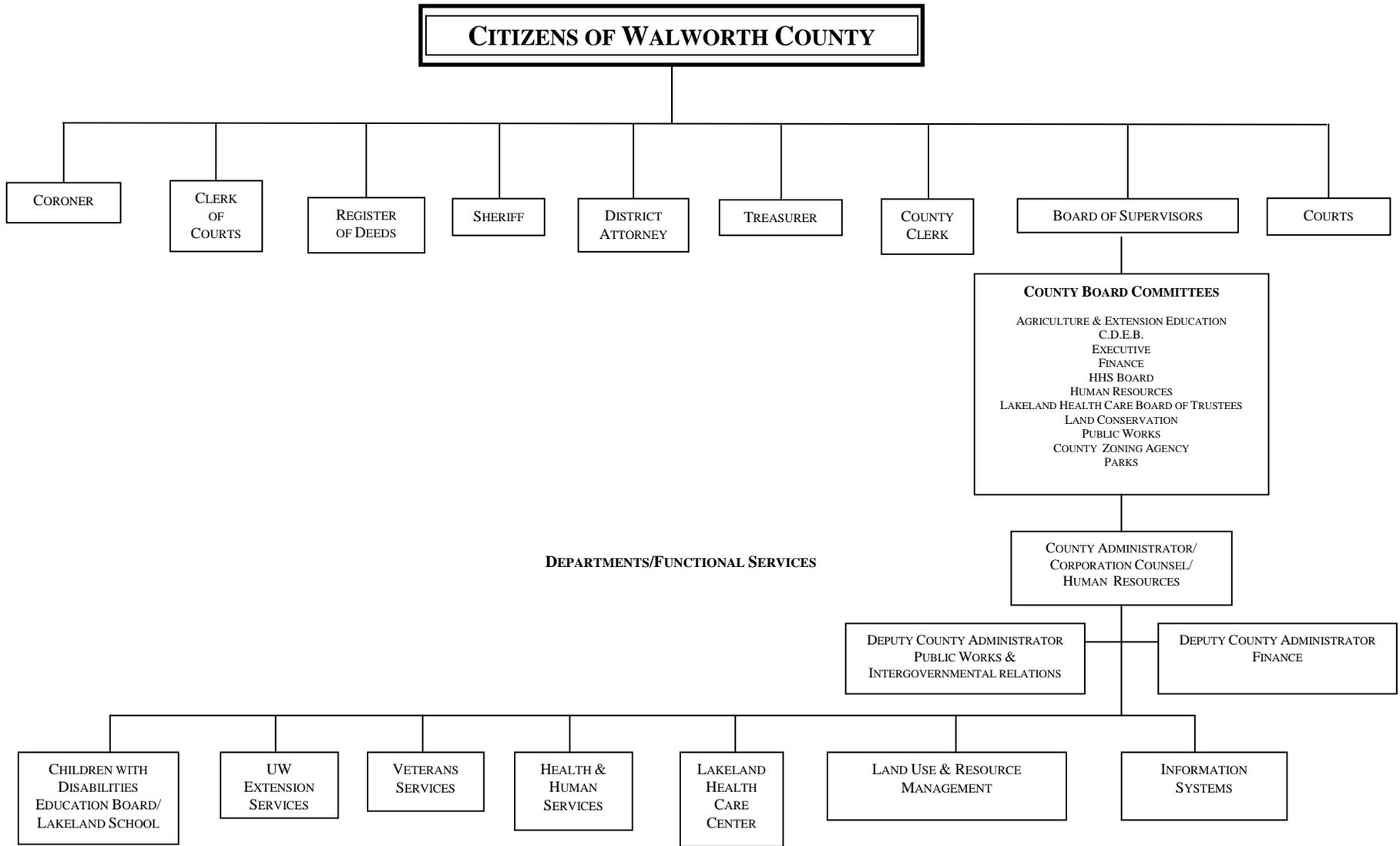
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

WALWORTH COUNTY ORGANIZATION STRUCTURE – 2006



WALWORTH COUNTY, WISCONSIN
LIST OF PRINCIPAL OFFICIALS
As of December 31, 2006

ELECTED OFFICIALS

County Clerk	.....	Kimberly Bushey
Clerk of Courts	.....	Sheila Reiff
Coroner	.....	John Griebel
District Attorney	.....	Phillip Koss
Register of Deeds	.....	Connie Woolever
Sheriff	.....	David Graves
Treasurer	.....	Kathy Du Bois

COUNTY BOARD SUPERVISORS

<u>Supervisory District</u>	<u>Name</u>
1	..... Rick Stacey
2	..... Joyce I. Ketchpaw
3	..... Stanley Muzatko
4	..... Ann Lohrmann
5	..... Sandra Wagie-Troemel
6	..... Art Lein
7	..... Jerry A. Grant
8	..... Richard Kuhnke, Sr.
9	..... Robert W. Arnold
10	..... Kathy Ingersoll
11	..... Larry D. Hilbelink
12	..... Roy T. Lightfield
13	..... Joseph H. Schaefer
14	..... Margaret C. Downing
15	..... David A. Weber
16	..... Dorothy C. Burwell
17	..... Joseph C. Guido Sr.
18	..... Daniel G. Kilkenny
19	..... Allen L. Morrison
20	..... Jim Van Dreser
21	..... Allan J. Polyock
22	..... Nancy Russell
23	..... Alan Kupsik
24	..... Randy A. Hawkins
25	..... Pauline Parker

(Continued on Next Page)

WALWORTH COUNTY, WISCONSIN
LIST OF PRINCIPAL OFFICIALS
As of December 31, 2006

NONELECTED OFFICIALS

<u>Activity</u>	<u>Name</u>
County Administrator	David Bretl
Corporation Counsel	David Bretl
Deputy County Administrator - Finance.....	Nicole Andersen
Comptroller	Tracy Schulze
Deputy County Administrator - Public Works/Intergovernmental Relations...	Shane Crawford
Health and Human Services Director	David Thompson
Information Systems Director	Douglas Chase
Lakeland Health Care Center Administrator	Phyllis Williams
Lakeland School Director	Tracy Moate
Land Use and Resource Management Director	Michael Cotter
University of Wisconsin Extension Department Head.....	Jennifer Wehmeier
Veterans Service Officer	Christine Jordan

**FINANCIAL
SECTION**



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Independent Auditor's Report

Board of County Supervisors
Walworth County
Elkhorn, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information for the General Fund, Health and Human Services Fund and Lakeland School Fund of Walworth County as of and for the year ended December 31, 2006 which collectively comprise Walworth County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Walworth County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the aggregate remaining fund information and the budgetary comparison information for the General Fund, Health and Human Services Fund and Lakeland School Fund of Walworth County as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof its changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2007 on our consideration of Walworth County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 17 through 25 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Walworth County's basic financial statements. The other supplemental information 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gundersen LLP

Milwaukee, Wisconsin
July 24, 2007

**MANAGEMENT
DISCUSSION
AND
ANALYSIS**



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WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2006

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, 2006. Efforts have been made to provide comparison to prior year data when such data is available. In subsequent years, comparison to prior year data will be provided for all key financial information.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2006 by \$110.5 million (*net assets*), \$77.2 million in governmental activities and \$33.3 million in business-type activities. Of this amount, \$48.6 million (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased \$1.3 million. Governmental activities decreased net assets by \$9.9 million; business-type activities increased net assets by \$11.2 million.
- As of December 31, 2006, the County's governmental funds reported combined ending fund balances of \$33.7 million. Approximately 53% of this total amount, \$17.9 million, is available for spending at the County's discretion (*unreserved and undesignated fund balance*).
- The mill rate fell 3.6% per \$1,000 of property value for the year ended December 31, 2006.

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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., 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 highway/facilities administration.

The government-wide financial statements can be found on pages 26-27 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

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2006

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*.

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, Lakeland School and Debt Service funds, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 28-35 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 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 36-40 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.

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2006

The basic fiduciary fund financial statements can be found on pages 41-42 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 43-68 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 notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 69-83. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 84-86.

Government-wide Financial Analysis

Net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$110,482,101 at the close of 2006.

Walworth County's Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 102,027	\$ 102,089	\$ 21,364	\$ 22,765	\$ 123,391	\$ 124,854
Capital assets	88,072	91,441	20,109	7,674	108,181	99,115
Total assets	190,099	193,530	41,473	30,439	231,572	223,969
Current liabilities	58,104	53,125	7,819	7,047	65,923	60,172
Noncurrent liabilities	54,810	53,266	357	1,337	55,167	54,603
Total liabilities	112,914	106,391	8,176	8,384	121,090	114,775
Net assets:						
Invested in capital assets, net of related debt	40,139	49,641	20,109	7,674	60,248	57,315
Restricted	1,511	1,913	122	251	1,633	2,164
Unrestricted	35,535	35,584	13,066	14,129	48,601	49,713
Total net assets	\$ 77,185	\$ 87,138	\$ 33,297	\$ 22,054	\$ 110,482	109,192

The largest portion of the County's net assets (54.5%) 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 assets (1.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$48,601,619) may be used to meet the County's ongoing obligations to citizens and creditors.

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2006

Change in net assets. At the end of the fiscal year, the County reported total revenues of \$110,702,727 and total expenses of \$109,413,552, resulting in an increase in net assets of \$1,289,175 (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.

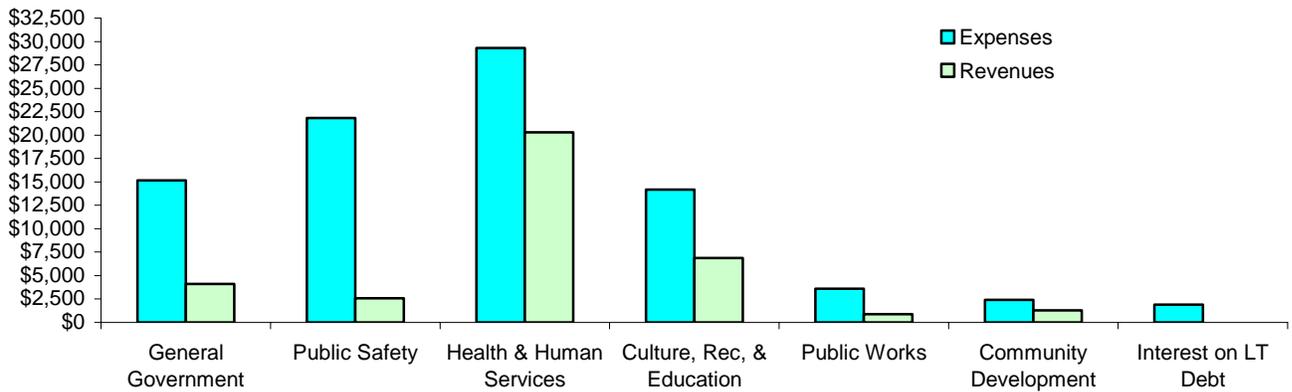
Walworth County's Change in Net Assets
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 10,031	\$ 9,524	\$ 8,878	\$ 13,860	\$ 18,909	\$ 23,384
Operating grants and contributions	25,085	24,552	3,042	84	28,127	24,636
Capital grants and contributions	1,498	1,691	-	3	1,498	1,694
General revenues:						
Property taxes	44,069	44,084	5,517	3,349	49,586	47,433
Other taxes	7,613	7,394	-	-	7,613	7,394
Grants and contributions not restricted to specific programs	342	325	-	3,751	342	4,076
Other	4,494	2,881	134	101	4,628	2,982
Total revenues	93,132	90,451	17,571	21,148	110,703	111,599
Expenses:						
General government	15,160	13,035	-	-	15,160	13,035
Public safety	21,841	20,695	-	-	21,841	20,695
Health and human services	29,317	29,228	-	-	29,317	29,228
Culture, recreation and education	14,182	12,511	-	-	14,182	12,511
Public works	3,617	1,612	-	-	3,617	1,612
Conservation and development	2,410	2,346	-	-	2,410	2,346
Interest on long-term debt	1,914	1,750	-	-	1,914	1,750
Nursing home	-	-	14,022	12,210	14,022	12,210
Highway	-	-	6,951	7,369	6,951	7,369
Miscellaneous	-	-	-	-	-	-
Total expenses	88,441	81,177	20,973	19,579	109,414	100,756
Increase in net assets before transfers	4,691	9,274	(3,402)	1,569	1,289	10,843
Transfers	(14,644)	(1,688)	14,644	1,688	-	-
Increase in net assets	(9,953)	7,586	11,242	3,257	1,289	10,843
Net assets - January 1, 2006	87,138	79,552	22,055	18,798	109,193	98,350
Net assets - December 31, 2006	\$ 77,185	\$ 87,138	\$ 33,297	\$ 22,055	\$ 110,482	\$ 109,193

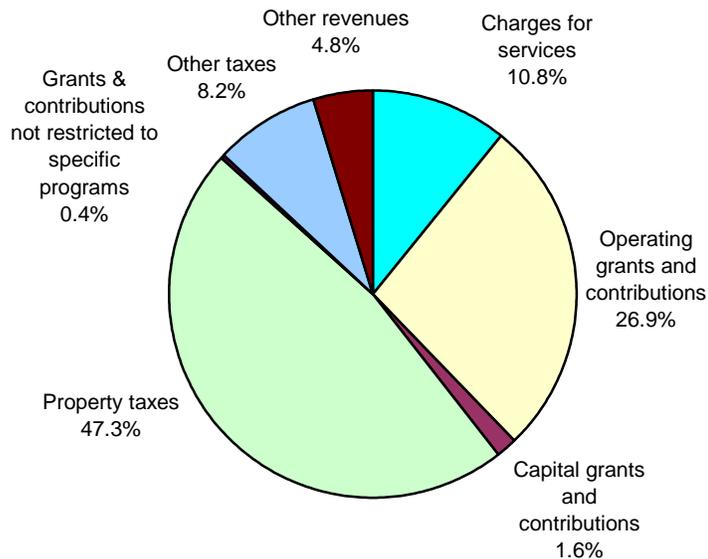
WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2006

Governmental Activities. Governmental activities decreased the County's net assets by \$9,952,829. This total loss is due to a \$14,564,739 transfer of the new Lakeland Health Care Center building to the business-type activities. Without this transfer, governmental activities increased the County's net assets by \$4,611,910, thereby accounting for 100% of the total growth in net assets of the County. This growth is due to increased revenues and decreased expenses. Revenues for the County's governmental activities total \$93,131,649, with property taxes accounting for 47% of the total revenue, followed by operating grants and contributions at 27%. Expenses cover a range of services, with the majority in four areas: 33% for health and human services, 25% for public safety (sheriff's department), 17% for general government functions, and 16% for culture, recreation and education. 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.

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



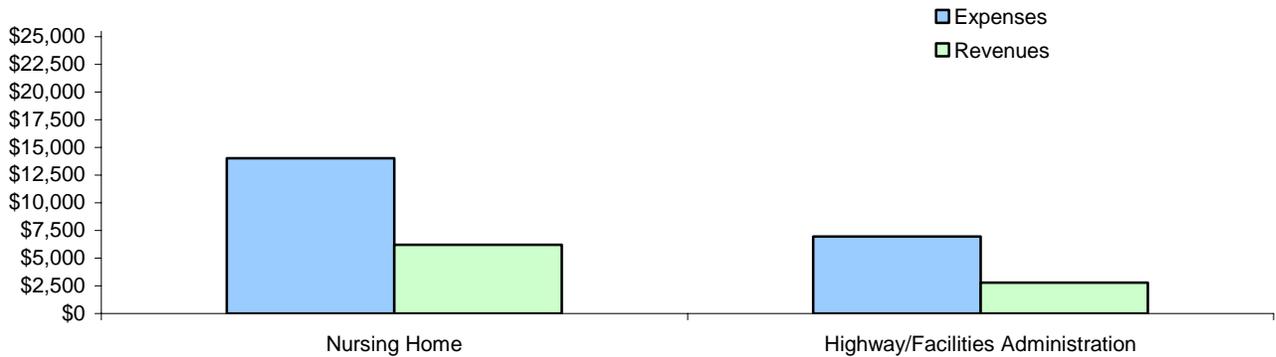
Governmental Activities
(2) Revenues by Source



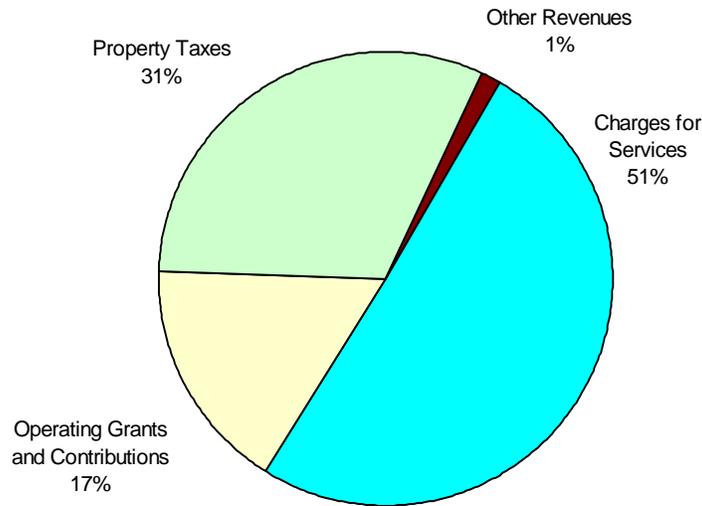
WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
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Business-type Activities. Business-type activities increased net assets by \$11,242,004. This total gain is due to a \$14,564,739 transfer of the new Lakeland Health Care Center building to the business-type activities. Without this transfer, business-type activities decreased the County's net assets by \$3,322,735, thereby accounting for 0% of the total growth in net assets of the County. The majority of this decrease (65%) is attributable to the loss on the demolition of the remaining book value of the old nursing home building. The graphs below compare (1) total business-type activity expenses to program revenue, which does not include general revenues of property and other taxes, or grants and contributions not related to specific programs and (2) all revenue sources for business-type activities.

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



Business-type Activities
(2) Revenues by Source



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2006

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, *unreserved 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, 2006, the County's governmental funds reported combined ending fund balances of \$33,662,455, a decrease of \$3,459,667 from the prior year. Approximately 59% of this amount (\$17,915,664) constitutes *unreserved, undesignated fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for current year purchases of inventory and prepayments that benefit periods beyond the end of the current year (\$35,162), 2) for non-liquid delinquent taxes (\$2,287,056), 3) for contractual obligations (\$1,843,768), 4) for debt retirement (\$413,600), for Sheriff Trusts (\$838,999), for other post employment benefits (\$51,160), for land modernization projects (\$508,375), and 6) for a variety of other restricted purposes (\$260,847). Of the unreserved fund balance, the County Board designated \$8,707,824 to fund subsequent year budget items. Further details of fund balance reservations and designations can be found in the notes to the financial statements.

The General fund is the chief operating fund of the County. At the end of the current year, unreserved fund balance of the General fund was \$16,937,638, while total fund balance reached \$26,448,366. As a measure of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 47% of total General fund expenditures, while total fund balance represents 73% of that same amount.

The fund balance of the County's General fund decreased by \$396,152. The fund was budgeted to decrease by \$5,538,381. Key factors in this expected decrease were transfers of undesignated fund balance for capital projects. Variances from expectations are primarily in investment income being higher than anticipated and expenses being lower than anticipated.

Per County resolution, the unreserved, undesignated fund balance remaining in a governmental fund balance at year-end is transferred to/from the General fund during the subsequent year. The exception is Lakeland School, which will begin to maintain its fund balance for future years.

The Health and Human Services special revenue fund has a total fund balance of \$1,239,214. Of this fund balance, \$26,691 is unreserved, but designated to fund subsequent year items and \$660 is reserved for prepayments that benefit periods beyond the end of the current year. The fund balance increased by \$1,171,475 due to reorganizations resulting in employee downsizing. Health and Human Services net change in fund balance will result in a 2007 transfer to the General fund in the amount of \$1,211,863.

The Lakeland School special revenue fund has a total fund balance of \$640,894. Of this fund balance, \$17,000 is unreserved, but designated to fund subsequent year items. The fund balance increased by \$627,846 due to changes made in anticipation of a new transitional agreement to incorporate more students into outlying district schools.

The Debt Service fund has a total fund balance of \$413,600, which is reserved for future debt service payments. The fund balance was expected to decrease by \$250,000, however the actual decrease was only \$40,329 due to an increase in investment income.

The Capital Project fund has a total fund balance of \$3,551,279. The entire fund balance is designated for subsequent year items less \$1,626,721, which is reported as reserved for contracted service obligations for

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2006

projects in process at yearend. Capital Project fund shows a negative unreserved and undesignated amount of \$857,731 due to amounts that are expected to fund current projects but are not yet collected or earned.

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 assets of Lakeland Health Care Center at the end of the year amounted to \$8,144,513. The total growth in net assets was \$10,912,392.

Unrestricted net assets of the Public Works fund at the end of the year amounted to \$4,913,778. The total growth in net assets was \$720,389.

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 an increase of \$3,037,781 in appropriations; the majority consists of approximately \$1,899,176 for capital outlay expenditures carried over from 2005.

During the year, actual revenues exceeded budgeted revenues by \$1,202,672, primarily in investment income. Actual expenditures were less than budgeted expenditures by \$3,939,557, primarily due to operational efficiencies from each department and capital projects not completed and carried over to 2007.

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, 2006 amounts to \$108,181,097 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 9% (a 3.9% decrease in governmental activities and a 262% increase in business-type activities).

