

# Walworth County, Wisconsin



*Lakeland Health Care Center - 2006  
(Photo courtesy of David Nevala)*



*Judicial Center - 2005*



*Lakeland School - 2008*

# Comprehensive Annual Financial Report

Including Auditor's Report  
for the fiscal year ended December 31, 2007

**WALWORTH COUNTY, WISCONSIN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2007**

Prepared by:  
Walworth County Finance Department

**WALWORTH COUNTY, WISCONSIN**  
**TABLE OF CONTENTS**  
December 31, 2007

	<u>Page No.</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1-10
GFOA Certificate of Achievement	11
Organization Chart	12
List of Principal Officials	13 - 14
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR REPORT ON BASIC FINANCIAL STATEMENTS	15 - 16
MANAGEMENT'S DISCUSSION AND ANALYSIS	17 - 25
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	26
Statement of Activities	27
Fund Financial Statements	
Balance Sheet - Governmental Funds	28 - 29
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	30 - 31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	33
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Health and Human Services Special Revenue Fund	34
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Children with Disabilities Education Board Special Revenue Fund	35
Statement of Net Assets - Proprietary Funds	36 - 37
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	39 – 40

**WALWORTH COUNTY, WISCONSIN**  
**TABLE OF CONTENTS**  
December 31, 2007

	<u>Page No.</u>
<u>FINANCIAL SECTION</u> (continued)	
BASIC FINANCIAL STATEMENTS (continued)	
Fund Financial Statements (continued)	
Statement of Fiduciary Net Assets - Fiduciary Funds	41
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	42
Notes to the Financial Statements	43 – 71
Required Supplementary Information –Schedule of Funding Progress	72
OTHER SUPPLEMENTAL INFORMATION	
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund	73 - 74
Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund	75 - 76
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Capital Projects Fund	78
Combining Balance Sheet - Nonmajor Governmental Funds	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	80
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Land Information Special Revenue Fund	81
Combining Statement of Net Assets - Internal Service Funds	82
Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds	83
Combining Statement of Cash Flows - Internal Service Funds	84
Combining Statement of Fiduciary Net Assets - Fiduciary Funds	85
Combining Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	86
Combining Statement of Changes in Assets and Liabilities - Agency Funds	87

**WALWORTH COUNTY, WISCONSIN**  
**TABLE OF CONTENTS**  
December 31, 2007

	<u>Page No.</u>
<u>FINANCIAL SECTION</u> (continued)	
OTHER SUPPLEMENTAL INFORMATION (continued)	
Capital Assets Used in the Operation of Governmental Funds	
Schedule of Capital Assets by Source	88
Schedule of Capital Assets by Function and Activity	89
Schedule of Changes in Capital Assets by Function and Activity	90
<u>STATISTICAL SECTION</u>	
Table 1 – Net Assets by Component – Last Five Fiscal Years	91
Table 2 – Changes in Net Assets – Last Five Fiscal Years	92 - 93
Table 3 – Fund Balances – Governmental Funds – Last Ten Fiscal Years	94
Table 4 – Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	95
Table 5 – Governmental Expenditures by Function – Last Ten Fiscal Years	96
Table 6 – Governmental Revenues by Source – Last Ten Fiscal Years	97
Table 7 – Equalized Value of Taxable Property – Last Ten Fiscal Years	98
Table 8 – Property Tax Rates – Last Ten Fiscal Years	99
Table 9 – Principal Property Tax Payers – December 31, 2007 and Nine Years Prior	100
Table 10 – Property Tax Levies and Collections – Last Ten Fiscal Years	101
Table 11 – Computation of Legal Debt Margin – Last Ten Fiscal Years	102
Table 12 – Ratio of General Obligation Bonded Debt to Equalized Value and Net General Obligation Bonded Debt per Capita – Last Ten Fiscal Years	103
Table 13 – Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures – Last Ten Fiscal Years	104
Table 14 – Computation of Direct and Overlapping General Obligation Bonded Debt – December 31, 2007	105
Table 15 – Demographic and Economic Statistics – Last Ten Fiscal Years	106
Table 16 – Principal Employers – December 31, 2007 and Nine Years Prior	107

**WALWORTH COUNTY, WISCONSIN**  
**TABLE OF CONTENTS**  
December 31, 2007

	<u>Page No.</u>
<u>STATISTICAL SECTION</u> (continued)	
Table 17 – Full-time Equivalent County Government Employees by Function/Department – Last Ten Fiscal Years	108-109
Table 18 – Operating Indicators by Function/Department – Last Ten Fiscal Years	110
Table 19 – Capital Asset Statistics by Function – Last Ten Fiscal Years	111

# **INTRODUCTORY SECTION**



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June 24, 2008

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

Finance  
Employee Benefits

Ladies and Gentlemen:

**Nicole Andersen**  
Deputy County  
Administrator-Finance

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Walworth for the fiscal year ended December 31, 2007. 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.