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

- Completion of the new Lakeland Health Care Center, at a cost of \$14,437,411
- Replacement of various police vehicles, at a cost of \$265,003
- Completion of the Government Center Remodel, at a cost of \$4,333,403
- Completion of Price Park facilities, parking lot and trails, at a cost of \$114,076
- Replacement of 3 highway patrol trucks, at a cost of \$471,167
- Upgrade electrical loop for county buildings on CTH NN, at a cost of \$125,793
- County road resurfacing/reconstruction completed, at a cost of \$2,264,890

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements. The County has elected to use 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 56-57.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$48,740,000. The County maintains an Aa2 rating from Moody's Investors Service for its general obligation debt. Under current state statutes, the County's general obligation note issuances are subject to a legal limitation, based on 5% of the total equalized value of taxable property in the County. The current debt

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2006

limitation for the County is \$612,044,855, which is significantly in excess of the County's \$48,740,000 in outstanding general obligation debt.

The County's total general obligation debt increased by \$1,205,000 (2.5%) during the current fiscal year. The key factors in this increase were the issuance of notes in the amount of \$7,350,000 for construction of a new nursing home facility and road construction, and the retirement of \$6,145,000 of prior issuances.

Further details of the County's long-term debt activity can be found in the notes to the financial statements on pages 60-62.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County is currently 4.3%. This is favorable when compared to the State of Wisconsin's average unemployment rate of 4.7%.
- The economic condition and outlook of the County has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry, retail, and farming activities that support our tax base.
- Inflationary trends in our region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2007 fiscal year.

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The limit excludes the Lakeland School tax levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute 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.

Upon the adoption of the budget for 2007, the County made significant budget reductions 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.



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BASIC FINANCIAL STATEMENTS



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WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET ASSETS

December 31, 2006

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 44,655,539	\$ 12,903,796	\$ 57,559,335
Restricted cash and cash equivalents	810,890	47,702	858,592
Receivables (net of allowance for uncollectibles):			
Taxes	46,048,332	6,190,134	52,238,466
Delinquent taxes	4,382,649	-	4,382,649
Accounts	2,154,195	847,288	3,001,483
Internal balances	2,159	(2,159)	-
Due from other governments	3,592,779	519,018	4,111,797
Inventories	11,816	858,272	870,088
Prepaid items	26,113	150	26,263
Unamortized debt issuance costs	59,554	-	59,554
Total current assets	<u>101,744,026</u>	<u>21,364,201</u>	<u>123,108,227</u>
Noncurrent assets:			
Long-term receivable	282,771	-	282,771
Capital assets:			
Land and construction in progress	5,689,204	467,963	6,157,167
Other capital assets (net of accumulated depreciation)	82,383,389	19,640,541	102,023,930
Total capital assets	<u>88,072,593</u>	<u>20,108,504</u>	<u>108,181,097</u>
Total noncurrent assets	<u>88,355,364</u>	<u>20,108,504</u>	<u>108,463,868</u>
Total assets	<u>190,099,390</u>	<u>41,472,705</u>	<u>231,572,095</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,649,452	297,000	4,946,452
Accrued liabilities	1,745,695	376,439	2,122,134
Due to other governments	282,797	-	282,797
Accrued interest payable	649,003	-	649,003
Deposits	1,689,770	47,702	1,737,472
Unearned revenue	46,150,382	6,223,581	52,373,963
Current portion accrued compensated absences	-	873,856	873,856
Claims payable	2,936,721	-	2,936,721
Total current liabilities	<u>58,103,820</u>	<u>7,818,578</u>	<u>65,922,398</u>
Noncurrent liabilities:			
Due within one year	9,589,726	-	9,589,726
Due in more than one year	45,220,493	357,377	45,577,870
Total liabilities	<u>112,914,039</u>	<u>8,175,955</u>	<u>121,089,994</u>
NET ASSETS			
Invested in capital assets, net of related debt	40,139,193	20,108,504	60,247,697
Restricted for:			
Public safety	998,956	-	998,956
Culture, recreation, and education	3,616	-	3,616
Conservation and development	508,375	-	508,375
Nursing home	-	121,838	121,838
Unrestricted	35,535,211	13,066,408	48,601,619
Total net assets	<u>\$ 77,185,351</u>	<u>\$ 33,296,750</u>	<u>\$ 110,482,101</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, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 15,159,984	\$ 3,509,042	\$ 557,570	\$ 640,305	\$ (10,453,067)	\$ -	\$ (10,453,067)
Public safety	21,841,262	1,537,802	953,121	86,275	(19,264,064)	-	(19,264,064)
Health and human services	29,316,500	3,702,426	16,590,140	-	(9,023,934)	-	(9,023,934)
Culture, recreation and education	14,182,158	154,992	6,693,544	14,702	(7,318,920)	-	(7,318,920)
Public works	3,616,627	137,782	-	756,813	(2,722,032)	-	(2,722,032)
Conservation and development	2,409,888	988,825	290,133	-	(1,130,930)	-	(1,130,930)
Interest on long-term debt	1,914,265	-	-	-	(1,914,265)	-	(1,914,265)
Total governmental activities	<u>88,440,684</u>	<u>10,030,869</u>	<u>25,084,508</u>	<u>1,498,095</u>	<u>(51,827,212)</u>	<u>-</u>	<u>(51,827,212)</u>
Business-type activities:							
Nursing home	14,022,169	6,159,046	1,017,463	-	-	(6,845,660)	(6,845,660)
Highway/facilities administration	6,950,699	2,718,861	2,024,358	-	-	(2,207,480)	(2,207,480)
Total business-type activities	<u>20,972,868</u>	<u>8,877,907</u>	<u>3,041,821</u>	<u>-</u>	<u>-</u>	<u>(9,053,140)</u>	<u>(9,053,140)</u>
Total government	<u>\$ 109,413,552</u>	<u>\$ 18,908,776</u>	<u>\$ 28,126,329</u>	<u>\$ 1,498,095</u>	<u>(51,827,212)</u>	<u>(9,053,140)</u>	<u>(60,880,352)</u>
General revenues:							
General property taxes					36,352,921	5,517,249	41,870,170
Property taxes for debt service					7,716,392	-	7,716,392
County share of sales taxes					7,535,343	-	7,535,343
Other taxes					77,710	-	77,710
Grants and contributions not restricted to specific programs					341,622	-	341,622
Unrestricted investment earnings					4,480,264	134,101	4,614,365
Miscellaneous					13,925	-	13,925
Transfers					(14,643,794)	14,643,794	-
Total general revenues and transfers					<u>41,874,383</u>	<u>20,295,144</u>	<u>62,169,527</u>
Change in net assets					(9,952,829)	11,242,004	1,289,175
Net assets - beginning					<u>87,138,180</u>	<u>22,054,746</u>	<u>109,192,926</u>
Net assets - ending					<u>\$ 77,185,351</u>	<u>\$ 33,296,750</u>	<u>\$ 110,482,101</u>

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

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2006

	Special Revenue Funds						Total Governmental Funds
	General	Health & Human Services	Lakeland School	Capital Projects	Debt Service	Nonmajor Governmental Funds	
ASSETS							
Cash and investments	\$ 24,978,156	\$ 2,276,661	\$ 13,623	\$ 5,882,795	\$ 415,904	\$ 1,394,914	\$ 34,962,053
Receivables (net of allowance for uncollectibles):							
Taxes	18,903,136	11,106,102	7,999,071	-	7,875,781	164,242	46,048,332
Delinquent taxes	3,499,166	-	-	-	-	-	3,499,166
Accounts	364,960	883,898	-	-	-	-	1,248,858
Due from other funds	355,327	-	-	-	-	-	355,327
Due from other governments	1,387,404	323,439	1,657,727	213,609	-	10,600	3,592,779
Inventories	11,816	-	-	-	-	-	11,816
Prepaid items	23,346	660	-	-	-	-	24,006
Advances to other funds	800,000	-	-	-	-	-	800,000
Long-term receivables	282,771	-	-	-	-	-	282,771
Restricted assets							
Patient and school deposits	-	359,491	172,348	-	-	-	531,839
Total assets	<u>\$ 50,606,082</u>	<u>\$ 14,950,251</u>	<u>\$ 9,842,769</u>	<u>\$ 6,096,404</u>	<u>\$ 8,291,685</u>	<u>\$ 1,569,756</u>	<u>\$ 91,356,947</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 953,358	\$ 1,764,585	\$ 340,324	\$ 1,493,298	\$ 2,304	\$ 31,616	\$ 4,585,485
Accrued liabilities	1,258,944	153,805	332,946	-	-	-	1,745,695
Due to other funds	7,977	896	357,186	-	-	-	366,059
Due to other governments	175,088	102,913	-	-	-	4,796	282,797
Deposits	957,461	200,470	-	-	-	-	1,157,931
Deferred tax revenues	19,559,993	11,106,102	7,999,071	-	7,875,781	164,242	46,705,189
Other deferred revenues	311,646	22,775	-	251,827	-	-	586,248
Advances from other funds	-	-	-	800,000	-	-	800,000
Liabilities payable from restricted assets							
Patient and school deposits	-	359,491	172,348	-	-	-	531,839
Other liabilities	933,249	-	-	-	-	-	933,249
Total liabilities	<u>24,157,716</u>	<u>13,711,037</u>	<u>9,201,875</u>	<u>2,545,125</u>	<u>7,878,085</u>	<u>200,654</u>	<u>57,694,492</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET (concluded)
GOVERNMENTAL FUNDS
December 31, 2006

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Health & Human Services	Lakeland School	Capital Projects	Debt Service		
Fund balances:							
Reserved for:							
Advances	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Contractual obligations	217,047	-	-	1,626,721	-	-	1,843,768
Debt service	-	-	-	-	413,600	-	413,600
Delinquent personal property taxes	2,287,056	-	-	-	-	-	2,287,056
Land information fees	-	-	-	-	-	508,375	508,375
Sheriff trusts	-	-	-	-	-	838,999	838,999
Other	345,826	660	-	683	-	-	347,169
Unreserved and designated, reported in:							
General fund	5,860,799	-	-	-	-	-	5,860,799
Special revenue fund	-	26,691	17,000	-	-	21,728	65,419
Capital project fund	-	-	-	2,781,606	-	-	2,781,606
Unreserved and undesignated, reported in:							
General fund	16,937,638	-	-	-	-	-	16,937,638
Special revenue fund	-	1,211,863	623,894	-	-	-	1,835,757
Capital project fund	-	-	-	(857,731)	-	-	(857,731)
Total fund balances	<u>26,448,366</u>	<u>1,239,214</u>	<u>640,894</u>	<u>3,551,279</u>	<u>413,600</u>	<u>1,369,102</u>	<u>33,662,455</u>
Total liabilities and fund balances	<u>\$ 50,606,082</u>	<u>\$ 14,950,251</u>	<u>\$ 9,842,769</u>	<u>\$ 6,096,404</u>	<u>\$ 8,291,685</u>	<u>\$ 1,569,756</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	88,072,593
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,624,657
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 funds are included in governmental activities in the statement of net assets.	7,292,065
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(54,466,419)</u>
Net assets of governmental activities as reported on the statement of net assets (see page 26)	<u>\$ 77,185,351</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
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2006

	Special Revenue Funds			
	General	Health & Human Services	Lakeland School	Capital Projects
REVENUES				
Taxes	\$ 29,076,623	\$ 9,490,337	\$ 6,344,418	\$ 395,300
Intergovernmental	1,971,123	16,571,837	6,679,407	356,624
Licenses and permits	351,552	-	-	-
Fines, forfeitures and penalties	1,379,320	-	-	-
Public charges for services	3,031,765	3,607,817	31,099	-
Intergovernmental charges for services	414,007	64,810	51,224	137,782
Investment income	2,851,358	-	-	-
Miscellaneous	431,152	32,475	9,535	130,683
Total revenues	<u>39,506,900</u>	<u>29,767,276</u>	<u>13,115,683</u>	<u>1,020,389</u>
EXPENDITURES				
Current:				
General government	11,780,358	-	-	-
Public safety	20,075,047	-	-	-
Health and human services	152,580	28,751,049	-	-
Culture, recreation, and education	436,991	-	12,896,321	-
Conservation and development	1,808,951	-	-	-
Capital outlay	1,734,386	47,073	-	16,643,225
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>35,988,313</u>	<u>28,798,122</u>	<u>12,896,321</u>	<u>16,643,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,518,587</u>	<u>969,154</u>	<u>219,362</u>	<u>(15,622,836)</u>
OTHER FINANCING				
SOURCES (USES)				
Long-term debt issued	-	-	-	7,350,000
Discount on long-term debt	-	-	-	-
Transfers in	643,323	204,312	408,484	3,844,310
Transfers out	(4,558,062)	(1,991)	-	(369,813)
Total other financing sources (uses)	<u>(3,914,739)</u>	<u>202,321</u>	<u>408,484</u>	<u>10,824,497</u>
Net change in fund balances	(396,152)	1,171,475	627,846	(4,798,339)
Fund balances - beginning	26,844,518	67,739	13,048	8,349,618
Fund balances - ending	<u>\$ 26,448,366</u>	<u>\$ 1,239,214</u>	<u>\$ 640,894</u>	<u>\$ 3,551,279</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (concluded) GOVERNMENTAL FUNDS For the Year Ended December 31, 2006

	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 7,716,392	\$ 86,561	\$ 53,109,631
Intergovernmental	-	599	25,579,590
Licenses and permits	-	-	351,552
Fines, forfeitures and penalties	-	-	1,379,320
Public charges for services	-	170,200	6,840,881
Intergovernmental charges for services	-	500	668,323
Investment income	249,551	25,149	3,126,058
Miscellaneous	-	355,368	959,213
Total revenues	7,965,943	638,377	92,014,568
EXPENDITURES			
Current:			
General government	-	-	11,780,358
Public safety	-	62,884	20,137,931
Health and human services	-	-	28,903,629
Culture, recreation, and education	-	-	13,333,312
Conservation and development	-	250,596	2,059,547
Capital outlay	-	100,927	18,525,611
Debt service:			
Principal retirement	6,145,000	-	6,145,000
Interest and fiscal charges	1,851,914	-	1,851,914
Total expenditures	7,996,914	414,407	102,737,302
Excess (deficiency) of revenues over (under) expenditures	(30,971)	223,970	(10,722,734)
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	-	7,350,000
Discount on long-term debt	(9,358)	-	(9,358)
Transfers in	-	1,961	5,102,390
Transfers out	-	(250,099)	(5,179,965)
Total other financing sources (uses)	(9,358)	(248,138)	7,263,067
Net change in fund balances	(40,329)	(24,168)	(3,459,667)
Fund balances - beginning	453,929	1,393,270	37,122,122
Fund balances - ending	\$ 413,600	\$ 1,369,102	\$ 33,662,455

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, 2006**

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

Net change in fund balances-total governmental funds (page 31)	\$ (3,459,667)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	14,778,851
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(18,147,093)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(25,814)
The issuance of long-term debt (e.g., bonds, leases) 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, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,205,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(305,442)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(1,588,664)</u>
Change in net assets of governmental activities as reported on the statement of activities (page 27)	<u><u>\$ (9,952,829)</u></u>

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

WALWORTH COUNTY, WISCONSIN

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

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 29,163,309	\$ 29,142,926	\$ 29,076,623	\$ (66,303)
Intergovernmental	1,528,812	2,101,324	1,971,123	(130,201)
Licenses and permits	391,400	362,785	351,552	(11,233)
Fines, forfeitures and penalties	1,222,780	1,222,780	1,379,320	156,540
Public charges for services	3,197,007	3,309,602	3,031,765	(277,837)
Intergovernmental charges for services	354,225	366,225	414,007	47,782
Investment income	1,126,000	1,127,576	2,851,358	1,723,782
Miscellaneous	313,313	376,810	431,152	54,342
Total revenues	<u>37,296,846</u>	<u>38,010,028</u>	<u>39,506,900</u>	<u>1,496,872</u>
EXPENDITURES				
Current:				
General government	12,830,886	12,910,276	11,780,358	1,129,918
Public safety	20,495,156	20,822,087	20,075,047	747,040
Health and human services	157,689	158,259	152,580	5,679
Culture, recreation, and education	395,491	481,927	436,991	44,936
Conservation and development	2,060,211	2,130,961	1,808,951	322,010
Capital outlay:				
General government	296,240	1,545,064	926,566	618,498
Public safety	562,363	1,164,604	738,877	425,727
Health and human services	15,120	15,120	13,117	2,003
Culture, recreation, and education	95,635	118,746	35,456	83,290
Conservation and development	-	25,000	20,370	4,630
Total expenditures	<u>36,908,791</u>	<u>39,372,044</u>	<u>35,988,313</u>	<u>3,383,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>388,055</u>	<u>(1,362,016)</u>	<u>3,518,587</u>	<u>4,880,603</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	216,397	937,523	643,323	(294,200)
Transfers out	<u>(3,105,052)</u>	<u>(5,113,888)</u>	<u>(4,558,062)</u>	<u>555,826</u>
Total other financing sources (uses)	<u>(2,888,655)</u>	<u>(4,176,365)</u>	<u>(3,914,739)</u>	<u>261,626</u>
Net change in fund balances	(2,500,600)	(5,538,381)	(396,152)	5,142,229
Fund balances - beginning	<u>26,844,518</u>	<u>26,844,518</u>	<u>26,844,518</u>	<u>-</u>
Fund balances - ending	<u>\$ 24,343,918</u>	<u>\$ 21,306,137</u>	<u>\$ 26,448,366</u>	<u>\$ 5,142,229</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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 9,490,337	\$ 9,490,337	\$ 9,490,337	\$ -
Intergovernmental	16,405,539	16,630,490	16,571,837	(58,653)
Public charges for services	3,669,665	3,915,168	3,607,817	(307,351)
Intergovernmental charges for services	76,000	81,497	64,810	(16,687)
Miscellaneous	7,150	33,533	32,475	(1,058)
Total revenues	<u>29,648,691</u>	<u>30,151,025</u>	<u>29,767,276</u>	<u>(383,749)</u>
EXPENDITURES				
Current:				
Health and human services	29,626,191	30,320,015	28,751,049	1,568,966
Capital outlay:				
Health and human services	22,500	81,665	47,073	34,592
Total expenditures	<u>29,648,691</u>	<u>30,401,680</u>	<u>28,798,122</u>	<u>1,603,558</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(250,655)</u>	<u>969,154</u>	<u>1,219,809</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	204,312	204,312	-
Transfers out	-	(1,991)	(1,991)	-
Total other financing sources (uses)	<u>-</u>	<u>202,321</u>	<u>202,321</u>	<u>-</u>
Net change in fund balances	-	(48,334)	1,171,475	1,219,809
Fund balances - beginning	67,739	67,739	67,739	-
Fund balances - ending	<u>\$ 67,739</u>	<u>\$ 19,405</u>	<u>\$ 1,239,214</u>	<u>\$ 1,219,809</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 LAKELAND SCHOOL SPECIAL REVENUE FUND For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,344,418	\$ 6,344,418	\$ 6,344,418	\$ -
Intergovernmental	6,351,524	6,423,362	6,679,407	256,045
Public charges for services	25,150	25,142	31,099	5,957
Intergovernmental charges for services	32,000	31,960	51,224	19,264
Miscellaneous	9,900	9,860	9,535	(325)
Total revenues	<u>12,762,992</u>	<u>12,834,742</u>	<u>13,115,683</u>	<u>280,941</u>
EXPENDITURES				
Current:				
Culture, recreation, and education	12,752,992	13,218,226	12,896,321	321,905
Capital outlay:				
Culture, recreation, and education	10,000	21,036	-	21,036
Total expenditures	<u>12,762,992</u>	<u>13,239,262</u>	<u>12,896,321</u>	<u>342,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(404,520)</u>	<u>219,362</u>	<u>623,882</u>
OTHER FINANCING SOURCES				
Transfers in	-	408,484	408,484	-
Net change in fund balances	-	3,964	627,846	623,882
Fund balances - beginning	13,048	13,048	13,048	-
Fund balances - ending	<u>\$ 13,048</u>	<u>\$ 17,012</u>	<u>\$ 640,894</u>	<u>\$ 623,882</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
ASSETS				
Current assets:				
Cash and investments	\$ 8,833,096	\$ 4,070,700	\$ 12,903,796	\$ 9,693,486
Restricted cash and investments:				
Patient deposits	47,702	-	47,702	-
Deposits held with fiscal agents	-	-	-	279,051
Taxes receivable	2,891,059	3,299,075	6,190,134	-
Accounts receivable	683,607	163,681	847,288	305,218
Due from other funds	-	-	-	21,008
Due from other governments	1,050	517,968	519,018	-
Inventories	37,074	821,198	858,272	-
Prepaid items	-	150	150	2,107
Total current assets	<u>12,493,588</u>	<u>8,872,772</u>	<u>21,366,360</u>	<u>10,300,870</u>
Noncurrent assets:				
Land	36,260	62,226	98,486	-
Construction in progress	-	369,477	369,477	-
Other capital assets	15,347,017	12,238,389	27,585,406	-
Less: Accumulated depreciation	<u>(535,218)</u>	<u>(7,409,647)</u>	<u>(7,944,865)</u>	<u>-</u>
Net capital assets	<u>14,848,059</u>	<u>5,260,445</u>	<u>20,108,504</u>	<u>-</u>
Total assets	<u>27,341,647</u>	<u>14,133,217</u>	<u>41,474,864</u>	<u>10,300,870</u>
LIABILITIES				
Current liabilities:				
Accounts payable	195,966	101,034	297,000	63,967
Accrued liabilities	314,323	62,116	376,439	-
Due to other funds	8,273	2,003	10,276	-
Deposits	47,702	-	47,702	-
Deferred tax revenues	2,891,059	3,299,075	6,190,134	-
Other deferred revenues	685	32,762	33,447	-
Current portion accrued compensated absences	531,434	342,422	873,856	-
Claims payable	-	-	-	2,936,721
Total current liabilities	<u>3,989,442</u>	<u>3,839,412</u>	<u>7,828,854</u>	<u>3,000,688</u>
Noncurrent liabilities:				
Accrued compensated absences	<u>237,795</u>	<u>119,582</u>	<u>357,377</u>	<u>-</u>
Total noncurrent liabilities	<u>237,795</u>	<u>119,582</u>	<u>357,377</u>	<u>-</u>
Total liabilities	<u>4,227,237</u>	<u>3,958,994</u>	<u>8,186,231</u>	<u>3,000,688</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET ASSETS (concluded)
 PROPRIETARY FUNDS
 December 31, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
	NET ASSETS			
Invested in capital assets	\$ 14,848,059	\$ 5,260,445	\$ 20,108,504	\$ -
Restricted for donations	121,838	-	121,838	-
Unrestricted	8,144,513	4,913,778	13,058,291	7,300,182
Total net assets	<u>\$ 23,114,410</u>	<u>\$ 10,174,223</u>	<u>\$ 33,288,633</u>	<u>\$ 7,300,182</u>

Amounts reported for business-type activities in the statement of net assets 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 funds are primarily included in the governmental activities in the statement of net assets. Some assets, however, are reported as business-type activities.