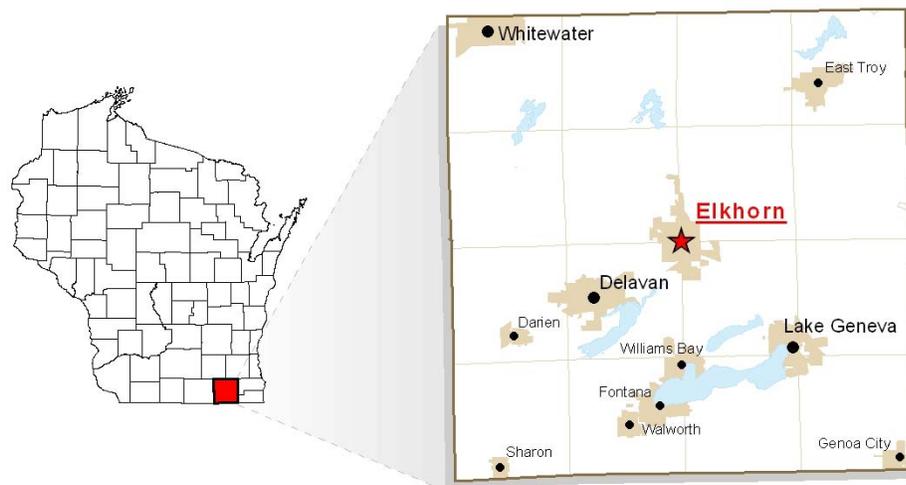
County policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related 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, 2007, 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, 2007 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.

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

100 W. WALWORTH  
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ELKHORN, WI 53121  
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## 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.



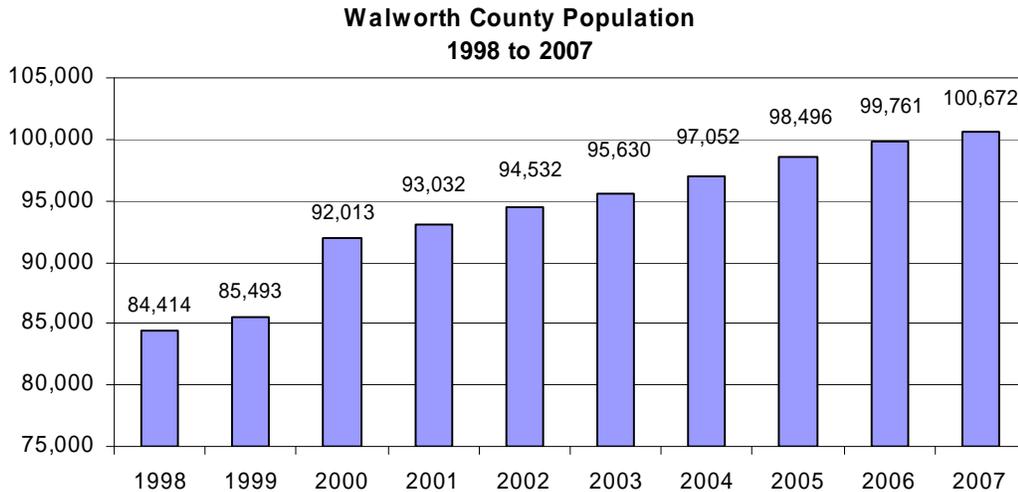
Policy-making and legislative authority are vested in a 25-member Board of Supervisors. Supervisors serve two-year terms and are elected in April of the even numbered calendar years. Pursuant to an April 2007 binding referendum, the Board of Supervisors was reduced from a 25-member board to an 11-member 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 8,650 new residents since 2000, which represents a growth rate of 9.4%. This growth rate well surpasses both the state at 5.3% and the national average of 6.9% during that same period. The estimated population at December 31, 2007 is 100,672, an increase of 911 from 2006. The graph below demonstrates the steady increase in census for the past 10 years.



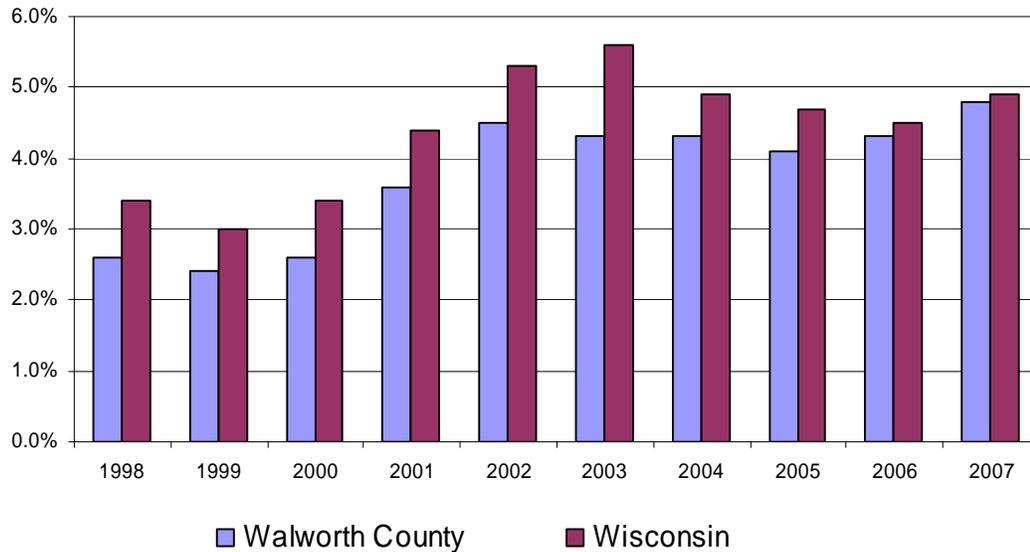
*Source: Wisconsin Department of Administration, Demographic Services Center  
and US Census Bureau*

Walworth County is strategically located in southeastern Wisconsin, approximately 100 miles northwest of the City of Chicago, 50 miles southwest of the City of Milwaukee and 65 miles southeast of the City of Madison. The County is home to the University of Wisconsin - Whitewater, a four-year institution with an enrollment of 10,700 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 average 2007 unemployment rate for the County was 4.8% compared to a statewide average of 4.9%. Historically, average unemployment levels within the County are lower than that of the State, as indicated in the following chart.

**Unemployment Rates  
1998 to 2007**



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

In addition to the public sector entities of the University of Wisconsin-Whitewater and Walworth County Government, the leisure and hospitality industry is vital to the economic well-being of the County. Three of the County's top ten largest taxpayers and one 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.

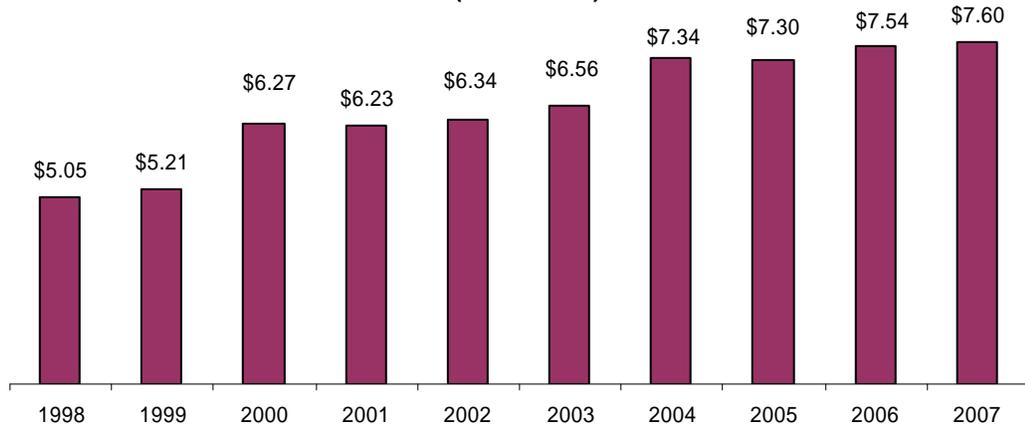
**Top 10 Industries in Walworth County  
2006 Annual Average**

<u>Industry</u>	<u>Employees</u>
Food Services & Drinking Places	3,910
Educational Services	3,588
Accommodation	2,138
Machinery Manufacturing	1,940
Executive, Legislative & General Gov't	1,892
Administrative & Support Services	1,796
Plastics & Rubber Products Manufacturing	1,689
Nursing & Residential Care Facilities	1,286
Fabricated Metal Product Manufacturing	1,205
Specialty Trade Contractors	1,000

*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  
1998 to 2007  
(in millions)**

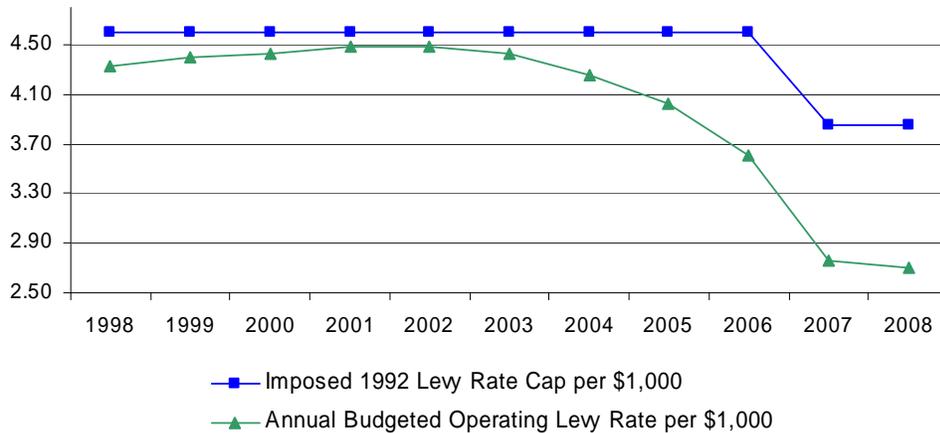


**LONG-TERM FINANCIAL PLANNING**

**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. As a result of 1993 legislation, Walworth County's operating mill rate was capped at \$4.60 per \$1,000 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 per \$1,000 equalized value to \$3.846 per \$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 statutorily excluded from the cap. The 2006 operating mill rate for 2007 operations was \$2.76 per \$1,000 of equalized value, equating to \$13.8 million under the levy cap. The 2007 levy for the 2008 budget resulted in an operating mill rate of \$2.70 per \$1,000 of equalized value, increasing the room under this cap to \$16.1 million.