8,117

Net assets of business-type activities as reported on the statement of net assets (see page 26)

\$ 33,296,750

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 6,182,647	\$ 2,690,158	\$ 8,872,805	\$ 15,140,581
Operating expenses:				
Operation and maintenance	11,369,267	6,171,551	17,540,818	-
Insurance services	-	-	-	17,622,438
Depreciation	260,851	601,393	862,244	-
Total operating expenses	11,630,118	6,772,944	18,403,062	17,622,438
Operating loss	(5,447,471)	(4,082,786)	(9,530,257)	(2,481,857)
Nonoperating revenues (expenses):				
Property taxes	3,009,310	2,507,939	5,517,249	-
Intergovernmental grants	968,993	2,011,625	2,980,618	-
Investment income	17,793	116,307	134,100	498,783
Loss on disposal of assets	(2,152,538)	(26,491)	(2,179,029)	-
Miscellaneous	24,870	41,436	66,306	5,113
Total nonoperating revenues	1,868,428	4,650,816	6,519,244	503,896
Income (loss) before contributed capital and transfers	(3,579,043)	568,030	(3,011,013)	(1,977,961)
Contributed capital	14,564,739	-	14,564,739	-
Transfers in	56	178,034	178,090	-
Transfers out	(73,360)	(25,675)	(99,035)	(1,480)
Change in net assets	10,912,392	720,389	11,632,781	(1,979,441)
Total net assets - beginning	12,202,018	9,453,834	21,655,852	9,279,623
Total net assets - ending	\$ 23,114,410	\$ 10,174,223	33,288,633	\$ 7,300,182

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

Net change in net assets-total enterprise funds	11,632,781
The net revenue of certain activities of internal service funds is reported within business-type activities.	<u>(390,777)</u>
Net change in net assets of business-type activities as reported on the statement of activities (see page 26)	<u>\$ 11,242,004</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 10,082,629	\$ 2,451,309	\$ 12,533,938	\$ 1,645,790
Receipts from interfund services provided	2,259	298,403	300,662	13,530,105
Payments to suppliers	(1,720,697)	(2,242,085)	(3,962,782)	(16,827,972)
Payments to employees	(9,596,917)	(4,166,124)	(13,763,041)	-
Payments for interfund services used	(18,111)	(145,832)	(163,943)	-
Payments of patient trust deposits	(13,108)	-	(13,108)	-
Net cash flows (used) by operating activities	<u>(1,263,945)</u>	<u>(3,804,329)</u>	<u>(5,068,274)</u>	<u>(1,652,077)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	56	178,034	178,090	-
Transfers out	(73,360)	(25,675)	(99,035)	(1,480)
General property taxes	3,009,310	2,507,939	5,517,249	-
Intergovernmental grants	968,993	2,011,625	2,980,618	-
Rent, Rebates, and Donations	15,985	2,864	18,849	-
Net cash flows provided (used) by non-capital financing activities	<u>3,920,984</u>	<u>4,674,787</u>	<u>8,595,771</u>	<u>(1,480)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(269,761)	(641,023)	(910,784)	-
Sale of assets	8,885	7,001	15,886	-
Net cash flows (used) by capital and related financing activities	<u>(260,876)</u>	<u>(634,022)</u>	<u>(894,898)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	17,793	116,307	134,100	498,783
Insurance recoveries	-	31,571	31,571	5,113
Net cash flows provided by investing activities	<u>17,793</u>	<u>147,878</u>	<u>165,671</u>	<u>503,896</u>
Net increase in cash and cash equivalents	2,413,956	384,314	2,798,270	(1,149,661)
Cash and cash equivalents - beginning	6,466,842	3,686,386	10,153,228	11,122,198
Cash and cash equivalents - ending	<u>\$ 8,880,798</u>	<u>\$ 4,070,700</u>	<u>\$ 12,951,498</u>	<u>\$ 9,972,537</u>

Cash and cash equivalents on December 31 are reconciled from the Statement of Net Assets as follows:

Cash and cash equivalents	\$ 8,833,096	\$ 4,070,700	\$ 12,903,796	\$ 9,693,486
Restricted cash and cash equivalents	47,702	-	47,702	279,051
	<u>\$ 8,880,798</u>	<u>\$ 4,070,700</u>	<u>\$ 12,951,498</u>	<u>\$ 9,972,537</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS (concluded)
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2006

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
Reconciliation of operating (loss) to net cash (used) by operating activities:				
Operating (loss)	\$ (5,447,471)	\$ (4,082,786)	\$ (9,530,257)	\$ (2,481,857)
Adjustments to reconcile operating (loss) to net cash (used) from operating activities				
Noncash items included in operating (loss)				
Depreciation	260,851	601,393	862,244	-
Change in assets and liabilities:				
Accounts receivable	24,845	(149,241)	(124,396)	32,934
Due from other funds	-	-	-	2,380
Due from other governments	3,877,493	193,523	4,071,016	-
Inventories	(1,479)	(274,461)	(275,940)	-
Prepaid items	9,996	(150)	9,846	(1,195)
Accounts payable	75,741	(66,367)	9,374	(43,546)
Accrued liabilities	20,282	2,065	22,347	-
Due to other funds	(7,251)	(634)	(7,885)	-
Due to other governments	-	(182)	(182)	-
Deferred revenues	(97)	15,272	15,175	-
Claims payable	-	-	-	839,207
Patient deposits	(13,108)	-	(13,108)	-
Health insurance payable	-	(23,868)	(23,868)	-
Accrued compensated absences	(63,747)	(18,893)	(82,640)	-
Net cash (used) by operating activities	<u>\$ (1,263,945)</u>	<u>\$ (3,804,329)</u>	<u>\$ (5,068,274)</u>	<u>\$ (1,652,077)</u>
Noncash investing, capital, and financing activities:				
Capital assets transferred from governmental funds	\$ 14,564,739	\$ 38,564	\$ 14,603,303	\$ -
Capital assets transferred to governmental funds	(135,265)	-	(135,265)	-
	<u>\$ 14,429,474</u>	<u>\$ 38,564</u>	<u>\$ 14,468,038</u>	<u>\$ -</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2006

	Private Purpose Trusts	Agency Funds
ASSETS		
Cash and investments	<u>\$ 38,993</u>	<u>\$ 1,476,174</u>
LIABILITIES		
Accounts payable	-	142,530
Due to other governments	-	205,672
Deposits	-	<u>1,127,986</u>
Total liabilities	<u>-</u>	<u>1,476,188</u>
NET ASSETS		
Restricted for private purpose trust activities	<u>38,993</u>	<u>-</u>
Total net assets	<u>\$ 38,993</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 ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2006

	Private Purpose Trust Funds Total
ADDITIONS	
Investment income	\$ 1,837
Change in net assets	1,837
Net assets - beginning	<u>37,156</u>
Net assets - ending	<u>\$ 38,993</u>

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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:

1. Reporting Entity

The County is governed by 25 supervisors elected every two years from each of 25 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 and No. 39.

2. 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.

The Walworth County Economic Development Group is a related organization of Walworth County. Walworth County is responsible for appointing 2 of the 7 Board members of the Economic Development Group, but the Economic Development Group is not financially accountable to Walworth County nor is the County able to impose its will on the organization.

3. Government-wide and Fund Financial Statements

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

- a. Total assets, liabilities, 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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

3. Government-wide and Fund Financial Statements (continued)

- b. 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.
- c. 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.

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.

LAKELAND SCHOOL 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.

CAPITAL PROJECTS FUND

This fund accounts for the financial resources, which are used for all acquisitions or construction of major capital projects. Projects are funded by long-term debt obligations, tax levy and/or use of equity.

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 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, and Sheriff Trusts Special Revenue Fund.

Internal service funds account for employee benefits and insurance services, and risk management provided to other departments or agencies of the County on a cost reimbursement basis.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

3. Government-wide and Fund Financial Statements (continued)

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.

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*.

4. 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 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.

Certain private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following certain subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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 enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

4. Measurement Focus and Basis of Accounting (continued)

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

5. Assets, Liabilities and Net Assets or Equity

a. Cash and Investments

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

b. Receivables

Accounts receivable have been shown net of allowance for uncollectible accounts of \$332,689 for the Health and Human Services fund and \$108,808 for the Lakeland Health Care Center fund. All other accounts receivables are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided for funds, except for those listed above, since it is believed that the amount of such allowance would not be material to the basic financial statements.

Property taxes are due, in the year subsequent to levy, on the last day of January, and collected by local treasurers through that date, at which time unpaid taxes are assigned to the County and appropriate receivables and payables are recorded. Tax collections become the responsibility 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. The interest and penalties on taxes not paid within 60 days of the end of the current fiscal period is shown as deferred revenue until it is received in cash.

c. Restricted assets

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. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

d. 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 a reservation of 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 assets 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 assets.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

5. Assets, Liabilities and Net Assets or Equity (continued)

e. 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 at December 31, 2006 were determined by physical counts.

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

f. Prepaid Items

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

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

g. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Governmental fund capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year. In addition, the Lakeland Health Care Center will follow Medicare guidelines and include capital assets with a value greater than \$1,000. The Public Works fund will follow the governmental funds threshold but will also include all state-classified equipment regardless of the value. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

g. Compensated Absences

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

h. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet recognizable.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

5. Assets, Liabilities and Net Assets or Equity (continued)

i. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j. Equity Classifications

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

- a. Invested in capital assets, net of related debt – 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.
- b. Restricted net assets - Amount of net assets 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.
- c. Unrestricted net assets – Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

The amount is a reduction of “invested in capital assets, net of related debt,” and an increase in “unrestricted” net assets, shown only in the total column.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled “designated”. The balance of unreserved fund balance is labeled “undesignated,” which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary fund equity is classified as restricted for private purpose trust activities on the statement of net assets. Various donor restrictions apply, and the County believes it is in compliance with all significant restrictions.

6. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balances - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." The details of this \$88,072,593 difference are as follows:

Land	\$ 1,103,694
Construction in progress	4,585,510
Buildings	50,489,468
Improvements other than buildings	4,193,270
Machinery and equipment	19,246,076
Infrastructure	44,073,673
Less: Accumulated depreciation	<u>(35,619,098)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 88,072,593</u></u>

Another element of that reconciliation explains that "long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$54,466,419 difference are as follows:

Bonds and notes payable	\$ 48,740,000
Debt premium for 2003, 2004, 2005, and 2006 borrowing	61,509
Issuance costs for 2003, 2004, 2005, and 2006 borrowing	(59,554)
Compensated absences	3,419,135
Teachers/Deputies early retirement programs	1,656,326
Accrued interest on long-term obligations	<u>649,003</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 54,466,419</u></u>

Another element of that reconciliation explains that "other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds." The details of this \$2,624,657 difference are as follows:

Deferred revenues	\$ 1,141,055
Interest and penalties for delinquent taxes	883,483
Court assessments	<u>600,119</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 2,624,657</u></u>

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$14,778,851 difference are as follows:

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (continued)

Capital outlay	\$ 18,525,611
Depreciation expense	<u>(3,746,760)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 14,778,851</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this \$18,147,096 difference are as follows:

In the statement of activities, only the <i>loss</i> on the sale or disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold or disposed.	\$ 2,236,597
Elimination of proceeds received from the sale of assets and insurance recoveries.	79,162
Donations of capital assets.	<u>(720,845)</u>
Transfer of capital assets to proprietary funds.	14,564,739
Repair and maintenance projects are not capitalized to the Statement of Net Assets and therefore must remain as an expense in the Statement of Activities.	<u>1,987,440</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 18,147,093</u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$25,814 difference are as follows:

Deferred revenues	\$ 116,388
Interest and penalties for delinquent taxes	3,600
Court assessments	<u>(94,174)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 25,814</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) 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, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,205,000 difference are as follows:

Debt issued or incurred	
Issuance of general obligation notes	\$ 7,350,000
Principal repayments	
General obligation debt	<u>(6,145,000)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,205,000</u>

Another element of that reconciliation states that “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.” The details of this \$305,442 difference are as follows:

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (continued)

Compensated absences	\$	97,777
Post employment benefits		154,672
Accrued interest		97,937
Debt premium		(19,741)
Issuance costs		(25,203)
		\$ 305,442

Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities*

NOTE C - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

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

- a. 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.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue with the exception of the Sheriff Trusts special revenue fund, debt service, and capital project funds. 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 succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general fund, special revenue with the exception of the Sheriff Trusts special revenue fund, debt service and capital project funds.
- d. Expenditures may not exceed appropriations provided to each department of the County. Amendments to the budget during the year require initial approval by management. Transfers require submission of a resolution to the County Board. Transfers are defined as:
 - A. Transfers exceeding 10% in the aggregate of the funds originally provided for such office or department.
 - B. Transfers exceeding the amount adopted in the contingency funds budget.
 - C. Transfers from the contingency funds.
 - D. Transfers from the undesignated General fund balance.

Supplemental appropriations for expenditures that were necessary for 2006 are as follows:

Department/Fund	Adopted Budget	Modified Budget	Increase/(Decrease)
County board	\$ 314,879	\$ 314,879	\$ -
County clerk	314,279	310,279	(4,000)
Elections	128,893	297,815	168,922
Administration	1,638,405	1,614,525	(23,880)
Finance	1,338,558	1,491,987	153,429
Treasurer	390,702	390,702	-
Coroner	325,348	325,348	-

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

1. Budgets and Budgetary Accounting (continued)

Clerk of courts	2,686,039	2,701,263	15,224
District attorney	826,998	853,420	26,422
Register of deeds	530,200	530,200	-
Information systems	1,750,868	2,702,473	951,605
Facilities	1,264,910	1,317,130	52,220
Non-departmental	4,722,099	6,678,120	1,956,021
Sheriff	21,057,519	22,027,778	970,259
Veterans services	172,809	173,379	570
UW extension	388,826	396,347	7,521
Parks	102,300	204,326	102,026
Land use & resource management	2,060,211	2,155,961	95,750
Total General Fund	40,013,843	44,485,932	4,472,089
Health and Human Services Fund	29,648,691	30,403,671	754,980
Lakeland School Fund	12,762,992	13,239,262	476,270
Debt Service Fund	7,966,392	8,006,535	40,143
Land Information Fund	333,268	463,502	130,234
Capital Projects Fund	12,075,900	21,721,973	9,646,073

Encumbrance accounting is not used by the County to record commitments related to unperformed contracts for goods or services.

2. 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, 2006.

The county maintains the expenditure budget at a department level for budgeted accounts of the general, special revenue with the exception of the Sheriff Trusts fund, debt service and capital project funds. At December 31, 2006, actual expenditures exceeded total budget appropriations for the Register of Deeds department in the amount of \$1,752.

NOTE D - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

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

Invested cash consists of deposits and investments that are restricted by Wisconsin Statute 66.0603 to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$59,933,094 on December 31, 2006 as summarized below:

Petty cash funds	\$ 5,875
Demand deposits	410,855
Certificate of deposits	2,700,000
Deposits with fiscal agents	279,051
Investments	56,537,313
	\$ 59,933,094

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

1. Cash and Investments (continued)

Reconciliation to the basic financial statements:

Basic financial statements		
Cash and investments		\$ 57,559,335
Restricted cash and investments		858,592
Fiduciary funds		
Private-purpose trust fund		38,993
Agency fund		1,476,174
		<u>\$ 59,933,094</u>

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The County does not have an additional custodial credit risk policy.

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for non-interest bearing accounts.

Bank accounts 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, 2006, \$1,595,200 of the County's deposits with financial institutions were in excess of federal depository insurance limits and uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name).

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of year end for each investment type. The County does not have an additional credit risk policy.

Investment Type	Amount	Exempt From Disclosure	Rating as of Year End		
			AAA	Aa	Not Rated
U.S. Treasury notes	\$ 2,996,400	\$2,996,400	\$ -	\$ -	\$ -
Federal agency securities	15,853,585	23,095	15,830,490	-	-
Wisconsin local government investment pool	31,705,871	-	-	-	31,705,871
MBIA Investments WI Class pool	439,440	-	-	-	439,439
JP Morgan US Treasury Plus MMF	5,542,017	-	5,542,017	-	-
	<u>\$56,537,313</u>	<u>\$3,019,495</u>	<u>\$ 21,372,507</u>	<u>\$ -</u>	<u>\$32,145,310</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

1. Cash and Investments (continued)

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total County investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal National Mortgage Association (FNMA)	Federal Agency Securities	17.5%
Federal Home Loan Bank (FHLB)	Federal Agency Securities	8.8%

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. One of the ways that the County manages its exposure to interest rate risk is by limiting 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.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 2,996,400	\$ 1,993,400	\$ -	\$ 1,003,000	\$ -
Federal agency securities	15,853,585	5,918,400	7,911,090	2,001,000	23,095
Wisconsin local government investment pool	31,705,871	31,705,871	-	-	-
MBIA WI Class pool	439,440	439,440	-	-	-
JP Morgan US Treasury Plus MMF	5,542,017	5,542,017	-	-	-
Totals	\$56,537,313	\$45,599,128	\$7,911,090	\$ 3,004,000	\$ 23,095

Deposit Type	Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Certificates of Deposit	\$ 2,700,000	\$ 2,475,000	\$ 225,000	\$ -	\$ -
Totals	\$ 2,700,000	\$ 2,475,000	\$ 225,000	\$ -	\$ -

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County's investments include mortgage backed security investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above). These securities are subject to early payment in a period of declining interest rates. 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, 2006 is \$15,853,585.

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$31,705,871 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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

1. Cash and Investments (continued)

Investment in Wisconsin Local Government Investment Pool (continued)

right to withdraw their funds in total on one day's notice. At December 31, 2006, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

Investments in the Wisconsin Local Government Investment Pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, State of Wisconsin Guarantee Fund insurance, and income on the investment during the calendar quarter a loss occurs.

Investment in MBIA Wisconsin Class

The County has investments in the MBIA Wisconsin Class program of \$439,440 at year end. The MBIA Wisconsin Class program is defined by the terms of an Intergovernmental Agreement between various Wisconsin governmental and public entities who choose to participate and MBIA Municipal Investors Services Corporation (MBIA-MISC). MBIA-MISC serves as the Wisconsin Class program administrator. MBIA-MISC and its sub-adviser, MBIA Capital Management Corp (an SEC-registered investment adviser) provide proposed investment strategies to the program custodian, who in turn directs them to make investment transactions on behalf of the program participants. Participants in the MBIA Wisconsin Class program have the right to withdraw their funds in total on one day's notice. At December 31, 2006, the fair value of the County's share of the MBIA Wisconsin Class assets was substantially equal to the carrying value.

2. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred 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 then acquired by the County's general fund in accordance with state statutes in order to provide the County with a statutory lien.

The County apportionment of \$52,238,866 is for financing 2007 operations and will be transferred in 2007 from deferred revenue to current revenues of the County's governmental and proprietary funds.

3. Delinquent Property Taxes - General Fund

Delinquent property taxes of the general fund 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 Finance Committee for write-off approval.

On December 31, 2006, the General fund showed an investment of \$3,499,166 in delinquent taxes as follows:

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

3. Delinquent Property Taxes - General Fund (continued)

Tax certificates	\$ 3,482,199
Tax deeds	12,597
Personal property taxes	4,370
Total	\$ 3,499,166

An aging of the total delinquent taxes of \$3,499,166 on December 31, 2006 follows:

Year Acquired	Total	Tax Certificates	Tax Deeds	Personal Property Taxes
Prior to 2001	\$ 33,780	\$ 30,049	\$ 3,731	\$ -
2001	35,016	31,005	4,011	-
2002	69,639	68,768	871	-
2003	215,027	215,027	-	-
2004	758,603	754,233	-	4,370
2005	2,383,117	2,383,117	-	-
2006	3,984	-	3,984	-
	\$ 3,499,166	\$ 3,482,199	\$ 12,597	\$ 4,370

Of the total of \$3,482,199 for delinquent real estate taxes, the County collected \$538,287 within 60 days after December 31, 2006. The remaining unpaid balance of \$2,943,912 is reported as reserved fund balance for the General fund for the county purchased portion of \$2,287,056, and reported as a deferred revenue for the county levied portion of \$656,856.

4. Capital Assets

Capital asset activity for the year ended December 31, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,103,694	\$ -	\$ -	\$ 1,103,694
Construction in progress	16,059,205	4,208,844	15,682,539	4,585,510
Total capital assets, not being depreciated	\$ 17,162,899	\$ 4,208,844	\$ 15,682,539	\$ 5,689,204
Capital assets, being depreciated:				
Buildings	\$ 47,322,922	\$ 5,002,891	\$ 1,836,345	\$ 50,489,468
Improvements other than buildings	5,095,310	375,134	1,277,174	4,193,270
Machinery and equipment	13,993,440	6,326,261	1,073,625	19,246,076
Infrastructure – roads	39,978,536	1,531,604	1,560,900	39,949,240
Infrastructure – bridges	3,410,639	733,286	19,492	4,124,433
Subtotals	109,800,847	13,969,176	5,767,536	118,002,487
Less accumulated depreciation for:				
Buildings	9,479,153	845,390	1,696,711	8,627,832
Improvements other than buildings	1,494,009	308,168	383,845	1,418,332
Machinery and equipment	6,588,530	1,303,795	600,500	7,291,825
Infrastructure – roads	16,650,741	1,233,331	952,945	16,931,127
Infrastructure – bridges	1,310,478	56,076	16,572	1,349,982
Subtotals	35,522,911	3,746,760	3,650,573	35,619,098
Total capital assets, being depreciated, net	74,277,936	10,222,416	2,116,963	82,383,389
Governmental activities capital assets, net	\$ 91,440,835	\$ 14,431,260	\$ 17,799,502	\$ 88,072,593

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

4. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 98,486	\$ -	\$ -	\$ 98,486
Construction in progress	6,138	363,389	50	369,477
Total capital assets, not being depreciated	<u>104,624</u>	<u>363,389</u>	<u>50</u>	<u>467,963</u>
Capital assets, being depreciated:				
Buildings	7,942,413	14,455,860	4,744,659	17,653,614
Improvements other than buildings	583,278	-	439,406	143,872
Machinery and equipment	13,756,880	731,058	4,700,021	9,787,917
Subtotals	<u>22,282,571</u>	<u>15,186,918</u>	<u>9,884,086</u>	<u>27,585,403</u>
Less accumulated depreciation for:				
Buildings	4,772,906	247,438	3,401,902	1,618,442
Improvements other than buildings	387,303	9,168	289,556	106,915
Machinery and equipment	9,552,733	630,610	3,963,837	6,219,505
Subtotals	<u>14,712,941</u>	<u>887,216</u>	<u>7,655,295</u>	<u>7,944,862</u>
Total capital assets, being depreciated, net	<u>7,569,630</u>	<u>14,299,702</u>	<u>2,228,791</u>	<u>19,640,541</u>
Business-type activities capital assets, net	<u>\$ 7,674,254</u>	<u>\$ 14,663,091</u>	<u>\$ 2,228,841</u>	<u>\$ 20,108,504</u>

In 2006, \$1,987,440 of the capital outlay recorded in the governmental funds were expensed as repair and maintenance projects or amounts under the threshold in the government-wide activities, and therefore not recorded as capital assets. Capital outlay of \$6,397,596 and \$8,167,143 of governmental construction in progress were transferred to the Lakeland Health Care Center fund. The construction in progress deletions were capitalized as depreciable assets totaling \$998,170 except for \$198,792 recorded as a loss due to project abandonment.

The governmental funds report internal reclassifications of capital assets in the amount of \$24,714,950, to better report buildings within the appropriate function/department. Two fully depreciated equipment transfers from the governmental funds to the enterprise Public Works fund occurred in the total amount of \$38,564. Also, several transfers from the enterprise Lakeland Healthcare Center fund occurred in the amount of \$135,265, with associated accumulated depreciation of \$133,187.

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

Governmental activities

General government	\$ 1,081,792
Public safety	884,735
Health and human services	144,779
Culture, recreation and education	64,159
Public works	1,289,404
Conservation and development	281,891
Total depreciation expense – governmental activities	<u>\$ 3,746,760</u>

Business-type activities

Nursing home	\$ 260,851
Highway/facilities administration	601,393
Total depreciation expense – business-type activities	<u>\$ 862,244</u>

Depreciation expense does not agree to the increases in accumulated depreciation for business-type activities due to transfers of existing depreciated assets from the Governmental activities to the Business-type activities.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

5. Interfund Receivable, Payables, Advances, and Transfers

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2006 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Lakeland School	\$ 355,327
	Lakeland Health Care Center	8,273
Internal Service Funds	General Fund	7,977
	Health and Human Services	896
	Lakeland School	1,859
	Public Works	2,003
		<hr/>
Subtotal – Fund financial statements		376,335
Less: Fund eliminations		(366,059)
Less: Interfund receivables created with internal service fund eliminations		(2,159)
Less: Government-wide eliminations		(10,276)
Total Internal balances – government-wide statement of net assets		<hr/> <u>\$ (2,159)</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	
Governmental Activities	Business-type Activities	\$ 75,756
Business-type Activities	Governmental Activities	(77,915)
		<hr/> <u>\$ (2,159)</u>

The General fund has loaned the Lakeland School fund \$355,327 for its temporary negative cash balance to be repaid as receivables are collected. The employee benefits insurance internal service fund interfund is for December worker's compensation due from each fund. All fund financial statement amounts are to be paid within one year.

In the government-wide statements, the interfund is created due to the under/over collection of employee benefits insurance funds.

An advance from the General Fund to the Capital Projects fund has been made in the amount of \$800,000 for amounts related to working capital loans for the building of the New Lakeland School facility. The advance will be paid upon the completion of the new building in 2008. For the government-wide statement of net assets, this advance is netted and eliminated.

Interfund transfers for the year ended December 31, 2006 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General Fund	Health and Human Services	\$ 1,991
	Capital Projects	295,213
	Nonmajor Governmental Funds	250,099
	Internal Service Funds	1,480
	Lakeland Health Care Center	68,865
	Public Works	25,675
Health and Human Services	General Fund	202,022
	Lakeland Health Care Center	2,290
Lakeland School	General Fund	406,279
	Lakeland Health Care Center	2,205
Capital Projects	General Fund	3,844,310
Nonmajor Governmental Funds	General Fund	1,961
Lakeland Health Care Center	General Fund	56
Public Works	General Fund	103,434
Public Works	Capital Projects	74,600
		<hr/>
Subtotal transfers – Fund financial statements		<u>\$ 5,280,480</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

5. Interfund Receivable, Payables, Advances, and Transfers (continued)

Subtotal transfers – Fund financial statements	\$ 5,280,480
Less: Fund eliminations	(5,003,355)
Less: Capital contributions	(14,564,739)
Less: Government-wide eliminations	(356,180)
Total transfers – Government-wide statement of activities	\$ (14,643,794)

<u>Transfers To</u>	<u>Transfers From</u>	
Governmental Activities	Business-type Activities	\$ 99,035
Business-type Activities	Governmental Activities	(14,742,829)
Total transfers – Government-wide statement of activities		\$ (14,643,794)

County transfers are used to 1) move revenues from the fund that collects them to the fund that the budget requires to expend them, and 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In the fund financial statements, operating purposes account for \$904,238, and capital-related one-time use of equity projects account for \$4,376,242.

During the year existing capital assets related to governmental funds, with a book value of \$14,564,739, was contributed to the Lakeland Health Care Center fund. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources. However, the Lakeland Health Care Center fund did report a capital contribution for the capital resources received. The government-wide statements reflect this amount as a transfer.

6. Restricted Assets

Mandatory segregation of assets is presented on the statement of net assets as restricted assets. External parties require such segregations. Restricted assets, consisting of patient and student deposits held by various County funds, are offset by a related payable. 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>
Health and Human Services	Patient Deposits	\$ 359,491
Lakeland School	School/Student Deposits	172,348
Lakeland Health Care Center	Patient Deposits	47,702
Employee Benefits	Held by Fiscal Agent	32,731
Risk Management	Held by Fiscal Agent	246,320
Total Restricted Asset		\$ 858,592

7. Leases

Capital Leases

There are no capital leases as of December 31, 2007.

Operating Leases

Lessee

The County entered into an operating lease with Dictaphone Corporation effective August 1, 2002 for the use of communication equipment by the Sheriff Department. The length of the lease is 5 years. One annual payment remains for 2007 in the amount of \$19,189.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

7. Leases (continued)

Lessor

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 length of the lease is 5 years with an option to exercise a 5-year extension. Rent payments to the County are \$850/month. Annual required future lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
2007	\$ 10,200
2008	10,200
2009	10,200
2010	10,200
2011	2,550
Total	\$ 43,350

8. Deferred Revenues

Governmental funds report deferred revenue in connection with receivables for resources that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet recognizable. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Subsequent year tax levy receivable		
General Fund	\$ -	\$18,903,536
Health and Human Services	-	11,106,102
Lakeland School	-	7,999,071
Debt Service	-	7,875,781
Nonmajor Governmental Funds	-	164,242
Delinquent real estate taxes – County share	656,457	-
Long-term receivable	282,771	-
Grant draw downs not received meeting all eligibility requirements	201,827	-
Grant draw downs prior to meeting all eligibility requirements	-	51,650
Donations received not yet meeting all eligibility requirements	-	50,000
Totals	\$1,141,055	\$ 46,150,382

9. Short-term Obligations

There were no short-term obligations during 2006.

10. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2006:

	Outstanding 1/1/06	Issued	Retired	Outstanding 12/31/06	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 3,720,000	\$ -	\$ 750,000	\$ 2,970,000	\$ 745,000
Notes	43,815,000	7,350,000	5,395,000	45,770,000	6,230,000
Total general obligation debt	47,535,000	7,350,000	6,145,000	48,740,000	6,975,000
Early retirement incentive payable	1,501,654	324,147	169,475	1,656,326	215,664
Post-employment health benefits payable	827,556	289,533	183,840	933,249	170,304
Compensated absences	3,321,358	3,647,638	3,549,861	3,419,135	2,218,844
Unamortized debt premium	81,250	-	19,741	61,509	9,914
Governmental activities long-term liabilities	\$53,266,818	\$11,611,318	\$10,067,917	\$54,810,219	\$ 9,589,726

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

10. Long-term Obligations (continued)

Business-type activities:

Health insurance payable	\$ 23,868	\$ -	\$ 23,868	\$ -	\$ -
Compensated absences	1,313,873	1,033,905	1,116,545	1,231,233	873,856
Business-type activities long-term liabilities	\$ 1,337,741	\$ 1,033,905	\$ 1,140,413	\$ 1,231,233	\$ 873,856

For governmental activities, the other long-term liabilities are generally funded by the General fund. Total interest paid during the year on long-term debt totaled \$1,818,592.

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

\$6,995,000 issued 7/15/01; \$365,000 to \$735,000 due annually through 2010; interest 3.50% to 4.35% \$ 2,970,000

Notes

\$7,291,000 issued 7/15/00; \$666,000 to \$1,725,000 due annually through 2010; interest 5.25% to 5.50% 5,625,000

\$8,200,000 issued 2/1/01; \$50,000 to \$2,350,000 due annually through 2011; interest 4.30% to 4.875% 5,950,000

\$7,320,000 issued 7/1/02; \$155,000 to \$1,085,000 due annually through 2012; interest 3.00% to 4.10% 6,155,000

\$9,205,000 issued 11/1/03; \$570,000 to \$1,250,000 due annually through 2012; interest 1.00% to 3.40% 6,635,000

\$6,070,000 issued 9/1/04; \$500,000 to \$725,000 due annually through 2014; interest 3.00% to 3.55% 5,040,000

\$9,800,000 issued 8/1/05; \$785,000 to \$1,155,000 due annually through 2015; interest 3.38% to 3.50% 9,015,000

\$7,350,000 issued 4/1/06; \$200,000 to \$925,000 due annually through 2016; interest 3.75% to 3.80% 7,350,000

Total Outstanding General Obligation Debt \$ 48,740,000

Annual principal and interest maturities of the outstanding general obligation debt of \$48,740,000 on December 31, 2006 are detailed as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2007	\$ 6,975,000	\$ 1,917,581
2008	7,335,000	1,491,494
2009	7,145,000	1,197,416
2010	6,665,000	912,529
2011	6,395,000	632,316
2012-2016	14,225,000	940,779
	\$ 48,740,000	\$ 7,092,115

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

10. Long-term Obligations (continued)

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2006 was \$612,044,855 as follows:

Equalized valuation of the County		\$ 13,207,425,100
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		660,371,255
Total outstanding general obligation debt applicable to debt limitation	\$ 48,740,000	
Less: Amounts available for financing general obligation debt Debt service fund	(413,600)	
Net outstanding general obligation debt applicable to debt limitation		48,326,400
Legal Margin for New Debt		\$ 612,044,855

11. Net Assets/Fund Balances

Net assets of the governmental activities reported on the government-wide statement of net assets at December 31, 2006 includes the following:

Invested in capital assets, net of related debt		
Land		\$ 1,103,694
Construction in progress		4,585,510
Buildings, net of accumulated depreciation		41,861,636
Improvements other than buildings, net of accumulated depreciation		2,774,938
Machinery and equipment, net of accumulated depreciation		11,954,251
Infrastructure, net of accumulated depreciation		25,792,564
Subtotal		88,072,593
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds of \$745,091 and debt premium \$61,509)		(47,933,400)
Total Invested in Capital Assets, Net of Related Debt		40,139,193
Restricted		
Alpine Valley surplus		115,686
UW-Extension EPA program		1,200
Land modernization fees		353,662
Park donations		1,733
Public access fees		154,713
Sheriff donations		44,271
Sheriff trusts		838,999
School donations		683
Total Restricted		1,510,947
Unrestricted		35,535,211
Total Governmental Activities Net Assets		\$ 77,185,351

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

11. Net Assets/Fund Balances (continued)

Fund Statements

At December 31, 2006, fund balance was reserved as follows:

General Fund

Reserved for Alpine Valley	\$ 115,686
Reserved for advances	800,000
Reserved for contractual obligations	217,047
Reserved for delinquent personal property taxes	2,287,056
Reserved for sheriff (donations)	44,271
Reserved for parks (donations)	1,733
Reserved for other post employment benefits (OPEB)	51,160
Reserved for inventories	11,816
Reserved for prepaid items	23,346
Reserved for receivables	96,614
Reserved for UW-Extension EPA program	1,200
	\$3,649,929

Health and Human Services Fund

Reserved for prepaid items	\$ 660
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Capital Projects Fund

Reserved for contractual obligations	\$1,626,721
Reserved for donations	683
	\$1,627,404

Debt Service Fund

Reserved for debt retirement	\$ 413,600
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Nonmajor Governmental Funds

Special Revenue Funds

Reserved for land modernization projects	\$ 353,662
Reserved for public access project	154,713
Reserved for sheriff trusts	838,999
	\$1,347,374

Also in the fund financial statements, portions of governmental fund balances have been designated to represent tentative management plans that are subject to change. At December 31, 2006, fund balance was designated as follows:

General Fund

Designated for subsequent year budget	\$5,860,799
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Health and Human Services

Designated for subsequent year budget	\$ 26,691
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Lakeland School

Designated for subsequent year budget	\$ 17,000
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Capital Projects Fund

Designated for subsequent year budget	\$2,781,606
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Nonmajor Governmental Funds

Special Revenue Fund

Land Information Fund

Designated for subsequent year budget	\$ 21,728
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WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

12. Special or Extraordinary Items

There are no known material special or extraordinary items for the year ended December 31, 2006.

NOTE E - OTHER INFORMATION

1. Retirement Commitments

All eligible County employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer public employee retirement system. All permanent employees expected to work over 600 hours a year (440 hours for teachers) are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.9% of their salary (2.9% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for County employees covered by the System for the year ended December 31, 2006 was \$38,804,677; the employer's total payroll was \$38,900,982. The total required contribution for the year ended December 31, 2006 was \$4,180,262 or 10.8% of covered payroll financed by the County. Total contributions for the years ending December 31, 2005 and 2004 were \$4,072,706 and \$3,991,363 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) 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. Final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment 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 are immediately vested.

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

2. Post Employment Benefits

Walworth County provides post employment health care benefits in accordance with collective bargaining agreements and the County's Personnel Code. This benefit allows employees 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, to have their sick leave balance converted at 60% of their basic pay rate at the time of retirement to pay for health insurance until the credits are exhausted. Currently, 51 employees meet the eligibility requirements for this benefit. During 2006, approximately \$183,840 of expenditures were recognized for post employment health care benefits. Funds are allocated for this benefit on a pay-as-you-go basis as employees retire. At year end, \$933,249 was allocated and available for payment of post employment health insurance for qualified former employees.

3. Early Retirement Program

In addition to the above retirement plan, 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.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

3. Early Retirement Program (continued)

At December 31, 2006, there were 7 participants and a liability of \$214,517 had been recorded in the government-wide statement of net assets as an estimate of future payments under the plan.

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, 2006, 28 retirees were eligible to receive future benefits and an estimated liability of \$1,441,809 had been recorded in the government-wide statement of net assets as a result of this program.

4. Health Insurance Payable

Three Public Works employees accepted an early retirement benefit to retire during 2004. Two employees with 30 or more years of service received 2 years of paid health insurance and one employee with more than 25 years of service will receive one year of paid health insurance by the County. The health insurance liability was recorded in the Public Works Fund, at December 31, 2006, the liability no longer exists and all amounts benefits have been paid per the agreement established.

5. 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 adequate coverage.

Self Insurance of Employee Benefits

Premiums are paid into an internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. 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 in excess of \$300,000 up to \$1,000,000. An excess coverage insurance covers health insurance claims in excess of \$200,000 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 claims exceeding \$200,000 resulted in reinsurance amounts received in each of the last 3 years in the following amounts:

<u>Year Ended</u>	<u>Reinsurance Amount</u>
2004	\$ 294,253
2005	556,385
2006	800,056
Total	<u>\$ 1,650,694</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

5. Risk Management (continued)

The County has recognized \$2,718,241 of claims liabilities in the employee benefits insurance fund at December 31, 2006. This liability amount was determined from reviewing the 2006 claim settlements recorded during the first three months of 2006 and extrapolating forward. The calculation of the claims liability is below:

January 1, 2005 claims liabilities	\$ 1,656,570
2005 claims incurred during the period	15,187,272
2005 discounts, rebates, and refunds	(576,475)
2005 change in estimates of prior years	(27,161)
2005 claims payments	(14,321,084)
January 1, 2006 claims liabilities	1,919,122
2006 claims incurred during the period	19,005,581
2006 discounts, rebates, and refunds	(837,083)
2006 change in estimates of prior years	31,568
2006 claims payments	(17,400,947)
Unpaid claims – end of year	\$ 2,718,241

Self Insurance of Liability Insurance

During 1987, Walworth County, together with certain other counties within the State of Wisconsin, created the Wisconsin County Mutual Insurance Corporation (WCMIC) to provide liability and incidental medical expense insurance as well as automobile insurance to its members. WCMIC is governed by one entity-one vote and includes counties of varying size. Only member entities participate in governing WCMIC. The actuary for WCMIC determines the charge per \$1,000 of ratable government expenditures required to pay the expected losses and loss adjustment expenses on which premiums and administration costs are based. WCMIC provides bodily and personal injury, property damage, and errors and omissions coverage for the County. Beginning in 2004, the County's self-insured retention limit increased to \$1,000,000 for each occurrence. The maximum annual deductible liability the County can incur is \$1,000,000. Additionally, WCMIC provides the County general liability insurance, with a limit of \$10,000,000, auto liability insurance with an uninsured motorist limit of \$25,000 per person and \$50,000 per occurrence and a general endorsement for Lakeland Health Care Center of \$1,000,000 per occurrence or \$3,000,000 in the aggregate. Settled claims have not exceeded insurance coverage in any of the last three years.

Liability claims are paid out of the Risk Management internal service fund and are reimbursed by the appropriate county department in the following year for all damage claims. The County maintains a reserve account that will then be replenished in the following year. On December 31, 2006, net assets of \$5,534,116 have been reserved for payment of future unreported claims. The claims liability of \$218,480 reported in the fund at December 31, 2006 is based on the requirements of GASB Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claim liability amount for 2006 and 2005 follow:

January 1, 2005 claims liabilities	\$ 50,058
2005 claims incurred during the period	288,232
2005 change in estimates of prior years	28,500
2005 claims payments	(188,398)
Unpaid claims – December 31, 2005	178,392
2006 claims incurred during the period	123,797
2006 change in estimates of prior years	31,024
2006 claims payments	(114,733)
Unpaid claims – December 31, 2006	\$ 218,480

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

5. Risk Management (continued)

Summary financial information of WCMIC as of December 31, 2006 can be obtained directly from WCMIC's offices.

Commercial Insurance

Surety bonds are purchased for key officials in accordance with statutory requirement chapter 59.21.

6. Contingencies and Commitments

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

b. From time to time, the County is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be 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 or results of operations.

c. The County has approved several capital projects to be completed over the next several years that will be funded by borrowed funds. These projects have started or will be started in the near future. The table below summarizes the estimated costs of the remaining bonded projects and accumulated costs. Current bond funds reserved in the Capital Projects fund will be utilized for these projects as well as additional future borrowings, tax levy, grants and other funds designated by the Board for this purpose.