**Operating Mill Rates  
1998 to 2007**

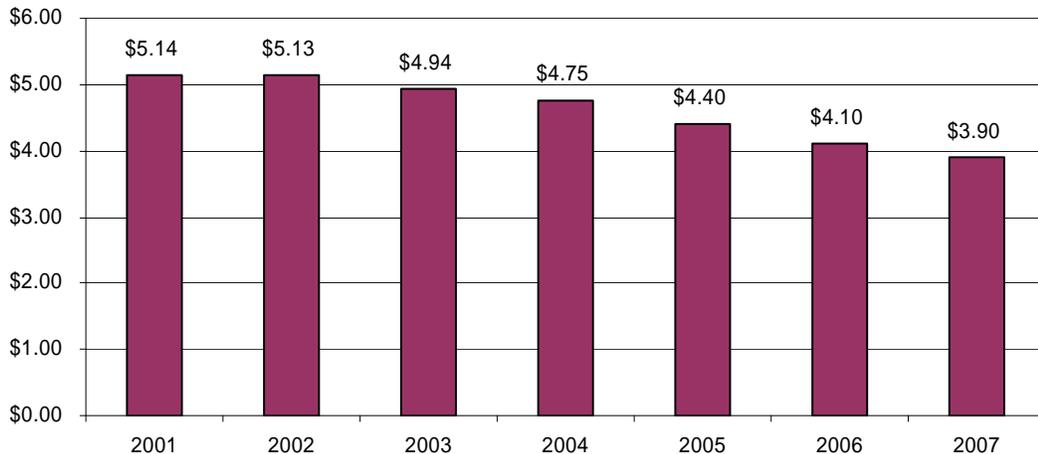


*Note:* The 1992 Operating Mill Rate Cap was adjusted to reflect the creation of a segregated CDEB district effective for fiscal year 2007.

Effective for the 2008 and 2009 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%. Children with Disabilities Education Board, library, bridge/culvert aid and increases in certain debt service costs for 2008 are excluded from the levy limit cap. The 2007 levy for 2008 purposes is compliant with the new cap and results in the county being \$1.76 million below the limit. The State of Wisconsin continues to debate legislation which may place additional restrictions on county taxing capabilities in the future.

Both managed budget growth and an expanding tax base resulted in a reduced county tax levy rate for the seventh year in a row in the 2007 levy for 2008 budget purposes, providing the County with significant revenue flexibility below the rate limit.

**Levy Rates  
2001 to 2007**



**Capital Projects**

Demolitions of the vacated Lakeland Health Care Center and annex facilities were completed in 2007.

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 County 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 over a 10-year period ending in 2016. The plan was adopted by the County Board in August 2006 and ratified by all participating school districts. Groundbreaking for the new school occurred in 2007 and construction is expected to be completed in mid-2008.

The County continues to upgrade its technology. In addition to a recent upgrade to its financial and timekeeping software, the County is scheduled to go live with a new human resources/payroll system on January 1, 2009. Installation of a new human services information system and jail management system are also in the planning stages, with implementations expected in summer, 2009 and the end of 2009, respectively.

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 pages 56-57 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). Historically, health-care costs paid to retirees were accounted for on a pay-as-you-go basis, which has been common among governments. The January 1, 2008 actuarial valuation for the County's retiree medical liability is estimated at \$19.3 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. As of December 31, 2007, the County has funded \$1,798,718 of the liability. In addition, an additional \$4,229,262 was included in the 2008 budget.

To reduce our long-term OPEB liability, the County negotiated with 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. Non-represented staff hired following the effective date of December 1, 2005 are ineligible for retiree insurance, nor do they receive a PEHP contribution.

### **RELEVANT FINANCIAL POLICIES**

#### **Use of Undesignated Fund Balance**

Walworth County Ordinance 30-157 defines the appropriate undesignated General Fund balance to be 15 to 20% of the General Fund revenues plus the property tax revenue allocated to each fund. As of December 31, 2007, the undesignated fund balance is at 19.45%. A short term advancement of \$4.55 million was provided to the Capital Projects Fund in 2007 in anticipation of a January 2008 debt issuance. These funds were repaid to the General Fund with proceeds received from the January 18, 2008 debt issuance. With the repayment of these funds, the undesignated general fund balance is equivalent to 25.55%, providing excess funds in the amount of approximately \$4.1 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, 2007, the County had \$56.8 million of investments. For additional information, refer to pages 52-55 in 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**

In 2007, the County elected to acquire a percentage ownership in the Wisconsin Municipal Mutual Insurance Company. Previously the County maintained a policy with a \$1 million deductible in conjunction with the Wisconsin County Mutual Insurance Corporation. The new policy is effective as of January 1, 2008 and will significantly reduce the County's general liability exposure.

The County is self-insured for worker's compensation, employee health insurance, and employee dental insurance. The County purchases stop loss insurance for catastrophic coverage. The County has contracted with an actuarial firm to periodically calculate each fund's estimated liabilities. As of December 31, 2007, combined equity for the internal service funds totaled \$5,233,119. The County continues to review alternatives for building additional reserves in the health fund.

### **MAJOR INITIATIVES**

Significant departmental consolidations have occurred in recent years. These consolidations have resulted in the elimination of several positions, thereby providing significant cost savings, yet maintaining or improving services. Since fiscal year 2000, budgeted full-time equivalent (FTE) positions have been reduced from 1,069.65 to 888.20, effective with the 2008 budget. This is a net reduction of 181.45 FTE's.

The adoption of the Walworth County Children with Disabilities Education Board 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 of the fifteen local school districts have signed the transition agreement. The transition period was initiated with the 2006-2007 school year. Progress continues to be incremental.

As an employer, Walworth County provides many of its employees and retirees with health insurance benefits through a self-funded health plan. By far, the most significant challenge facing the County in 2008 is the soaring cost of health care. This challenge is not unique to Walworth County. The high cost of health care continues to impact both public and private sector employers.

Management has negotiated a revised health care package with 2 of its 7 labor unions. The program consolidates the 4 previous health plans into one. The plan requires an employee premium contribution that can be discounted upon completion of a wellness screening and education program. It is expected to result in improved employee health and a corresponding reduction in health care costs. Negotiations are ongoing with the 5 remaining labor unions.

The 2008 budget outsources the jail food service operation. This action is expected to save over \$100,000 in the 2008 budget and will have the potential to save in excess of \$300,000 each year thereafter.

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 continues to work on county initiatives.

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 based upon an April 2007 report by the Wisconsin Department of Tourism.

2008 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 Board has reviewed and revised its policies and operations to accommodate the significant change.

## **AWARDS**

### **Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended December 31, 2006. This was the fifth consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Budget**

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to County of Walworth, Wisconsin for its annual budget for the fiscal year beginning January 1, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

### **Good Government**

For the second consecutive year, Walworth County has been a recipient of the Foth Good Government Award. The Wisconsin Good Government Award Program is sponsored by the Wisconsin-based engineering consulting firm of Foth in cooperation with the Wisconsin Counties Association and the League of Wisconsin Municipalities.

In 2006, the County received this award for its efforts in consolidating our Facilities Management and Highway Department into a more cost-effective and efficient Public Works Department. The 2007 honor is in recognition of the County's proactive approach and funding of its Other Post-Employment Benefits (OPEB) liability. The Foth Good Government Award is intended to encourage innovative approaches to providing quality services at a reduced cost to its citizens.

### **Public Policy Forum**

In 2007, Walworth County was the recipient of the Innovation Award for Intra-Governmental Cooperation for its creation of a Criminal Justice Coordinating Committee program. This award is the highest award that the Public Policy Forum gives to governmental officials and projects that demonstrate through leadership and innovation that "government works" for its citizens and taxpayers. The non-partisan government "watch dog" group honored the County for its proactive approach to managing its rising jail population. The Public Policy Forum issued a second award to recognize the County's emergency government efforts in promoting regional planning.

**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 thank the County Board and Finance Committee Chairpersons, the County Board of Supervisors, and members of the Finance Committee for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



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David A. Bretl  
County Administrator



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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, 2006

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.