	<u>Estimated Costs</u>	<u>Expended thru Dec. 31, 2006</u>
County road construction	\$ 3,690,268	\$ 2,354,878
Lakeland School (new building)	20,250,276	718,272

d. At December 31, 2007, the County had commitments under various service agreements which provide for payments in the amount of \$1,843,768 per year through 2007. The service agreement payments are subject to adjustment resulting from changes in cost of living and other factors.

e. Property Tax Levy Limit

Wisconsin Act 25, imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties for a two-year period. The Act limits the increase in the tax levy to the greater of the percentage change in the County's January 1 equalized value as a result of net new construction or two percent. The limit for the County for the 2007 budget was 3.183%. The levy limit is applied to both operations and debt service. However, the Act allows the limit to be increased for debt service authorized prior to July 1, 2005, and the County's Children with Disabilities Education Board.

f. Future Change in Accounting Principles

In June, 2004, the Governmental Accounting Standards Board issued Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement will generally require the costs of postretirement benefits other than pension benefits to be recognized over a period that approximates an employee's years of service rather than the current practice of pay-as-you-go. The County plans to incorporate this new standard into the financial statements beginning in 2007.

Plan Description. The County offers employees retiring with the County and hired before the settling of the 2005 union contracts (2006 for teacher contracts) to continue to purchase health insurance through the County's self-insured Employee Benefits fund. The retirees pay monthly premiums for

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

6. Contingencies and Commitments (continued)

f. Future Change in Accounting Principles (continued)

this service equal to employee's 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. This liability will also encompass the County's share of the costs associated with the two retirement programs described in Note E Other Information (2) Post Employment Benefits and (3) Early Retirement Program.

Funding Policy. On September 7, 2006, the County elected to amortize their postemployment health benefits over a 30-year period using a level percent of payroll method such that this benefit will be fully funded by December 31, 2034. The County engaged the services of an actuarial consultant, which estimated the liability at \$23.8 million as of December 31, 2005. Of that amount, \$13.9 million is for past services. Using the level percent of payroll methodology, the annual required contribution is \$1.5 million. The County plans to obtain an outside investment company to invest the funds allocated each year to fund the liability. Currently, the County shows a deposit of \$818,295 and reserved fund balance for interest in 2005 and 2006 in the amount of \$9,637 and \$41,524, respectively.

7. Subsequent Events

Pending Litigation

On July 31, 2006 Disability Rights Wisconsin, Inc. ("DRW") filed a lawsuit in the federal court against Walworth County ("County") in connection with the County's plans to build a replacement for its handicapped school ("Lakeland School").

DRW is a non-profit organization authorized to advocate for the rights of disabled individuals pursuant to Section 51.62 of the Wisconsin Statutes. DRW alleged that the County's plan to construct a larger school violated the Americans with Disabilities Act and the Rehabilitation Act of 1973. Specifically, DRW argued that the maintenance by the County of a school that served only a disabled population deprived special needs students of the ability to be educated "in the most integrated environment" and improperly diverted funds from that effort.

The County was defended in the lawsuit by Attorney Ronald Stadler from the firm of Stadler, Centofanti & Phillips, S.C. In lieu of filing an answer, the County Board filed a Motion to Dismiss on August 23, 2006. On March 14, 2007, the United States District Court for the Eastern District of Wisconsin, the Honorable Rudolph T. Randa presiding, granted the County Board's Motion to Dismiss on grounds that DRW did not have standing to bring this action. Specifically, the district court ruled that DRW did not have associational standing to bring the action "on behalf of all students in a particular county's school system" because "DRW never makes an allegation of injury to at least one individual on whose behalf it brings the action." The court ruled that "[w]ithout an allegation of a concrete injury, there can be no confidence of a 'real need to exercise the power of judicial review.'"

On March 30, 2007, DRW filed an appeal of the decision with the 7th Circuit Court of Appeals.

Bond Issuance

The County has approved the issuance of \$9,900,000 of general obligation promissory notes with an expected closing date of August 1, 2007. Proceeds will be used to fund the construction of the new Lakeland School and County road construction.



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**OTHER
SUPPLEMENTAL
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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
TAXES				
Real and personal property taxes	\$ 21,063,109	\$ 21,042,726	\$ 20,934,627	\$ (108,099)
Retail sales and use taxes	7,550,200	7,550,200	7,535,343	(14,857)
Other taxes	550,000	550,000	606,653	56,653
TOTAL	<u>29,163,309</u>	<u>29,142,926</u>	<u>29,076,623</u>	<u>(66,303)</u>
INTERGOVERNMENTAL				
State shared taxes	303,500	303,500	341,622	38,122
Federal grants	-	50,500	3,948	(46,552)
State grants	1,225,312	1,747,324	1,625,553	(121,771)
TOTAL	<u>1,528,812</u>	<u>2,101,324</u>	<u>1,971,123</u>	<u>(130,201)</u>
LICENSES AND PERMITS				
Licenses	19,900	19,900	19,100	(800)
Permits	371,500	342,885	332,452	(10,433)
TOTAL	<u>391,400</u>	<u>362,785</u>	<u>351,552</u>	<u>(11,233)</u>
FINES, FORFEITURES AND PENALTIES				
Law and ordinance violations	751,280	751,280	737,208	(14,072)
Court fees and costs	471,500	471,500	642,112	170,612
TOTAL	<u>1,222,780</u>	<u>1,222,780</u>	<u>1,379,320</u>	<u>156,540</u>
PUBLIC CHARGES FOR SERVICES				
Public charges for services	3,177,007	3,289,602	3,025,198	(264,404)
Patient/client revenue	20,000	20,000	6,567	(13,433)
TOTAL	<u>3,197,007</u>	<u>3,309,602</u>	<u>3,031,765</u>	<u>(277,837)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State and federal	131,050	143,050	189,966	46,916
Local districts	52,333	52,333	75,628	23,295
Interdepartmental revenues	170,842	170,842	148,413	(22,429)
TOTAL	<u>354,225</u>	<u>366,225</u>	<u>414,007</u>	<u>47,782</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
INVESTMENT INCOME				
Investment income	\$ 1,126,000	\$ 1,127,576	\$ 2,851,358	\$ 1,723,782
MISCELLANEOUS				
Rental revenue	70,678	74,068	74,798	730
Property sales and loss compensation	227,900	273,064	320,719	47,655
Donations and contributions	14,725	29,105	35,240	6,135
Other	10	573	395	(178)
TOTAL	<u>313,313</u>	<u>376,810</u>	<u>431,152</u>	<u>54,342</u>
TOTAL REVENUES	<u>37,296,846</u>	<u>38,010,028</u>	<u>39,506,900</u>	<u>1,496,872</u>
OTHER FINANCING SOURCES				
Transfers in	<u>216,397</u>	<u>937,523</u>	<u>643,323</u>	<u>(294,200)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 37,513,243</u>	<u>\$ 38,947,551</u>	<u>\$ 40,150,223</u>	<u>\$ 1,202,672</u>

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
CURRENT:				
GENERAL GOVERNMENT				
County board	\$ 314,879	\$ 314,879	\$ 259,730	\$ 55,149
County clerk	314,279	310,279	285,042	25,237
Elections	116,893	116,893	90,548	26,345
Administration	1,638,405	1,610,802	1,515,759	95,043
Finance	1,338,558	1,384,212	1,328,363	55,849
Treasurer	390,702	390,702	365,823	24,879
Coroner	325,348	325,348	254,344	71,004
Clerk of courts	2,686,039	2,693,708	2,515,081	178,627
District attorney	826,998	830,020	789,264	40,756
Register of deeds	530,200	530,200	531,952	(1,752)
Information systems	1,501,628	1,526,751	1,421,120	105,631
Facilities	1,229,910	1,256,765	824,187	432,578
Non-departmental	1,617,047	1,619,717	1,599,145	20,572
TOTAL	<u>12,830,886</u>	<u>12,910,276</u>	<u>11,780,358</u>	<u>1,129,918</u>
PUBLIC SAFETY				
Sheriff	20,495,156	20,822,087	20,075,047	747,040
HEALTH AND HUMAN SERVICES				
Veterans services	157,689	158,259	152,580	5,679
CULTURE, RECREATION, AND EDUCATION				
UW extension	388,826	396,347	380,764	15,583
Parks	6,665	85,580	56,227	29,353
TOTAL	<u>395,491</u>	<u>481,927</u>	<u>436,991</u>	<u>44,936</u>
CONSERVATION AND DEVELOPMENT				
Land use and resource management	2,060,211	2,130,961	1,808,951	322,010
TOTAL CURRENT EXPENDITURES	<u>35,939,433</u>	<u>36,503,510</u>	<u>34,253,927</u>	<u>2,249,583</u> (Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - GENERAL FUND (concluded)
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CAPITAL OUTLAY:				
GENERAL GOVERNMENT				
Elections	\$ 12,000	\$ 180,922	\$ 174,092	\$ 6,830
Finance	-	107,775	56,623	51,152
Clerk of courts	-	7,555	5,344	2,211
District attorney	-	23,400	23,350	50
Information systems	249,240	1,175,722	634,267	541,455
Facilities	35,000	49,690	32,890	16,800
TOTAL	<u>296,240</u>	<u>1,545,064</u>	<u>926,566</u>	<u>618,498</u>
PUBLIC SAFETY				
Sheriff	<u>562,363</u>	<u>1,164,604</u>	<u>738,877</u>	<u>425,727</u>
HEALTH AND HUMAN SERVICES				
Veterans services	<u>15,120</u>	<u>15,120</u>	<u>13,117</u>	<u>2,003</u>
CULTURE, RECREATION, AND EDUCATION				
Parks	<u>95,635</u>	<u>118,746</u>	<u>35,456</u>	<u>83,290</u>
CONSERVATION AND DEVELOPMENT				
Land use and resource management	<u>-</u>	<u>25,000</u>	<u>20,370</u>	<u>4,630</u>
TOTAL CAPITAL OUTLAY	<u>969,358</u>	<u>2,868,534</u>	<u>1,734,386</u>	<u>1,134,148</u>
TOTAL EXPENDITURES	<u>36,908,791</u>	<u>39,372,044</u>	<u>35,988,313</u>	<u>3,383,731</u>
OTHER FINANCING USES:				
Transfers out	<u>3,105,052</u>	<u>5,113,888</u>	<u>4,558,062</u>	<u>555,826</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 40,013,843</u>	<u>\$ 44,485,932</u>	<u>\$ 40,546,375</u>	<u>\$ 3,939,557</u>

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,716,392	\$ 7,716,392	\$ 7,716,392	\$ -
Investment income	-	40,143	249,551	209,408
Total revenues	<u>7,716,392</u>	<u>7,756,535</u>	<u>7,965,943</u>	<u>209,408</u>
EXPENDITURES				
Debt service:				
Principal retirement	6,145,000	6,145,000	6,145,000	-
Interest and fiscal charges	1,821,392	1,852,177	1,851,914	263
Total expenditures	<u>7,966,392</u>	<u>7,997,177</u>	<u>7,996,914</u>	<u>263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(250,000)</u>	<u>(240,642)</u>	<u>(30,971)</u>	<u>209,671</u>
OTHER FINANCING USES				
Discount on long-term debt	-	(9,358)	(9,358)	-
Net change in fund balances	(250,000)	(250,000)	(40,329)	209,671
Fund balances - beginning	453,929	453,929	453,929	-
Fund balances - ending	<u>\$ 203,929</u>	<u>\$ 203,929</u>	<u>\$ 413,600</u>	<u>\$ 209,671</u>



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CAPITAL PROJECT FUND

The capital projects fund is used 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 property taxes.



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WALWORTH COUNTY, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL PROJECTS FUND For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 395,300	\$ 395,300	\$ 395,300	\$ -
Intergovernmental	330,000	59,396	356,624	297,228
Intergovernmental charges for services	-	459,913	137,782	(322,131)
Miscellaneous	-	130,000	130,683	683
Total revenues	<u>725,300</u>	<u>1,044,609</u>	<u>1,020,389</u>	<u>(24,903)</u>
EXPENDITURES				
Capital outlay:				
General government	2,208,800	6,909,380	4,757,457	2,151,923
Public safety	-	330,301	208,773	121,528
Health and human services	7,200,000	7,960,207	7,353,455	606,752
Culture, recreation, and education	-	839,996	707,592	132,404
Public works	<u>2,667,100</u>	<u>5,312,276</u>	<u>3,615,948</u>	<u>1,696,328</u>
Total expenditures	<u>12,075,900</u>	<u>21,352,160</u>	<u>16,643,225</u>	<u>4,708,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,350,600)</u>	<u>(20,307,551)</u>	<u>(15,622,836)</u>	<u>4,684,032</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	9,350,000	7,350,000	7,350,000	-
Transfers in	2,000,600	3,844,310	3,844,310	-
Transfers out	-	(369,813)	(369,813)	-
Total other financing sources (uses)	<u>11,350,600</u>	<u>10,824,497</u>	<u>10,824,497</u>	<u>-</u>
Net change in fund balances	-	(9,483,054)	(4,798,339)	4,684,032
Fund balances - beginning	<u>8,349,618</u>	<u>8,349,618</u>	<u>8,349,618</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,349,618</u>	<u>\$ (1,133,436)</u>	<u>\$ 3,551,279</u>	<u>\$ 4,684,032</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 retained filing fees and debt proceeds to coordinate land records modernization activities.
- ◆ **Sheriff Trusts Fund** – to account for several sheriff trust funds for use by the County:
 - ◆ **County Jail Trust** – to account for the accumulation of jail assessments awarded by the courts. Funds are held within the Sheriff's Department and used for building remodeling and construction.
 - ◆ **Sheriff Donations Fund** – to account for the accumulation of private donations for use in the Sheriff's Department.
 - ◆ **Federal Confiscated** – to account for the accumulation of money confiscated from federal crimes. Funds have been used to purchase drug-sniffing dogs and drug equipment.
 - ◆ **State Confiscated** – to account for the accumulation of money confiscated from state crimes.



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WALWORTH COUNTY, WISCONSIN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006

	Special Revenue Funds		Totals
	Land Information	Sheriff Trusts	
ASSETS			
Cash and investments	\$ 563,561	\$ 831,353	\$ 1,394,914
Taxes receivable	164,242	-	164,242
Due from other governments	560	10,040	10,600
Total assets	<u>\$ 728,363</u>	<u>\$ 841,393</u>	<u>\$ 1,569,756</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 29,222	\$ 2,394	\$ 31,616
Due to other governments	4,796	-	4,796
Deferred tax revenues	164,242	-	164,242
Total liabilities	<u>198,260</u>	<u>2,394</u>	<u>200,654</u>
Fund balances:			
Reserved for:			
Modernization fees	353,662	-	353,662
Public access fees	154,713	-	154,713
Sheriff trusts	-	838,999	838,999
Unreserved, designated	21,728	-	21,728
Total fund balance	<u>530,103</u>	<u>838,999</u>	<u>1,369,102</u>
Total liabilities and fund balances	<u>\$ 728,363</u>	<u>\$ 841,393</u>	<u>\$ 1,569,756</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2006

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Land Information	Sheriff Trusts	
REVENUES			
Taxes	\$ 86,561	\$ -	\$ 86,561
Intergovernmental	599	-	599
Public charges for services	170,200	-	170,200
Intergovernmental charges for services	500	-	500
Investment income	25,149	-	25,149
Miscellaneous	-	355,368	355,368
Total revenues	283,009	355,368	638,377
EXPENDITURES			
Current:			
Public safety	-	62,884	62,884
Conservation and development	250,596	-	250,596
Capital outlay:			
Conservation and development	100,927	-	100,927
Total expenditures	351,523	62,884	414,407
Excess (deficiency) of revenues over (under) expenditures	(68,514)	292,484	223,970
OTHER FINANCING SOURCES (USES)			
Transfers in	1,961	-	1,961
Transfers out	-	(250,099)	(250,099)
Total other financing sources (uses)	1,961	(250,099)	(248,138)
Net change in fund balances	(66,553)	42,385	(24,168)
Fund balances - beginning	596,656	796,614	1,393,270
Fund balances - ending	\$ 530,103	\$ 838,999	\$ 1,369,102

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 86,561	\$ 86,561	\$ 86,561	\$ -
Intergovernmental	300	300	599	299
Public charges for services	174,450	178,350	170,200	(8,150)
Intergovernmental charges for services	-	-	500	500
Investment income	14,000	14,000	25,149	11,149
Miscellaneous	3,900	-	-	-
Total revenues	<u>279,211</u>	<u>279,211</u>	<u>283,009</u>	<u>3,798</u>
EXPENDITURES				
Current:				
Conservation and development	323,268	357,829	250,596	107,233
Capital outlay:				
Conservation and development	<u>10,000</u>	<u>105,673</u>	<u>100,927</u>	<u>4,746</u>
Total expenditures	<u>333,268</u>	<u>463,502</u>	<u>351,523</u>	<u>111,979</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,057)</u>	<u>(184,291)</u>	<u>(68,514)</u>	<u>115,777</u>
OTHER FINANCING SOURCES				
Transfers in	-	1,961	1,961	-
Total other financing sources	-	1,961	1,961	-
Net change in fund balances	(54,057)	(182,330)	(66,553)	115,777
Fund balances - beginning	596,656	596,656	596,656	-
Fund balances - ending	<u>\$ 542,599</u>	<u>\$ 414,326</u>	<u>\$ 530,103</u>	<u>\$ 115,777</u>



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INTERNAL SERVICE FUNDS

- ◆ **Employee Benefits & Insurance** – to account for the accumulation of costs associated with the provision of health, dental, and 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 ASSETS INTERNAL SERVICE FUNDS

December 31, 2006

	Employee Benefits & Insurance	Risk Management	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 4,130,825	\$ 5,562,661	\$ 9,693,486
Restricted assets:			
Deposits held with fiscal agents	32,731	246,320	279,051
Accounts receivable	305,218	-	305,218
Due from other funds	21,008	-	21,008
Prepaid items	-	2,107	2,107
	<u>4,489,782</u>	<u>5,811,088</u>	<u>10,300,870</u>
Total current assets			
Total assets	<u>4,489,782</u>	<u>5,811,088</u>	<u>10,300,870</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,475	58,492	63,967
Claims payable	2,718,241	218,480	2,936,721
	<u>2,723,716</u>	<u>276,972</u>	<u>3,000,688</u>
Total current liabilities			
Total liabilities	<u>2,723,716</u>	<u>276,972</u>	<u>3,000,688</u>
NET ASSETS			
Unrestricted	1,766,066	5,534,116	7,300,182
Total net assets	<u>\$ 1,766,066</u>	<u>\$ 5,534,116</u>	<u>\$ 7,300,182</u>

WALWORTH COUNTY, WISCONSIN

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2006**

	<u>Employee Benefits & Insurance</u>	<u>Risk Management</u>	<u>Totals</u>
Operating revenues:			
Charges for services	<u>\$ 14,991,326</u>	<u>\$ 149,255</u>	<u>\$ 15,140,581</u>
Operating expenses:			
Insurance services	<u>17,277,495</u>	<u>344,943</u>	<u>17,622,438</u>
Total operating expenses	<u>17,277,495</u>	<u>344,943</u>	<u>17,622,438</u>
Operating loss	<u>(2,286,169)</u>	<u>(195,688)</u>	<u>(2,481,857)</u>
Nonoperating revenues:			
Investment income	233,424	265,359	498,783
Miscellaneous	<u>-</u>	<u>5,113</u>	<u>5,113</u>
Total nonoperating revenues	<u>233,424</u>	<u>270,472</u>	<u>503,896</u>
Income (loss) before transfers	<u>(2,052,745)</u>	<u>74,784</u>	<u>(1,977,961)</u>
Transfers out	<u>-</u>	<u>(1,480)</u>	<u>(1,480)</u>
Total transfers	<u>-</u>	<u>(1,480)</u>	<u>(1,480)</u>
Net change in net assets	<u>(2,052,745)</u>	<u>73,304</u>	<u>(1,979,441)</u>
Total net assets - beginning	<u>3,818,811</u>	<u>5,460,812</u>	<u>9,279,623</u>
Total net assets - ending	<u>\$ 1,766,066</u>	<u>\$ 5,534,116</u>	<u>\$ 7,300,182</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2006

	Employee Benefits & Insurance	Risk Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from departments and customers	\$ 1,582,127	\$ 63,663	\$ 1,645,790
Receipts from interfund services provided	13,380,850	149,255	13,530,105
Payments to suppliers	<u>(16,580,258)</u>	<u>(247,714)</u>	<u>(16,827,972)</u>
Net cash flows (used) by operating activities	<u>(1,617,281)</u>	<u>(34,796)</u>	<u>(1,652,077)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	-	(1,480)	(1,480)
Net cash flows (used) by non-capital financing activities	<u>-</u>	<u>(1,480)</u>	<u>(1,480)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	233,424	265,359	498,783
Insurance recoveries	-	5,113	5,113
Net cash flows provided by investing activities	<u>233,424</u>	<u>270,472</u>	<u>503,896</u>
Net increase in cash and cash equivalents	(1,383,857)	234,196	(1,149,661)
Cash and cash equivalents - beginning	<u>5,547,413</u>	<u>5,574,785</u>	<u>11,122,198</u>
Cash and cash equivalents - ending	<u>\$ 4,163,556</u>	<u>\$ 5,808,981</u>	<u>\$ 9,972,537</u>

Cash and cash equivalents on December 31 are reconciled from the Statement of Net Assets as follows:

Cash and cash equivalents	\$ 4,130,825	\$ 5,562,661	\$ 9,693,486
Restricted cash and cash equivalents	<u>32,731</u>	<u>246,320</u>	<u>279,051</u>
	<u>\$ 4,163,556</u>	<u>\$ 5,808,981</u>	<u>\$ 9,972,537</u>

Reconciliation of operating (loss) to net cash (used) by operating activities:

Operating (loss)	\$ (2,286,169)	\$ (195,688)	\$ (2,481,857)
Adjustments to reconcile operating (loss) to net cash (used) from operating activities			
Change in assets and liabilities:			
Accounts receivable	(30,729)	63,663	32,934
Due from other funds	2,380	-	2,380
Prepaid items	-	(1,195)	(1,195)
Accounts payable	(101,882)	58,336	(43,546)
Claims payable	<u>799,119</u>	<u>40,088</u>	<u>839,207</u>
Net cash (used) by operating activities	<u>\$ (1,617,281)</u>	<u>\$ (34,796)</u>	<u>\$ (1,652,077)</u>



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FIDUCIARY FUNDS

Private Purpose Trust Fund

- ◆ **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 Bank One. 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.
- ◆ **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., and 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. Prior to September, 2001 the fee was .1% of the estate; after September, 2001 the fee was raised to .2%.
- ◆ **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 Trust** – to account for the holding of funds from Huber prisoners who then purchase supplies for their own use.