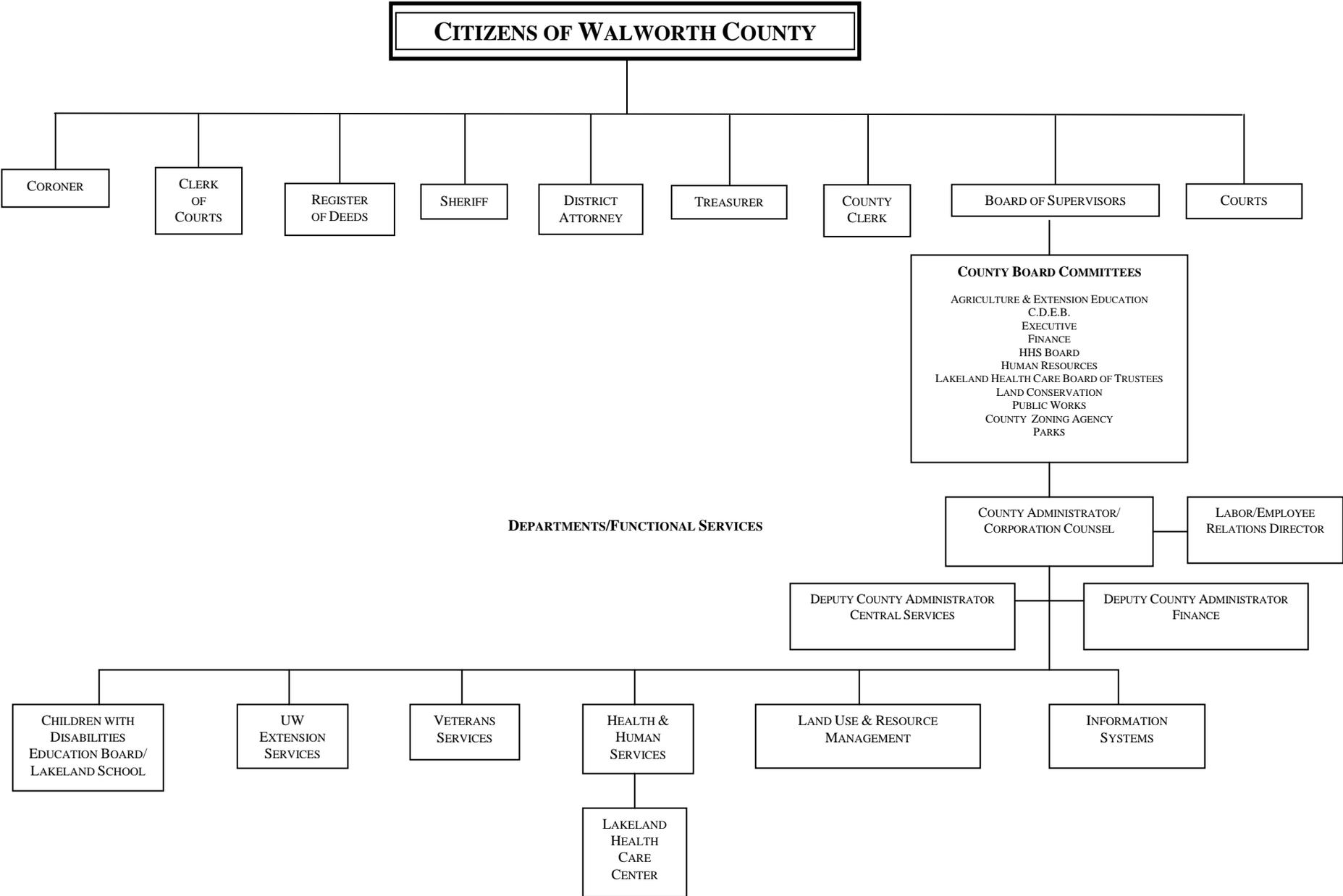
*Oliver S. Cox*

President

*Jeffrey R. Emery*

Executive Director

**WALWORTH COUNTY ORGANIZATION STRUCTURE – 2007**



**WALWORTH COUNTY, WISCONSIN**  
**LIST OF PRINCIPAL OFFICIALS**  
 As of December 31, 2007

**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 (Appointed) .....	James Goetz

**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, 2007

**NONELECTED OFFICIALS**

<u>Activity</u>	<u>Name</u>
County Administrator .....	David Bretl
Corporation Counsel .....	David Bretl
Deputy County Administrator - Finance.....	Nicole Andersen
Comptroller .....	Jessica Lanser
Deputy County Administrator – Central Services.....	Shane Crawford
Health and Human Services Director .....	Linda Seemeyer
Information Systems Director .....	Douglas Chase
Lakeland Health Care Center Administrator .....	Phyllis Williams
Special Education Director .....	Tracy Moate
Land Use and Resource Management Director .....	Michael Cotter
University of Wisconsin Extension Department Head.....	Jennifer Wehmeier
Veterans Service Officer .....	Christine Jordan

**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 Children with Disabilities Education Board Fund of Walworth County, Wisconsin as of and for the year ended December 31, 2007 which collectively comprise Walworth County, Wisconsin's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Walworth County, Wisconsin'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.

As discussed in Note A, Walworth County implemented the Governmental Accounting Standards Board (GASB) issued Statement No. 43 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* effective January 1, 2007.

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 of Walworth County, Wisconsin as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison information for the General Fund, Health and Human Services Fund and Children with Disabilities Education Board Fund 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 June 24, 2008 on our consideration of Walworth County, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 and the required supplementary information on page 72 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, Wisconsin'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 Henderson LLP*

Milwaukee, Wisconsin  
June 24, 2008

**MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS**



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**WALWORTH COUNTY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2007

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, 2007. 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, 2007 by \$114.4 million (*net assets*), \$94.4 million in governmental activities and \$20.0 million in business-type activities. Of this amount, \$44.2 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 \$5.2 million. Governmental activities increased net assets by \$4.5 million; business-type activities increased net assets by \$0.7 million.
- As of December 31, 2007, the County's governmental funds reported combined ending fund balances of \$31.8 million. Approximately 39% of this total amount, \$12.3 million, is available for spending at the County's discretion (*unreserved and undesignated fund balance*).
- The mill rate fell 6.7% to 4.1049 per \$1,000 of property value for the year ended December 31, 2007.

**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, 2007

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, Children with Disabilities Education Board, Capital Projects, and Debt Service funds, all of which are considered to be major funds. Data from the other two 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, 2007

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 43-71 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 73-87. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 88-90.

**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 \$114,389,889 at the close of 2007. 2006 has been restated for comparison. See restatement notes on pages 20 and 21 for details of the restatement.

**Walworth County's Net Assets**  
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2007	2006 (restated)	2007	2006 (restated)	2007	2006 (restated)
Current assets	\$103,954	\$ 101,696	\$21,962	\$ 21,412	\$125,916	\$ 123,108
Capital assets	98,071	88,072	20,110	20,109	118,181	108,181
Other noncurrent assets	1,846	283	-	-	1,846	283
<b>Total assets</b>	<b>203,871</b>	<b>190,051</b>	<b>42,072</b>	<b>41,521</b>	<b>245,943</b>	<b>231,572</b>
Current liabilities	65,132	57,864	7,995	8,059	73,127	65,923
Noncurrent liabilities	44,384	42,322	14,043	14,142	58,427	56,464
<b>Total liabilities</b>	<b>109,515</b>	<b>100,186</b>	<b>22,038</b>	<b>22,201</b>	<b>131,553</b>	<b>122,387</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	59,418	53,514	7,582	6,734	67,000	60,248
Restricted	3,103	1,511	129	122	3,232	1,633
Unrestricted	31,835	34,840	12,323	12,464	44,158	47,304
<b>Total net assets</b>	<b>\$ 94,356</b>	<b>\$ 89,865</b>	<b>\$20,034</b>	<b>\$ 19,320</b>	<b>114,390</b>	<b>109,185</b>

The largest portion of the County's net assets (58.5%) 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 (2.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$44,157,702) may be used to meet the County's ongoing obligations to citizens and creditors.