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WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2006

	Private Purpose Trusts		
	G. Charter Harrison Trust	Tricentennial Trust	Fiduciary Funds Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	<u>\$ 38,363</u>	<u>\$ 630</u>	<u>\$ 38,993</u>
NET ASSETS			
Restricted for private purpose trust activities	<u>38,363</u>	<u>630</u>	<u>38,993</u>
Total net assets	<u>\$ 38,363</u>	<u>\$ 630</u>	<u>\$ 38,993</u>

WALWORTH COUNTY, WISCONSIN

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

For the Year Ended December 31, 2006

	Private Purpose Trusts		
	G. Charter Harrison Trust	Tricentennial Trust	Fiduciary Funds Total
ADDITIONS			
Investment income	\$ 1,834	\$ 3	\$ 1,837
Change in net assets	1,834	3	1,837
Net assets - beginning	36,529	627	37,156
Net assets - ending	<u>\$ 38,363</u>	<u>\$ 630</u>	<u>\$ 38,993</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS For the Year Ended December 31, 2006

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
<u>PENDING COURT CASES</u>				
ASSETS				
Cash and investments	\$ 1,537,251	\$ 2,108,228	\$ 2,410,951	\$ 1,234,528
LIABILITIES				
Accounts payable	\$ 156,017	\$ 2,067,567	\$ 2,081,054	\$ 142,530
Deposits	1,381,234	40,661	329,897	1,091,998
Total liabilities	<u>\$ 1,537,251</u>	<u>\$ 2,108,228</u>	<u>\$ 2,410,951</u>	<u>\$ 1,234,528</u>
<u>OTHER</u>				
ASSETS				
Cash and investments	\$ 314,241	\$ 5,530,240	\$ 5,602,835	\$ 241,646
Accounts receivable	-	14	-	14
Total assets	<u>\$ 314,241</u>	<u>\$ 5,530,254</u>	<u>\$ 5,602,835</u>	<u>\$ 241,660</u>
LIABILITIES				
Due to other governments	\$ 255,617	\$ 2,568,217	\$ 2,618,162	\$ 205,672
Deposits	58,624	2,962,037	2,984,673	35,988
Total liabilities	<u>\$ 314,241</u>	<u>\$ 5,530,254</u>	<u>\$ 5,602,835</u>	<u>\$ 241,660</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 1,851,492	\$ 7,638,468	\$ 8,013,786	\$ 1,476,174
Accounts receivable	-	14	-	14
Total assets	<u>\$ 1,851,492</u>	<u>\$ 7,638,482</u>	<u>\$ 8,013,786</u>	<u>\$ 1,476,188</u>
LIABILITIES				
Accounts payable	\$ 156,017	\$ 2,067,567	\$ 2,081,054	\$ 142,530
Due to other governments	255,617	2,568,217	2,618,162	205,672
Deposits	1,439,858	3,002,698	3,314,570	1,127,986
Total liabilities	<u>\$ 1,851,492</u>	<u>\$ 7,638,482</u>	<u>\$ 8,013,786</u>	<u>\$ 1,476,188</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, 2006 AND 2005**

	2006	2005
Capital assets:		
Land	\$ 1,103,694	\$ 1,103,694
Buildings	50,489,468	47,322,922
Improvements other than buildings	4,193,270	5,095,310
Infrastructure	44,073,673	43,389,175
Machinery and equipment	19,246,076	13,993,440
Construction in progress	4,585,510	16,059,205
TOTAL CAPITAL ASSETS	\$ 123,691,691	\$ 126,963,746
Investment in capital assets by source:		
Bonds	\$ 54,370,667	\$ 57,933,077
Donations	1,030,543	470,525
Grants	731,881	484,088
Tax levy	25,749,818	24,686,881
Capital projects **	41,808,782	43,389,175
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 123,691,691	\$ 126,963,746

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

** Capital Projects is the total of infrastructure assets not previously recorded. Due to the implementation of GASB 34, these assets 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, 2006

<u>FUNCTION AND ACTIVITY</u>	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	INFRASTRUCTURE	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
General Government							
County board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County clerk	-	-	-	-	11,886	-	11,886
Elections	-	-	-	-	18,750	-	18,750
Administration	-	-	-	-	-	-	-
Finance	-	-	-	-	207,488	-	207,488
Treasurer	-	-	-	-	-	-	-
Coroner	-	-	-	-	-	-	-
Clerk of courts	-	-	-	-	485,505	-	485,505
District attorney	-	-	-	-	54,812	-	54,812
Register of deeds	-	-	-	-	23,389	-	23,389
Information systems	-	-	-	-	3,707,714	343,359	4,051,073
Non-Departmental	708,930	90,530	405,278	-	27,500	-	1,232,238
Facilities	-	20,534,956	2,235,954	-	2,001,116	-	24,772,026
TOTAL GENERAL GOVERNMENT	708,930	20,625,486	2,641,232	-	6,538,160	343,359	30,857,167
Public Safety							
Sheriff	-	21,808,016	1,321,345	-	6,388,690	247,580	29,765,631
TOTAL PUBLIC SAFETY	-	21,808,016	1,321,345	-	6,388,690	247,580	29,765,631
Health and Human Services							
Veterans	-	-	-	-	13,117	-	13,117
Human services	-	5,528,231	30,285	-	178,401	-	5,736,917
TOTAL HEALTH AND HUMAN SERVICES	-	5,528,231	30,285	-	191,518	-	5,750,034
Culture, Recreation, and Education							
Lakeland school	11,500	2,119,187	10,596	-	316,327	-	2,457,610
UW extension	-	-	-	-	5,118	-	5,118
Parks	383,264	408,548	189,812	-	-	224,207	1,205,831
Lakeland agricultural complex	-	-	-	-	-	-	-
TOTAL CULTURE, RECREATION AND EDUCATION	394,764	2,527,735	200,408	-	321,445	224,207	3,668,559
Public Works							
Capital projects	-	-	-	-	-	3,770,364	3,770,364
Infrastructure	-	-	-	44,073,673	-	-	44,073,673
TOTAL PUBLIC WORKS	-	-	-	44,073,673	-	3,770,364	47,844,037
Conservation and Development							
Land use & resource management	-	-	-	-	149,215	-	149,215
County land information	-	-	-	-	5,657,048	-	5,657,048
TOTAL CONSERVATION AND DEVELOPMENT	-	-	-	-	5,806,263	-	5,806,263
TOTAL CAPITAL ASSETS	\$ 1,103,694	\$ 50,489,468	\$ 4,193,270	\$ 44,073,673	\$ 19,246,076	\$ 4,585,510	\$ 123,691,691

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

WALWORTH COUNTY, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
December 31, 2006

FUNCTION AND ACTIVITY	CAPITAL ASSETS JANUARY 1, 2006	ADDITIONS	DEDUCTIONS	CAPITAL ASSETS DECEMBER 31, 2006
General Government				
County board	\$ 27,739,653	\$ -	\$ 27,739,653	\$ -
County clerk	11,886	-	-	11,886
Elections	11,350	7,400	-	18,750
Administration	505,446	-	505,446	-
Finance	145,443	68,200	6,155	207,488
Treasurer	-	-	-	-
Coroner	-	-	-	-
Clerk of courts	480,169	5,336	-	485,505
District attorney	43,040	23,350	11,578	54,812
Register of deeds	23,389	-	-	23,389
Information systems	3,697,911	674,696	321,534	4,051,073
Non-departmental (was Lakeland ag cmplx)	115,017	1,117,221	-	1,232,238
Facilities	16,095,416	8,720,873	44,263	24,772,026
TOTAL GENERAL GOVERNMENT	48,868,720	10,617,076	28,628,629	30,857,167
Public Safety				
Sheriff	9,934,317	20,174,060	342,746	29,765,631
TOTAL PUBLIC SAFETY	9,934,317	20,174,060	342,746	29,765,631
Health and Human Services				
Veterans	-	13,117	-	13,117
Human services	5,747,506	31,597	42,186	5,736,917
TOTAL HEALTH AND HUMAN SERVICES	5,747,506	44,714	42,186	5,750,034
Culture, Recreation, and Education				
Lakeland school	2,467,395	11,500	21,285	2,457,610
UW extension	5,118	-	-	5,118
Parks	1,082,299	123,532	-	1,205,831
	-	-	-	-
TOTAL CULTURE, RECREATION AND EDUCATION	3,554,812	135,032	21,285	3,668,559
Public Works				
Capital projects	9,757,397	2,664,623	8,651,656	3,770,364
Infrastructure	43,389,175	2,264,890	1,580,392	44,073,673
TOTAL PUBLIC WORKS	53,146,572	4,929,513	10,232,048	47,844,037
Conservation and Development				
Land use and resource management	167,409	20,370	38,564	149,215
County land information	5,544,410	121,363	8,725	5,657,048
TOTAL CONSERVATION AND DEVELOPMENT	5,711,819	141,733	47,289	5,806,263
TOTAL CAPITAL ASSETS	\$ 126,963,746	\$ 36,042,128	\$ 39,314,183	\$ 123,691,691

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

The Additions and Deductions include amounts transferred between funds.



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**STATISTICAL
SECTION**



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**Statistical Section
(Unaudited)**

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

	<u>Page</u>
FINANCIAL TRENDS	87 – 91
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	92 – 97
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
DEBT CAPACITY	98 – 101
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	102 – 103
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	104 – 107
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. The County implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.



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TABLE 1
WALWORTH COUNTY, WISCONSIN
 Net Assets by Component
 Last Four Fiscal Years

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 39,965,835	\$ 45,152,949	\$ 49,641,480	\$ 40,139,193
Restricted	2,717,020	1,772,359	1,913,155	1,510,947
Unrestricted	31,516,690	32,626,923	35,583,545	35,535,211
Subtotal governmental activities net assets	<u>\$ 74,199,545</u>	<u>\$ 79,552,231</u>	<u>\$ 87,138,180</u>	<u>\$ 77,185,351</u>
Business-type activities				
Invested in capital assets	8,439,267	8,214,914	7,674,254	20,108,504
Restricted	-	-	250,998	121,838
Unrestricted	8,650,148	10,583,255	14,129,494	13,066,408
Subtotal business-type activities net assets	<u>\$ 17,089,415</u>	<u>\$ 18,798,169</u>	<u>\$ 22,054,746</u>	<u>\$ 33,296,750</u>
Primary government				
Invested in capital assets, net of related debt	\$ 48,405,102	\$ 53,367,863	\$ 57,315,734	\$ 60,247,697
Restricted	2,717,020	1,772,359	2,164,153	1,632,785
Unrestricted	40,166,838	43,210,178	49,713,039	48,601,619
Total primary government net assets	<u>\$ 91,288,960</u>	<u>\$ 98,350,400</u>	<u>\$ 109,192,926</u>	<u>\$ 110,482,101</u>

TABLE 2
WALWORTH COUNTY, WISCONSIN
 Changes in Net Assets
 Last Four Fiscal Years

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Expenses				
Governmental activities:				
General government	\$ 11,680,604	\$ 13,384,447	\$ 13,034,915	\$ 15,159,984
Public safety	18,706,689	19,747,239	20,694,984	21,841,262
Health and human services	29,577,094	29,940,303	29,228,166	29,316,500
Culture, recreation and education	11,181,802	11,602,673	12,511,033	14,182,158
Public works	1,322,027	1,286,584	1,612,019	3,616,627
Conservation and development	2,433,761	2,292,313	2,345,557	2,409,888
Interest on long-term debt	1,448,636	1,648,922	1,750,429	1,914,265
Subtotal governmental activities expenses	<u>76,350,613</u>	<u>79,902,481</u>	<u>81,177,103</u>	<u>88,440,684</u>
Business-type activities:				
Nursing home	16,177,451	13,587,405	12,210,404	14,022,169
Highway	5,989,487	5,079,508	7,369,426	6,950,699
Subtotal business-type activities expenses	<u>22,166,938</u>	<u>18,666,913</u>	<u>19,579,830</u>	<u>20,972,868</u>
Total primary government expenses	<u>\$ 98,517,551</u>	<u>\$ 98,569,394</u>	<u>\$ 100,756,933</u>	<u>\$ 109,413,552</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 8,896,323	\$ 9,292,039	\$ 8,875,657	\$ 10,030,869
Operating grants and contributions	23,485,700	23,954,715	24,551,811	25,084,508
Capital grants and contributions	636,030	388,833	1,691,339	1,498,095
Subtotal governmental activities program revenues	<u>33,018,053</u>	<u>33,635,587</u>	<u>35,118,807</u>	<u>36,613,472</u>
Business-type activities				
Charges for services	14,346,474	12,324,902	13,860,052	8,877,907
Operating grants and contributions	6,252,145	4,014,552	84,087	3,041,821
Capital grants and contributions	-	-	2,740	-
Subtotal business-type activities program revenues	<u>20,598,619</u>	<u>16,339,454</u>	<u>13,944,139</u>	<u>11,919,728</u>
Total primary government program revenues	<u>\$ 53,616,672</u>	<u>\$ 49,975,041</u>	<u>\$ 49,062,946</u>	<u>\$ 48,533,200</u>
Net (Expense) Revenue by Function:				
Governmental activities:				
General government	\$ (8,659,941)	\$ (9,851,938)	\$ (9,838,769)	\$ (10,453,067)
Public safety	(16,411,219)	(17,236,694)	(17,959,600)	(19,264,064)
Health and human services	(10,293,107)	(10,248,215)	(8,984,326)	(9,023,934)
Culture, recreation and education	(4,683,159)	(5,241,975)	(6,135,753)	(7,318,920)
Public works	(931,600)	(1,281,500)	(663,078)	(2,722,032)
Conservation and development	(904,898)	(757,650)	(726,341)	(1,130,930)
Interest on long-term debt	(1,448,636)	(1,648,922)	(1,750,429)	(1,914,265)
Subtotal governmental activities expenses	<u>(43,332,560)</u>	<u>(46,266,894)</u>	<u>(46,058,296)</u>	<u>(51,827,212)</u>
Business-type activities:				
Nursing home	(798,196)	(2,206,273)	(1,741,268)	(6,845,660)
Highway/facilities administration	(770,123)	(121,186)	(3,891,683)	(2,207,480)
Subtotal business-type activities expenses	<u>(1,568,319)</u>	<u>(2,327,459)</u>	<u>(5,632,951)</u>	<u>(9,053,140)</u>
Total primary government net (expense)/revenue	<u>\$ (44,900,879)</u>	<u>\$ (48,594,353)</u>	<u>\$ (51,691,247)</u>	<u>\$ (60,880,352)</u>

(continued)

TABLE 2
WALWORTH COUNTY, WISCONSIN
 Changes in Net Assets (concluded)
 Last Four Fiscal Years

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
General property taxes	\$ 35,453,371	\$ 37,150,309	\$ 38,031,659	\$ 36,352,921
Property taxes for debt service	4,690,152	5,242,764	6,051,593	7,716,392
Sales taxes	6,556,865	7,336,138	7,303,638	7,535,343
Real estate transfer fees	455,045	573,046	648,518	-
Other taxes	89,923	81,920	90,475	77,710
Unrestricted grants and contributions	776,327	367,357	325,169	341,622
Unrestricted investment earnings	853,927	839,240	2,873,982	4,480,264
Miscellaneous	190,113	30,360	7,225	13,925
Transfers	23,528	(1,554)	(1,688,014)	(14,643,794)
Subtotal governmental activities general revenues	<u>49,089,251</u>	<u>51,619,580</u>	<u>53,644,245</u>	<u>41,874,383</u>
Business-type activities:				
Property taxes	3,890,008	3,989,468	3,349,396	5,517,249
Unrestricted grants and contributions	-	-	3,750,920	-
Unrestricted investment earnings	4,768	31,223	75,608	134,101
Gain/(Loss) on sale of capital assets	6,109	-	-	-
Miscellaneous	47,135	13,968	25,590	-
Transfers	380,895	1,554	1,688,014	14,643,794
Subtotal business-type activities general revenues	<u>4,328,915</u>	<u>4,036,213</u>	<u>8,889,528</u>	<u>20,295,144</u>
Total primary government general revenues	<u>\$ 53,418,166</u>	<u>\$ 55,655,793</u>	<u>\$ 62,533,773</u>	<u>\$ 62,169,527</u>
Change in Net Assets				
Governmental activities	\$ 5,756,691	\$ 5,352,686	\$ 7,585,949	\$ (9,952,829)
Business-type activities	2,760,596	1,708,754	3,256,577	11,242,004
Total primary government change in net assets	<u>\$ 8,517,287</u>	<u>\$ 7,061,440</u>	<u>\$ 10,842,526</u>	<u>\$ 1,289,175</u>

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

	1996	1997	1998	1999	2000	2002	2003	2004	2005	2006
General fund										
Reserved	\$ 4,269,406	\$ 3,600,010	\$ 3,838,037	\$ 3,898,114	\$ 4,913,451	\$ 5,048,481	\$ 3,180,879	\$ 2,506,336	\$ 2,995,254	\$ 3,649,929
Unreserved	14,526,067	13,493,190	15,559,753	14,074,537	15,793,662	21,570,984	25,410,679	21,241,187	23,849,264	22,798,437
Total general fund	<u>\$ 18,795,473</u>	<u>\$ 17,093,200</u>	<u>\$ 19,397,790</u>	<u>\$ 17,972,651</u>	<u>\$ 20,707,113</u>	<u>\$ 26,619,465</u>	<u>\$ 28,591,558</u>	<u>\$ 23,747,523</u>	<u>\$ 26,844,518</u>	<u>\$ 26,448,366</u>
All other governmental funds										
Reserved	\$ 1,353,276	\$ 1,348,736	\$ 1,174,027	\$ 1,200,585	\$ 5,039,716	\$ 3,686,966	\$ 5,627,188	\$ 7,526,442	\$ 7,418,986	\$ 3,389,038
Unreserved										
Special revenue funds	271,441	466,412	532,470	1,265,413	1,120,727	3,430,833	1,558,663	524,073	199,376	1,901,176
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	1,599,101	2,107,355	2,659,242	1,923,875
Total all other governmental funds	<u>\$ 1,624,717</u>	<u>\$ 1,815,148</u>	<u>\$ 1,706,497</u>	<u>\$ 2,465,998</u>	<u>\$ 6,160,443</u>	<u>\$ 7,117,799</u>	<u>\$ 8,784,952</u>	<u>\$ 10,157,870</u>	<u>\$ 10,277,604</u>	<u>\$ 7,214,089</u>
06 Total governmental funds, fund balance	<u>\$ 20,420,190</u>	<u>\$ 18,908,348</u>	<u>\$ 21,104,287</u>	<u>\$ 20,438,649</u>	<u>\$ 26,867,556</u>	<u>\$ 33,737,264</u>	<u>\$ 37,376,510</u>	<u>\$ 33,905,393</u>	<u>\$ 37,122,122</u>	<u>\$ 33,662,455</u>

Note: With the conversion of GASB 34 the following changes occurred:
- the 2002 fund balance is restated in 2003 financial statements,
- special revenue funds for the years beginning 2002 include Sheriff Trusts Special Revenue Funds,
- beginning in 2003, capital projects fund balance is separated between reserved for unspent debt proceeds and unreserved but designated for subsequent year projects.

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues										
Taxes	\$ 32,031,284	\$ 31,203,308	\$ 32,694,445	\$ 38,053,570	\$ 40,584,929	\$ 45,010,223	\$ 47,333,317	\$ 50,615,811	\$ 53,048,694	\$ 53,109,631
Intergovernmental	15,491,600	16,441,142	17,604,151	18,656,032	21,017,279	24,352,928	24,290,647	24,092,046	24,962,700	25,579,590
Licenses, fees and permits	189,320	214,458	209,985	242,590	375,293	324,951	387,352	399,561	359,380	351,552
Fines, forfeits and penalties	1,012,383	1,026,203	1,040,903	1,063,562	1,043,360	1,111,757	1,437,647	1,357,723	1,233,647	1,379,320
Charges for services	5,780,044	5,770,381	6,119,295	6,466,598	6,281,891	7,503,810	6,410,038	6,712,146	6,738,175	7,509,204
Other	15,298,224	3,544,711	2,514,522	3,132,991	2,803,535	1,790,189	2,159,660	2,290,721	2,971,299	4,085,271
Total revenues	<u>69,802,855</u>	<u>58,200,203</u>	<u>60,183,301</u>	<u>67,615,343</u>	<u>72,106,287</u>	<u>80,093,858</u>	<u>82,018,661</u>	<u>85,468,008</u>	<u>89,313,895</u>	<u>92,014,568</u>
Expenditures										
General government	12,310,177	7,633,039	8,154,384	8,877,903	9,688,190	10,066,733	9,710,912	12,410,128	11,594,328	11,780,358
Public safety	13,383,188	14,152,773	15,209,978	16,159,278	16,606,214	17,333,121	18,384,651	19,030,720	19,740,148	20,137,931
Health and human services	19,542,164	20,710,269	23,947,111	24,711,698	26,208,884	27,646,305	29,434,868	29,992,775	28,981,077	28,903,629
Culture, recreation and education	7,535,808	8,320,202	8,538,138	9,136,350	10,430,412	10,886,520	11,264,203	11,726,546	12,261,159	13,333,312
Conservation and development	1,747,741	2,025,090	2,300,992	3,188,084	3,126,138	4,131,680	2,365,568	2,254,858	2,148,494	2,059,547
Capital outlay	581,628	271,289	314,390	2,867,096	7,810,957	10,989,667	11,051,109	9,659,829	13,155,446	18,525,611
Debt service										
Interest	1,298,702	1,094,145	835,988	856,781	1,593,279	1,373,926	1,522,521	1,589,718	1,715,428	6,145,000
Principal	10,570,000	2,065,000	1,270,000	1,300,000	1,885,159	2,572,415	3,619,483	3,695,000	4,625,000	1,851,914
Total expenditures	<u>66,969,408</u>	<u>56,271,807</u>	<u>60,570,981</u>	<u>67,097,190</u>	<u>77,349,233</u>	<u>85,000,367</u>	<u>87,353,315</u>	<u>90,359,574</u>	<u>94,221,080</u>	<u>102,737,302</u>
Excess of revenues over (under) expenditures	2,833,447	1,928,396	(387,680)	518,153	(5,242,946)	(4,906,509)	(5,334,654)	(4,891,566)	(4,907,185)	(10,722,734)
Other financing sources (uses)										
Proceeds from borrowing, net	-	-	-	6,952,011	7,912,951	7,538,749	9,318,413	6,122,999	9,787,053	7,350,000
Proceeds from refunding	2,499,523	-	-	-	7,035,670	3,875,000	-	-	-	(9,358)
Payments to escrow agent	(2,479,600)	-	-	-	(7,035,670)	(3,850,000)	-	-	-	-
Transfers in	13,960,578	2,858,485	6,089,259	2,295,805	1,310,101	3,478,027	3,443,750	3,734,982	5,131,859	5,102,390
Transfers out	(18,325,790)	(2,590,942)	(6,367,217)	(3,337,062)	(1,159,193)	(2,086,472)	(3,788,263)	(8,437,532)	(6,794,998)	(5,179,965)
Total other financing sources (uses)	<u>(4,345,289)</u>	<u>267,543</u>	<u>(277,958)</u>	<u>5,910,754</u>	<u>8,063,859</u>	<u>8,955,304</u>	<u>8,973,900</u>	<u>1,420,449</u>	<u>8,123,914</u>	<u>7,263,067</u>
Net change in fund balances^(a)	<u>\$ (1,511,842)</u>	<u>\$ 2,195,939</u>	<u>\$ (665,638)</u>	<u>\$ 6,428,907</u>	<u>\$ 2,820,913</u>	<u>\$ 4,048,795</u>	<u>\$ 3,639,246</u>	<u>\$ (3,471,117)</u>	<u>\$ 3,216,729</u>	<u>\$ (3,459,667)</u>
Debt service as a percentage of non-capital expenditures	17.88%	5.64%	3.50%	3.36%	5.00%	5.33%	6.74%	6.55%	7.82%	9.50%

Note:

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

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

Fiscal Year	General Government	Public Safety	Health & Human Services	Culture, Recreation & Education	Conservation and Development	Capital Outlay	Debt Service		Total
							Principal	Interest	
1997	\$ 12,310,177	\$ 13,383,188	\$ 19,542,164	\$ 7,535,808	\$ 1,747,741	\$ 581,628	\$ 10,570,000	\$ 1,298,702	\$ 66,969,408
% of Total	18.4%	20.0%	29.2%	11.3%	2.6%	0.9%	15.8%	1.8%	100.0%
1998	\$ 7,633,039	\$ 14,152,773	\$ 20,710,269	\$ 8,320,202	\$ 2,025,090	\$ 271,289	\$ 2,065,000	\$ 1,094,145	\$ 56,271,807
% of Total	13.6%	25.2%	36.8%	14.8%	3.6%	0.5%	3.7%	1.8%	100.0%
1999	\$ 8,154,384	\$ 15,209,978	\$ 23,947,111	\$ 8,538,138	\$ 2,300,992	\$ 314,390	\$ 1,270,000	\$ 835,988	\$ 60,570,981
% of Total	13.5%	25.1%	39.5%	14.1%	3.8%	0.5%	2.1%	1.4%	100.0%
2000	\$ 8,877,903	\$ 16,159,278	\$ 24,711,698	\$ 9,136,350	\$ 3,188,084	\$ 2,867,096	\$ 1,300,000	\$ 856,781	\$ 67,097,190
% of Total	13.2%	24.1%	36.8%	13.6%	4.8%	4.3%	1.9%	1.3%	100.0%
2001	\$ 9,688,190	\$ 16,606,214	\$ 26,208,884	\$ 10,430,412	\$ 3,126,138	\$ 7,810,957	\$ 1,885,159	\$ 1,593,279	\$ 77,349,233
% of Total	12.5%	21.5%	33.9%	13.5%	4.0%	10.1%	2.4%	2.1%	100.0%
2002	\$ 10,066,733	\$ 17,333,121	\$ 27,646,305	\$ 10,886,520	\$ 4,131,680	\$ 10,989,667	\$ 2,572,415	\$ 1,373,926	\$ 85,000,367
% of Total	11.8%	20.4%	32.5%	12.8%	4.9%	12.9%	3.0%	1.7%	100.0%
2003	\$ 9,710,912	\$ 18,384,651	\$ 29,434,868	\$ 11,264,203	\$ 2,365,568	\$ 11,051,109	\$ 3,619,483	\$ 1,522,521	\$ 87,353,315
% of Total	11.1%	21.0%	33.7%	12.9%	2.7%	12.7%	4.1%	1.8%	100.0%
2004	\$ 12,410,128	\$ 19,030,720	\$ 29,992,775	\$ 11,726,546	\$ 2,254,858	\$ 9,659,829	\$ 3,695,000	\$ 1,589,718	\$ 90,359,574
% of Total	13.7%	21.1%	33.2%	13.0%	2.5%	10.7%	4.1%	1.7%	100.0%
2005	\$ 11,594,328	\$ 19,740,148	\$ 28,981,077	\$ 12,261,159	\$ 2,148,494	\$ 13,155,446	\$ 4,625,000	\$ 1,715,428	\$ 94,221,080
% of Total	12.3%	21.0%	30.8%	13.0%	2.3%	14.0%	4.9%	1.7%	100.0%
2006	\$ 11,780,358	\$ 20,137,931	\$ 28,903,629	\$ 13,333,312	\$ 2,059,547	\$ 18,525,611	\$ 6,145,000	\$ 1,851,914	\$ 102,737,302
% of Total	11.5%	19.6%	28.1%	13.0%	2.0%	18.0%	6.0%	1.8%	100.0%

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

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

Fiscal Year	Taxes	Inter-governmental	Licenses and Permits ^(a)	Fines Forfeits & Penalties	Charges for Services	Miscellaneous	Total
1997	\$ 32,031,284	\$ 15,491,600	\$ 189,320	\$ 1,012,383	\$ 5,780,044	\$ 15,298,224	\$ 69,802,855
% of Total	45.9%	22.2%	0.3%	1.5%	8.3%	21.8%	100.0%
1998	\$ 31,203,308	\$ 16,441,142	\$ 214,458	\$ 1,026,203	\$ 5,770,381	\$ 3,544,711	\$ 58,200,203
% of Total	53.6%	28.2%	0.4%	1.8%	9.9%	6.1%	100.0%
1999	\$ 32,694,445	\$ 17,604,151	\$ 209,985	\$ 1,040,903	\$ 6,119,295	\$ 2,514,522	\$ 60,183,301
% of Total	54.3%	29.3%	0.3%	1.7%	10.2%	4.2%	100.0%
2000	\$ 38,053,570	\$ 18,656,032	\$ 242,590	\$ 1,063,562	\$ 6,466,598	\$ 3,132,991	\$ 67,615,343
% of Total	56.3%	27.6%	0.4%	1.6%	9.6%	4.5%	100.0%
2001	\$ 40,584,929	\$ 21,017,279	\$ 375,293	\$ 1,043,360	\$ 6,281,891	\$ 2,803,535	\$ 72,106,287
% of Total	56.3%	29.1%	0.5%	1.4%	8.7%	4.0%	100.0%
2002	\$ 45,010,223	\$ 24,352,928	\$ 324,951	\$ 1,111,757	\$ 7,503,810	\$ 1,790,189	\$ 80,093,858
% of Total	56.2%	30.4%	0.4%	1.4%	9.4%	2.2%	100.0%
2003	\$ 47,333,317	\$ 24,290,647	\$ 387,352	\$ 1,437,647	\$ 6,410,038	\$ 2,159,660	\$ 82,018,661
% of Total	57.7%	29.6%	0.5%	1.8%	7.8%	2.6%	100.0%
2004	\$ 50,615,811	\$ 24,092,046	\$ 399,561	\$ 1,357,723	\$ 6,712,146	\$ 2,290,721	\$ 85,468,008
% of Total	59.2%	28.2%	0.5%	1.6%	7.9%	2.6%	100.0%
2005	\$ 53,048,694	\$ 24,962,700	\$ 359,380	\$ 1,233,647	\$ 6,738,175	\$ 2,971,299	\$ 89,313,895
% of Total	59.4%	27.9%	0.4%	1.4%	7.5%	3.4%	100.0%
2006	\$ 53,109,631	\$ 25,579,590	\$ 351,552	\$ 1,379,320	\$ 7,509,204	\$ 4,085,271	\$ 92,014,568
% of Total	57.7%	27.8%	0.4%	1.5%	8.2%	4.4%	100.0%

Note: This summary includes general fund, special revenue funds, debt service fund, and capital projects fund
 (a) Prior to 1997, license and permit revenues were combined with charges for services

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

Fiscal Year	Real Estate							Personal Property	Less: Tax Incremental Districts (TIDS)	Total (b)	General County Tax Rate (c)
	Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Other				
1997	\$ 4,757,602,400	\$ 727,595,400	\$ 144,676,700	\$ 298,082,900	\$ 6,834,200	\$ 23,421,900	\$ 151,401,100	\$ 138,629,200	\$ 134,095,500	\$ 6,114,148,300	4.78
1998	5,037,145,000	791,036,600	158,825,600	273,939,200	7,249,100	25,398,400	162,094,200	138,638,500	165,105,100	6,429,221,500	4.83
1999	5,371,680,700	855,749,600	180,082,600	262,075,400	11,880,200	22,392,800	186,479,200	135,000,500	198,499,700	6,826,841,300	4.84
2000	5,707,930,900	892,691,300	184,361,400	126,162,500	14,571,500	25,876,800	199,535,000	142,549,600	218,354,400	7,075,324,600	5.08
2001	6,236,427,300	966,748,100	193,128,100	125,756,000	17,604,300	27,440,100	200,020,300	172,340,200	239,997,000	7,699,467,400	5.14
2002	6,846,525,500	1,075,947,900	198,207,800	68,350,300	15,572,300	30,066,600	219,682,300	135,392,100	285,286,400	8,304,458,400	5.13
2003	7,599,633,300	1,187,818,000	208,183,200	49,116,700	24,570,700	34,224,700	233,630,300	141,438,500	361,453,600	9,117,161,800	4.94
2004	8,305,937,100	1,248,126,600	212,165,300	46,189,900	15,549,300	39,419,600	232,883,100	142,097,000	320,461,800	9,921,906,100	4.75
2005	9,480,500,500	1,367,627,300	214,360,100	46,558,900	24,472,300	32,698,800	250,878,100	148,136,700	380,372,500	11,184,860,200	4.40
2006	10,924,604,900	1,499,826,200	220,408,600	49,448,200	40,240,300	45,803,900	267,720,300	159,372,700	481,058,500	12,726,366,600	4.10

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) Per \$1,000 of equalized value.

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

District	2006 TOTAL EQUALIZED VALUE	NET TAX RATE - YEAR LEVIED										
		2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	
County Direct Rates (per \$1,000 of equalized value)												
Children with Disabilities Education Board		0.63	n/a	n/a								
County (All Other)		<u>3.47</u>	<u>4.40</u>	<u>4.75</u>	<u>4.94</u>	<u>5.13</u>	<u>5.14</u>	<u>5.08</u>	<u>4.84</u>	<u>4.83</u>	<u>4.78</u>	
Total County Direct Rates		4.10	4.40	4.75	4.94	5.13	5.14	5.08	4.84	4.83	4.78	
CITY												
Delavan	\$ 615,609,700	\$ 19.43	\$ 20.28	\$ 21.36	\$ 22.36	\$ 22.99	\$ 23.62	\$ 23.49	\$ 22.77	\$ 22.22	\$ 21.31	
Elkhorn	662,124,400	16.96	18.15	20.43	21.38	21.70	21.09	21.44	21.08	23.46	22.62	
Lake Geneva	1,139,496,800	18.00	19.60	21.62	21.43	22.79	23.91	23.53	23.51	24.25	25.18	
Whitewater	<u>510,910,400</u>	<u>17.24</u>	<u>19.16</u>	<u>20.06</u>	<u>20.57</u>	<u>20.81</u>	<u>21.84</u>	<u>22.26</u>	<u>21.07</u>	<u>19.93</u>	<u>20.68</u>	
CITY TOTAL	<u>\$ 2,928,141,300</u>											
TOWN												
Bloomfield	\$ 469,031,300	\$ 15.28	\$ 17.26	\$ 19.30	\$ 18.84	\$ 19.91	\$ 22.68	\$ 23.17	\$ 21.68	\$ 21.73	\$ 19.63	
Darien	161,930,100	11.55	12.46	12.92	13.23	13.50	14.09	14.42	14.63	15.44	15.74	
Delavan	999,975,200	13.66	15.14	16.47	16.79	18.17	18.85	18.80	18.56	18.65	18.15	
East Troy	724,931,400	12.69	13.84	15.23	15.77	16.45	21.98	19.11	16.82	17.30	16.83	
Geneva	747,107,900	13.88	15.32	16.93	17.06	19.06	19.53	18.49	18.35	18.75	19.40	
La Fayette	235,063,400	13.43	14.46	16.11	16.04	18.10	19.12	18.28	17.61	18.04	18.68	
La Grange	694,146,300	13.17	13.81	15.12	15.70	16.26	17.21	17.47	16.84	17.02	16.65	
Linn	1,506,260,500	13.37	14.99	16.38	17.10	19.12	19.08	19.68	18.48	18.79	18.98	
Lyons	465,665,500	13.01	13.70	15.16	16.51	16.87	18.40	17.27	17.21	17.49	18.48	
Richmond	238,517,300	12.84	13.98	14.93	15.25	16.77	17.44	18.14	17.56	16.93	17.84	
Sharon	72,963,200	16.80	18.12	19.31	19.80	22.09	22.09	22.29	22.03	19.86	20.32	
Spring Prairie	234,286,200	14.89	15.87	17.66	17.87	20.64	20.98	22.91	18.24	17.94	18.66	
Sugar Creek	360,060,900	12.64	13.79	15.15	15.45	16.70	17.40	18.54	17.72	17.49	17.65	
Troy	251,086,500	13.86	15.09	16.73	16.51	17.23	16.82	17.09	16.83	17.79	16.20	
Walworth	210,071,100	13.22	14.68	15.32	15.77	18.15	18.73	18.32	17.28	17.51	18.63	
Whitewater	<u>296,622,200</u>	<u>12.93</u>	<u>14.45</u>	<u>15.61</u>	<u>15.80</u>	<u>16.13</u>	<u>16.90</u>	<u>17.54</u>	<u>16.96</u>	<u>15.80</u>	<u>16.30</u>	
TOWN TOTAL	<u>\$ 7,667,719,000</u>											
VILLAGE												
Darien	\$ 102,962,700	\$ 22.37	\$ 23.87	\$ 24.87	\$ 25.71	\$ 25.50	\$ 25.81	\$ 26.42	\$ 26.78	\$ 27.34	\$ 26.94	
East Troy	324,914,600	16.84	18.21	19.82	20.13	20.53	20.78	20.44	20.23	20.76	20.77	
Fontana	1,078,550,900	13.71	15.35	16.58	17.54	19.52	19.29	19.65	19.64	20.51	20.83	
Genoa City	181,422,200	21.69	22.44	27.57	23.62	25.51	27.52	27.29	26.82	27.29	24.44	
Mukwonago	5,253,800	18.41	18.73	20.16	21.59	18.59	22.58	26.20	19.57	22.80	25.81	
Sharon	73,399,800	22.43	25.36	26.47	27.24	27.90	27.36	29.36	28.76	27.19	27.61	
Walworth	206,374,500	17.67	18.79	20.32	21.24	21.79	21.94	22.07	21.52	22.41	23.31	
Williams Bay	<u>638,686,300</u>	<u>14.07</u>	<u>15.43</u>	<u>16.77</u>	<u>18.02</u>	<u>18.23</u>	<u>23.62</u>	<u>20.10</u>	<u>20.04</u>	<u>20.61</u>	<u>20.92</u>	
VILLAGE TOTAL	<u>\$ 2,611,564,800</u>											
COUNTY TOTAL	<u>\$ 13,207,425,100</u>											

Source: Walworth County Treasurer's Office

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.

n/a - The Children with Disabilities Education Board began to levy separately in 2006.