**WALWORTH COUNTY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2007

**Change in net assets.** At the end of the fiscal year, the County reported total revenues of \$116,982,037 and total expenses of \$111,777,669, resulting in an increase in net assets of \$5,204,368 (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	
	2007	2006 (restated)	2007	2006 (restated)	2007	2006 (restated)
Revenues:						
Program revenues:						
Charges for services	\$ 9,661	\$ 10,031	\$ 11,599	\$ 8,878	\$ 21,260	\$ 18,909
Operating grants and contributions	26,367	25,085	2,920	3,042	29,287	28,127
Capital grants and contributions	673	1,498	38	-	711	1,498
General revenues:						
Property taxes	47,346	44,069	5,424	5,517	52,770	49,586
Other taxes	7,680	7,613	-	-	7,680	7,613
Grants and contributions not restricted to specific programs	341	342	-	-	341	342
Other	4,767	4,494	166	134	4,933	4,628
Total revenues	96,835	93,132	20,147	17,571	116,982	110,703
Expenses:						
General government	15,308	15,352	-	-	15,308	15,352
Public safety	23,063	21,890	-	-	23,063	21,890
Health and human services	30,871	29,582	-	-	30,871	29,582
Culture, recreation and education	14,194	14,530	-	-	14,194	14,530
Public works	3,726	3,617	-	-	3,726	3,617
Conservation and development	2,480	2,443	-	-	2,480	2,443
Interest on long-term debt	1,412	1,914	-	-	1,412	1,914
Nursing home	-	-	11,915	14,298	11,915	14,298
Highway	-	-	8,809	7,085	8,809	7,085
Miscellaneous	-	-	-	-	-	-
Total expenses	91,054	89,328	20,724	21,383	111,778	110,711
Increase in net assets before transfers	5,781	3,804	(577)	(3,812)	5,204	(7)
Transfers	(1,290)	(1,077)	1,290	1,077	-	-
Increase in net assets	4,491	2,727	713	(2,735)	5,204	(7)
Net assets - January 1 (as restated)	89,865	87,138	19,320	22,055	109,186	109,193
Net assets - December 31	\$ 94,356	\$ 89,865	\$ 20,033	\$ 19,320	\$ 114,390	\$ 109,185

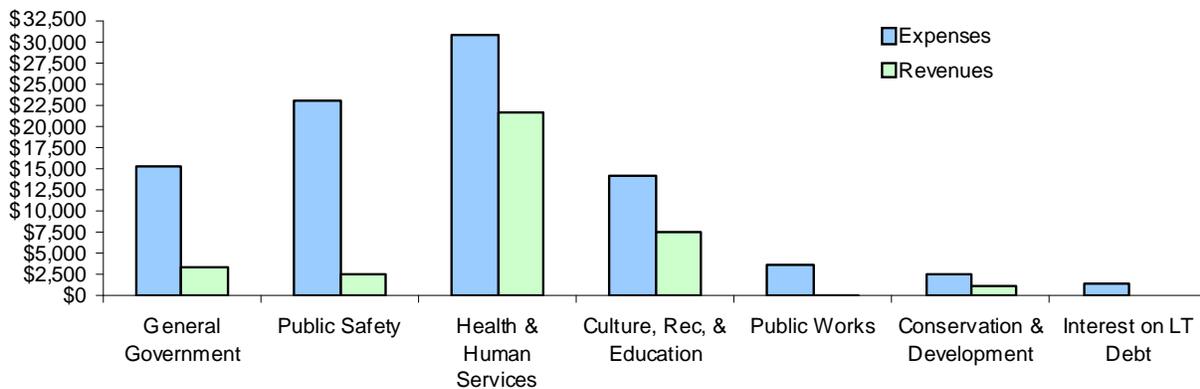
**WALWORTH COUNTY, WISCONSIN**  
 Management's Discussion and Analysis  
 December 31, 2007

**Governmental Activities.** Governmental activities increased the County's net assets by \$4,490,820, thereby accounting for 86% 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 \$96,834,708, with property taxes accounting for 48.9% of the total revenue, followed by operating grants and contributions at 27.2%. Expenses cover a range of services, with the majority in four areas: 33.4% for health and human services, 25.0% for public safety, 16.6% for general government, and 15.4% for culture, recreation and education.

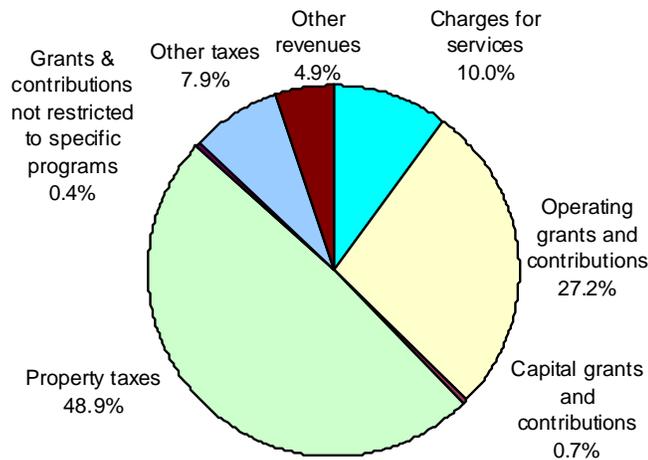
A substantial change in the total governmental net assets includes a restatement to increase net assets by \$12,679,823 which includes \$13,566,531 of debt attributed to the new building for the Lakeland Health Care Center transferred to the Business Type Activities. The remaining decrease is attributed to the retroactive recording of the other post employment benefits liability. The County did not record the liability until 2007, although County policy states that the liability will be amortized over a 30 year period beginning in 2005.