TABLE 9
WALWORTH COUNTY, WISCONSIN
Principal Property Tax Payers
For December 31, 2006 and Nine Years Prior

Taxpayer	2006			1997		
	Equalized Value	Rank	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
DLK Enterprises, Inc.	\$ 41,744,579	1	0.32%	23,675,451	1	0.38%
Grand Geneva	\$ 35,622,396	2	0.27%	9,890,927	7	0.16%
Wal-Mart	\$ 29,435,548	3	0.22%			
Geneva Project	\$ 28,544,119	4	0.22%	11,790,588	5	0.19%
Lake Lawn Lodge/Airport	\$ 25,611,685	5	0.19%	14,359,853	2	0.23%
Versacold Cascade (Geneva Lakes Cold Storage)	\$ 18,688,259	6	0.14%			
Kikkoman Foods, Inc.	\$ 17,820,460	7	0.13%	13,050,908	4	0.21%
Paloma Geneva National, LLC	\$ 13,082,386	8	0.10%	10,722,374	6	0.17%
Lake Geneva Investors, LLC	\$ 12,937,900	9	0.10%			
ABKA (The Abbey)	\$ 12,785,385	10	0.10%	13,266,439	3	0.21%
Midwest Track Associates				8,840,734	8	0.14%
Anvan Company				7,843,296	9	0.13%
Wrigley Estates				7,186,410	10	0.12%
Total	\$ 236,272,717		1.79%	\$ 120,626,980		1.93%

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
1996	1997	\$ 25,894,930	\$24,463,090	94.5%	\$ 1,427,930	\$ 25,891,020	99.98%	\$ 3,910	0.02%
1997	1998	\$ 29,227,872	\$29,010,588	99.3%	\$ 213,259	\$ 29,223,847	99.99%	\$ 4,025	0.01%
1998	1999	\$ 31,059,316	\$30,463,810	98.1%	\$ 591,192	\$ 31,055,002	99.99%	\$ 4,314	0.01%
1999	2000	\$ 33,022,473	\$32,600,353	98.7%	\$ 417,628	\$ 33,017,981	99.99%	\$ 4,492	0.01%
2000	2001	\$ 35,913,644	\$35,275,498	98.2%	\$ 626,762	\$ 35,902,260	99.97%	\$ 11,384	0.03%
2001	2002	\$ 39,588,237	\$38,987,517	98.5%	\$ 570,885	\$ 39,558,402	99.92%	\$ 29,835	0.08%
2002	2003	\$ 42,594,222	\$40,035,888	94.0%	\$ 2,502,329	\$ 42,538,217	99.87%	\$ 56,005	0.13%
2003	2004	\$ 45,014,093	\$43,342,996	96.3%	\$ 1,501,128	\$ 44,844,124	99.62%	\$ 169,969	0.38%
2004	2005	\$ 47,082,255	\$45,216,101	96.0%	\$ 1,196,963	\$ 46,413,064	98.58%	\$ 669,191	1.42%
2005	2006	\$ 49,199,366	\$47,210,455	96.0%	\$ -	\$ 47,210,455	95.96%	\$ 1,988,911	4.04%

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, 2006	<u>\$ 13,207,425,100</u>
Legal debt margin:	
Debt limitation, 5% of total equalized value (Wisconsin Statutory Limitation)	660,371,255
Debt applicable to limitation:	
General obligation bonds	2,970,000
General obligation notes	<u>45,770,000</u>
Total debt applicable to limitation at December 31, 2006	48,740,000
Less amount available in debt service fund	<u>(413,600)</u> <u>(48,326,400)</u>
Legal debt margin for year ending December 31, 2006	<u>\$ 612,044,855</u>

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total equalized value - 12/31	\$ 6,248,243,800	\$ 6,594,326,600	\$ 7,025,341,000	\$ 7,293,679,000	\$ 7,939,464,400	\$ 8,589,744,800	\$ 9,478,615,400	\$ 10,242,367,900	\$ 11,565,232,700	\$ 13,207,425,100
Legal debt margin (5% of equalized value)	312,412,190	329,716,330	351,267,050	364,683,950	396,973,220	429,487,240	473,930,770	512,118,395	578,261,635	660,371,255
Debt applicable to limitation										
State Trust Funds	-	-	-	650,000	609,980	879,601	-	-	-	-
General Obligation Bonds	19,840,000	17,775,000	16,505,000	15,205,000	13,950,000	11,660,000	8,940,000	6,070,000	3,720,000	2,970
General Obligation Notes	-	-	-	7,291,000	14,825,000	22,045,000	31,045,000	36,290,000	43,815,000	45,770,000
Total debt applicable to limitation - 12/31	<u>19,840,000</u>	<u>17,775,000</u>	<u>16,505,000</u>	<u>23,146,000</u>	<u>29,384,980</u>	<u>34,584,601</u>	<u>39,985,000</u>	<u>42,360,000</u>	<u>47,535,000</u>	<u>45,772,970</u>
Less amount available in debt service fund	<u>(335,479)</u>	<u>(338,077)</u>	<u>(340,622)</u>	<u>(342,962)</u>	<u>(361,866)</u>	<u>(474,729)</u>	<u>(468,389)</u>	<u>(503,487)</u>	<u>(453,929)</u>	<u>(413,600)</u>
Total debt applicable to limitation - 12/31	<u>19,504,521</u>	<u>17,436,923</u>	<u>16,164,378</u>	<u>22,803,038</u>	<u>29,023,114</u>	<u>34,109,872</u>	<u>39,516,611</u>	<u>41,856,513</u>	<u>47,081,071</u>	<u>45,359,370</u>
Legal debt margin - 12/31	<u>\$ 292,907,669</u>	<u>\$ 312,279,407</u>	<u>\$ 335,102,672</u>	<u>\$ 341,880,912</u>	<u>\$ 367,950,106</u>	<u>\$ 395,377,368</u>	<u>\$ 434,414,159</u>	<u>\$ 470,261,882</u>	<u>\$ 531,180,564</u>	<u>\$ 615,011,885</u>
Total net debt applicable to the limit										

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	Population ^(a)	Equalized Value ^(b)	Gross Bonded Debt	Less Debt Service Fund ^(c)	Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Value	Percentage of Personal Income ^(a)	Net Bonded Debt per Capita
1997	82,906	\$ 6,248,243,800	\$ 19,840,000	\$ 335,479	\$ 19,504,521	0.31%	0.96%	\$ 235
1998	84,414	\$ 6,594,326,600	\$ 17,775,000	\$ 338,077	\$ 17,436,923	0.26%	0.79%	\$ 207
1999	85,493	\$ 7,025,341,000	\$ 16,505,000	\$ 340,622	\$ 16,164,378	0.23%	0.70%	\$ 189
2000	91,996	\$ 7,293,679,000	\$ 23,146,000	\$ 342,962	\$ 22,803,038	0.31%	0.90%	\$ 248
2001	93,032	\$ 7,939,464,400	\$ 29,384,980	\$ 361,866	\$ 29,023,114	0.37%	1.14%	\$ 312
2002	94,532	\$ 8,589,744,800	\$ 34,584,602	\$ 474,729	\$ 34,109,873	0.40%	1.32%	\$ 361
2003	95,630	\$ 9,478,615,400	\$ 39,985,000	\$ 468,389	\$ 39,516,612	0.42%	1.48%	\$ 413
2004	97,052	\$ 10,242,367,900	\$ 42,360,000	\$ 503,487	\$ 41,856,513	0.41%	1.47%	\$ 431
2005	98,496	\$ 11,565,232,700	\$ 47,535,000	\$ 453,929	\$ 47,081,071	0.41%	n/a	\$ 478
2006	99,761	\$ 13,207,425,100	\$ 48,740,000	\$ 413,600	\$ 48,326,400	0.37%	n/a	\$ 484

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

(a) From Table 15

(b) From Table 7

(c) Amount available (deficit) for repayment of general obligation debt

n/a - information not yet available

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

Fiscal Year	Principal ^(a)	Interest and Fiscal Charges	Total Debt Service ^(b)	Total General Governmental Expenditures ^(c)	Ratio of Debt Service to General Governmental Expenditures
1997	\$ 10,570,000	\$ 1,298,702	\$ 11,868,702	\$ 66,969,408	17.7%
1998	\$ 2,065,000	\$ 1,094,145	\$ 3,159,145	\$ 56,271,807	5.6%
1999	\$ 1,270,000	\$ 835,988	\$ 2,105,988	\$ 60,570,981	3.5%
2000	\$ 1,300,000	\$ 856,781	\$ 2,156,781	\$ 67,097,190	3.2%
2001	\$ 1,885,159	\$ 1,539,692	\$ 3,424,851	\$ 77,349,233	4.4%
2002	\$ 2,572,415	\$ 1,320,731	\$ 3,893,146	\$ 85,000,367	4.6%
2003	\$ 3,619,483	\$ 1,522,521	\$ 5,142,004	\$ 87,353,315	5.9%
2004	\$ 3,695,000	\$ 1,559,157	\$ 5,254,157	\$ 90,359,574	5.8%
2005	\$ 4,625,000	\$ 1,674,092	\$ 6,299,092	\$ 94,221,080	6.7%
2006	\$ 6,145,000	\$ 1,851,914	\$ 7,996,914	\$ 102,737,302	7.8%

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

(a) In 1997, a balloon payment of \$9,300,000 was made for remaining portion of 1992 notes.

This debt was related to the former county hospital and was paid by the Lakeland Medical Center, Inc. Lakeland Medical Center purchased the hospital from the county in 1995 and made all debt payments associated with the notes until the call date of the notes in 1997.

(b) Excludes bond issuance and other costs

(c) 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, 2006

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Walworth County	Amount Applicable to Government
Direct:			
Walworth County	\$ 48,740,000	100.00%	\$ 48,740,000
Overlapping:			
City:			
Delavan	18,120,395	100.00%	18,120,395
Elkhorn	18,640,000	100.00%	18,640,000
Lake Geneva	5,317,999	100.00%	5,317,999
Whitewater	13,744,007	93.80%	12,891,879
CITY TOTAL	<u>55,822,401</u>		<u>54,970,273</u>
Town:			
Bloomfield	17,500	100.00%	17,500
Delavan	2,064,500	100.00%	2,064,500
East Troy	160,000	100.00%	160,000
La Grange	46,053	100.00%	46,053
Linn	550,372	100.00%	550,372
Lyons	357,143	100.00%	357,143
Spring Prairie	3,095,000	100.00%	3,095,000
Troy	622,812	100.00%	622,812
Walworth	21,500	100.00%	21,500
TOWN TOTAL	<u>6,934,880</u>		<u>6,934,880</u>
Village:			
Darien	3,042,420	100.00%	3,042,420
East Troy	2,265,000	100.00%	2,265,000
Fontana-on-Geneva Lake	7,377,283	100.00%	7,377,283
Genoa City	3,565,000	100.00%	3,565,000
Mukwonago	15,242,931	47.50%	7,240,392
Sharon	899,565	100.00%	899,565
Walworth	344,430	100.00%	344,430
Williams Bay	2,358,057	100.00%	2,358,057
VILLAGE TOTAL	<u>35,094,686</u>		<u>27,092,147</u>
School Districts:			
Big Foot	9,428,341	100.00%	9,428,341
Clinton	16,296,476	0.47%	76,916
Delavan-Darien	12,220,000	99.71%	12,184,679
East Troy	10,845,830	99.64%	10,806,848
Elkhorn	29,040,000	100.00%	29,040,000
Fontana	2,590,000	100.00%	2,590,000
Lake Geneva Jt 4	1,995,000	100.00%	1,995,000
Genoa City Jt 2	6,500,000	100.00%	6,500,000
Lake Geneva Jt 1	12,510,000	100.00%	12,510,000
Lake Geneva-Genoa City Unified High School	13,970,000	100.00%	13,970,000
Linn Jt 4	2,525,000	99.90%	2,522,382
Linn Jt 6	2,590,000	100.00%	2,590,000
Mukwonago	19,300,000	0.03%	4,939
Palmyra-Eagle	17,759,216	3.91%	693,705
Sharon	595,000	100.00%	595,000
Walworth	1,570,000	100.00%	1,570,000
Whitewater	20,128,705	50.69%	10,202,907
Williams Bay	5,055,000	100.00%	5,055,000
SCHOOL DISTRICT TOTAL	<u>184,918,568</u>		<u>122,335,717</u>
Technical College:			
Gateway	25,715,000	31.00%	7,971,650
Special Districts:			
Country Estates	922,200	100.00%	922,200
Delavan Lake Sanitary	835,000	100.00%	835,000
East Troy	83,663	100.00%	83,663
Lake Como Sanitary	3,180,000	100.00%	3,180,000
Lauderdale Lakes Lake Management	1,109,200	100.00%	1,109,200
Pell Lake Sanitary	-	100.00%	-
Troy Sanitary District	1,432	100.00%	1,432
WALCOMET	16,077,623	100.00%	16,077,623
SPECIAL DISTRICT TOTAL	<u>22,209,118</u>		<u>22,209,118</u>
TOTAL DEBT APPLICABLE TO WALWORTH COUNTY	<u>\$ 379,434,653</u>		<u>\$ 290,253,785</u>

Source: Robert W. Baird & Company

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

Fiscal Year	Population ^(a)	Personal Income ^(a) <i>thousands of dollars</i>	Per Capita Personal Income ^(a)	School Enrollment ^(b)	Unemployment Rate ^(c)	Total Residential Housing Units ^(a)
1997	82,906	2,026,537	22,805	14,752	3.1%	n/a
1998	84,414	2,206,355	24,319	15,375	2.6%	n/a
1999	85,493	2,315,525	25,058	15,570	2.4%	n/a
2000	92,013	2,522,363	27,293	16,561	2.6%	43,783
2001	93,032	2,539,118	27,144	16,727	3.6%	44,729
2002	94,532	2,589,936	27,202	17,290	4.5%	45,563
2003	95,630	2,676,919	27,626	17,483	4.3%	46,534
2004	97,052	2,853,355	29,089	17,010	4.3%	47,508
2005	98,496	n/a	n/a	17,699	4.1%	48,587
2006	99,761	n/a	n/a	17,710	4.3%	49,560

Source:

(a) Wisconsin Department of Administration, Demographic Services Center and U.S. Census Bureau

(b) Wisconsin Department of Public Instruction - Includes public and private enrollment

(c) Wisconsin Department of Workforce Development

n/a - information not yet available

TABLE 16
WALWORTH COUNTY, WISCONSIN
Principal Employers
For December 31, 2006 and Nine Years Prior

Taxpayer	2006			1997		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
University of Wisconsin - Whitewater	1000+	1	1.91%	1000+	2	1.98%
County of Walworth	1000+	2	1.91%	1000+	1	1.98%
Grand Geneva LLC	500-999	3	1.91%	-		-
Pentair Water Group	500-999	4	1.91%	-		-
Wal-Mart	500-999	5	1.91%	-		-
Miniature Precision Components Inc.	500-999	6	1.91%	250-499	6	0.99%
Aurora Health Care of Southern Lakes	500-999	7	1.91%	500-999	5	1.98%
Elkhorn Area School District	250-499	8	0.95%	250-499	10	0.99%
School District of Delavan-Darien	250-499	9	0.95%	-		-
The Abbey	250-499	10	0.95%	250-499	8	0.99%
Sta-rite Industries	-		-	500-999	3	1.98%
Pfister Corp	-		-	500-999	4	1.98%
Southern Wisconsin Foods	-		-	250-499	7	0.99%
United Dominion Industries	-		-	250-499	9	0.99%
Total			<u>16.23%</u>			<u>14.87%</u>

Source: Wisconsin Department of Workforce Development, Bureau of Workforce Information

Note: Exact employee count was not available, 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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										
Courthouse	2.00	-	-	-	-	-	-	-	-	-
County board	-	-	-	-	-	-	-	-	0.50	0.50
County clerk	4.00	4.00	4.00	4.00	4.00	4.16	4.16	4.00	4.00	4.20
Administration	2.00	2.00	2.47	2.00	8.50	8.50	7.50	18.50	15.00	15.00
Corp counsel	5.00	5.00	6.00	6.00	-	-	-	-	-	-
Human resources	8.50	8.50	9.00	9.00	11.00	11.00	10.00	-	-	-
Finance	7.71	8.80	9.80	13.00	13.00	13.00	12.00	12.00	16.00	16.00
Treasurer	4.91	5.16	4.91	5.16	5.30	5.30	4.98	4.99	4.99	4.99
Coroner	0.97	1.24	1.24	1.24	1.30	1.34	1.34	1.32	1.32	1.44
Clerk of courts	30.04	30.05	32.05	30.05	30.05	30.05	30.05	29.49	30.30	30.30
District attorney	9.00	9.29	9.29	11.15	11.15	11.05	11.05	11.55	11.55	11.55
Register of deeds	6.00	6.00	6.08	6.58	6.08	6.08	6.50	6.50	6.50	8.00
Information systems	9.00	10.00	11.00	13.00	13.00	13.00	11.00	17.00	17.00	14.00
Land information	-	-	-	-	5.00	5.00	4.00	-	-	-
Surveyor	4.24	4.24	5.00	4.00	-	-	-	-	-	-
	<u>93.37</u>	<u>94.28</u>	<u>100.84</u>	<u>105.18</u>	<u>108.38</u>	<u>108.48</u>	<u>102.58</u>	<u>105.35</u>	<u>107.16</u>	<u>105.98</u>
Public safety										
Sheriff	206.88	213.88	216.25	219.25	219.27	222.69	222.69	225.93	224.92	221.40
	<u>206.88</u>	<u>213.88</u>	<u>216.25</u>	<u>219.25</u>	<u>219.27</u>	<u>222.69</u>	<u>222.69</u>	<u>225.93</u>	<u>224.92</u>	<u>221.40</u>
Health and human services										
Health and human services	157.82	151.81	156.71	158.04	156.09	156.09	156.59	158.21	158.34	156.32
Child support enforcement agency	11.50	11.50	-	-	-	-	-	-	-	-
Veterans	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	<u>171.32</u>	<u>165.31</u>	<u>158.71</u>	<u>160.04</u>	<u>158.09</u>	<u>158.09</u>	<u>158.59</u>	<u>160.21</u>	<u>160.34</u>	<u>158.32</u>
Culture, recreation, and education										
UW extension	4.24	4.24	4.24	5.00	5.00	5.00	3.00	3.00	3.00	3.00
Lakeland school	140.23	145.29	152.13	162.83	177.29	182.85	182.81	183.16	188.89	196.90
	<u>144.47</u>	<u>149.53</u>	<u>156.37</u>	<u>167.83</u>	<u>182.29</u>	<u>187.85</u>	<u>185.81</u>	<u>186.16</u>	<u>191.89</u>	<u>199.90</u>

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Conservation and development										
Planning/zoning/sanitation/solid waste	17.99	17.99	19.49	19.00	-	-	-	-	-	-
Land conservation	6.00	6.00	7.00	7.50	-	-	-	-	-	-
Land use and resource management	-	-	-	-	26.50	26.50	27.00	23.00	23.00	22.00
	<u>23.99</u>	<u>23.99</u>	<u>26.49</u>	<u>26.50</u>	<u>26.50</u>	<u>26.50</u>	<u>27.00</u>	<u>23.00</u>	<u>23.00</u>	<u>22.00</u>
Lakeland health care center										
Lakeland health care center	341.50	320.80	304.75	303.10	268.11	267.61	260.66	251.10	197.76	163.77
	<u>341.50</u>	<u>320.80</u>	<u>304.75</u>	<u>303.10</u>	<u>268.11</u>	<u>267.61</u>	<u>260.66</u>	<u>251.10</u>	<u>197.76</u>	<u>163.77</u>
Highway/facilities administration										
Public works	-	-	-	-	83.67	83.68	75.48	68.49	66.49	65.49
Highway	54.00	53.93	53.97	54.35	-	-	-	-	-	-
Facilities	-	-	25.34	29.28	-	-	-	-	-	-
Lakeland agricultural complex	3.44	3.44	3.44	2.00	1.00	-	-	-	-	-
	<u>57.44</u>	<u>57.37</u>	<u>82.75</u>	<u>85.63</u>	<u>84.67</u>	<u>83.68</u>	<u>75.48</u>	<u>68.49</u>	<u>66.49</u>	<u>65.49</u>
Total Full-time Equivalents	<u>1,038.97</u>	<u>1,025.16</u>	<u>1,046.16</u>	<u>1,067.53</u>	<u>1,047.31</u>	<u>1,054.90</u>	<u>1,032.81</u>	<u>1,020.24</u>	<u>971.56</u>	<u>936.86</u>

Notes:

- *Administration and Human Resources were consolidated in 2003
- *Information Systems and Land Information were consolidated in 2003
- *Solid Waste was transferred to Public Works in 2003
- *Administration and Corp Counsel were consolidated in 2001
- *Facilities and Highway Dept were consolidated into Public Works in 2001
- *Zoning and Land Conservation were consolidated into Land Use and Resource Management in 2001
- *Surveyor was outsourced in 2001
- *Child Support Enforcement Agency and HHS were consolidated in 1999

TABLE 18
WALWORTH COUNTY, WISCONSIN
 Operating Indicators by Function/Department
 For December 31, 2006 and Nine Years Prior

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										
Register of deeds										
Real estate documents processed	25,537	32,019	31,066	24,512	35,693	43,061	51,110	38,136	36,987	32,937
Birth records processed	1,114	1,172	1,259	1,324	1,397	1,423	1,496	1,447	1,548	1,646
Death records processed	804	851	908	880	861	901	838	911	925	897
County clerk										
Marriage licenses issued	687	694	691	783	765	768	761	714	788	755
Clerk of courts										
Case filings	18,825	19,585	21,345	21,621	22,265	24,008	21,814	24,758	22,492	22,458
Treasurer										
Tax parcels	n/a	n/a	n/a	n/a	n/a	59,331	59,745	60,545	61,250	62,312
Public safety										
Traffic citations	4,759	5,308	4,762	4,870	6,662	7,613	6,964	4,545	3,649	5,035
Ordinance citations	1,163	1,536	1,696	1,802	1,380	1,959	1,846	1,862	1,029	1,322
Traffic accidents reported	827	725	767	682	585	725	811	811	833	704
Health and human services										
Veterans office										
Phone calls received	5,105	5,064	5,412	6,027	6,577	6,909	7,134	8,175	8,369	9,205
Office visits	2,806	2,518	2,680	3,122	3,433	3,775	3,820	3,940	4,020	4,438
Culture, recreation, and education										
School										
Students (onsite)	n/a	229	221	226	239	241	239	240	258	270
Students (outlying districts)	n/a	1,268	1,335	1,485	1,561	1,616	1,651	1,714	1,785	1,786
Parks										
Trail: yearly passes sold	n/a	n/a	n/a	n/a	n/a	n/a	502	559	703	750
Trail: daily passes sold	n/a	n/a	n/a	n/a	n/a	n/a	33	545	1,187	1,614
Conservation and development										
Land use and resource management										
Zoning permits issued	982	1095	1227	1220	1258	1340	1359	1471	1352	1141
Sanitation permits issued	485	484	502	413	446	469	501	536	458	348
Highway/facilities administration										
Hazardous waste collected-agricultural (lbs)	6,455	n/a	n/a	n/a	n/a	28,435	n/a	n/a	14,812	n/a
Hazardous waste collected-household (lbs)	20,144	12,312	19,215	23,345	n/a	23,253	27,512	35,151	26,513	28,531
Hazardous waste collected-computer equip (lbs)	n/a	n/a	n/a	n/a	28,258	n/a	23,474	29,178	38,346	55,727
State lane miles maintained	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	656	689
County lane miles maintained	n/a	n/a	n/a	400	400	399	401	399	386	386
Nursing Home										
Licensed beds	295	295	295	295	245	245	235	235	235	120

n/a = not readily available

TABLE 19
WALWORTH COUNTY, WISCONSIN
 Capital Asset Statistics by Function
 For December 31, 2006 and Nine Years Prior

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public safety										
Vehicles insured	n/a	57	61	61	64	69	64	74	61	57
Culture, recreation, and education										
Acreage (park)	237	237	237	237	237	237	237	237	237	237
Highway/facilities administration										
County lane miles	n/a	n/a	n/a	400	400	399	401	399	386	386
County bridges	26	26	26	26	26	26	26	26	26	26
Vehicles insured	n/a	80	91	87	95	99	82	85	86	94
County facility buildings (sq ft)	n/a	n/a	686,658	686,658	686,658	686,658	686,658	686,658	861,450	861,450
Facilities maintained (sq ft/employee)	n/a	n/a	31,938	22,904	22,904	22,904	31,938	47,356	71,788	71,788



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