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**



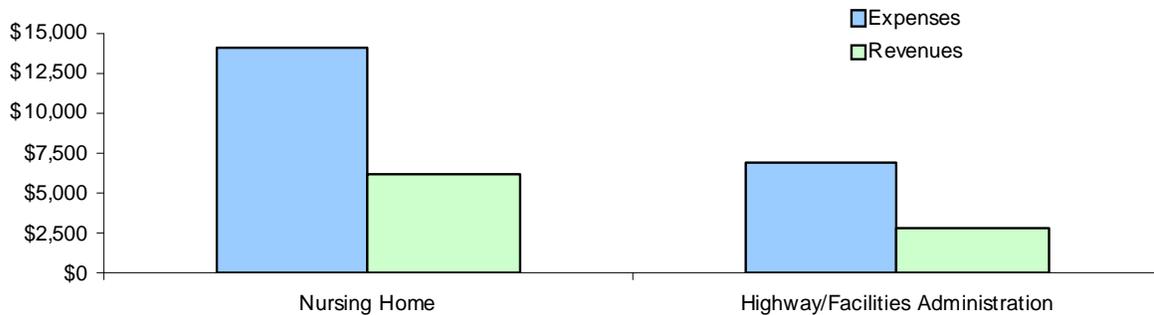
**WALWORTH COUNTY, WISCONSIN**  
 Management's Discussion and Analysis  
 December 31, 2007

**Business-type Activities.** Business-type activities increased net assets by \$713,548, thereby accounting for 14% of the total growth in net assets of the County. This growth is due primarily to increased revenues. Lakeland Health Care Center has shifted its primary revenue sources by working with more residents in Medicare short-term rehabilitation and private pay areas allowing for better collection results in revenue. Public Works department increase in revenues is attributed to additional state and local government charges for services related to heavy snowfall received in the County.

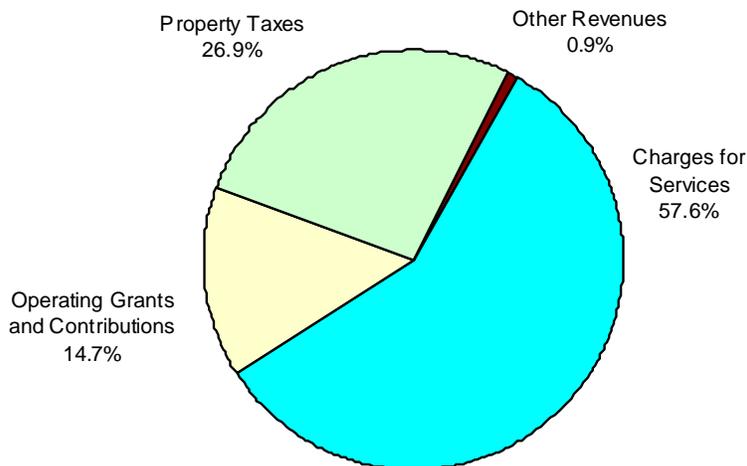
A substantial change in the total business-type net assets includes a restatement to decrease net assets by \$13,976,403 which includes \$13,566,531 of debt attributed to the new building for the Lakeland Health Care Center transferred to the Business Type Activities. The remaining decrease is attributed to the retroactive recording of the other post employment benefits liability. The County did not record the liability until 2007, although County policy states that the liability will be amortized over a 30 year period beginning in 2005.

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, 2007

**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, 2007, the County's governmental funds reported combined ending fund balances of \$31,779,988, a decrease of \$1,882,467 from the prior year. Approximately 49% of this amount (\$12,329,370) constitutes *unreserved, undesignated fund balance*, which is available for spending at the County's discretion. Of the unreserved fund balance, the County Board has designated \$4,714,848 to fund subsequent year budget items and \$940,397 for open projects carried forward into the next year. 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 that benefit periods beyond the end of the current year (\$19,122), 2) for non-liquid delinquent taxes (\$2,693,925), 3) for encumbrances (\$3,047,733), 4) for debt retirement (\$420,897), for Sheriff Trusts (\$695,190), for land information projects (\$571,852), 6) for advances to other funds (\$5,554,164), 7) for donations for school, sheriff and parks (\$145,090), 8) for receivables (\$75,148), 9) for Alpine Valley (\$101,800), and 10) for non-metallic mining fees collected and held by statute (\$25,612).

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 \$14,504,031, while total fund balance reached \$28,159,193. 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 35% of total General fund expenditures, while total fund balance represents 67% of that same amount.

The fund balance of the County's General fund increased by \$1,710,827. The fund was budgeted to decrease by \$1,221,422. The key factor in this increase is primarily due to investment income being higher than anticipated by \$1,126,869 and Contingency funds available not being needed saving \$591,873.

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

The Health and Human Services special revenue fund has a total fund balance of \$2,263,469. Of this fund balance, \$717,296 is unreserved, but designated to fund subsequent year items and \$4,479 is reserved for encumbrances. The fund balance increased by \$1,024,255 due primarily to a decrease in professional service purchases. Health and Human Services net change in fund balance will result in a 2008 transfer to the General fund in the amount of \$1,541,694.

The Children with Disabilities Education Board special revenue fund has a total fund balance of \$362,638. Of this fund balance, \$181,697 is unreserved, but designated to fund subsequent year items, \$57 is reserved for encumbrances, and \$82,436 is reserved as donations. The fund balance decreased by \$278,256, primarily due to an unanticipated health insurance surcharge of \$256,538.

The Debt Service fund has a total fund balance of \$420,897, which is reserved for future debt service payments. The fund balance increase of \$7,297 was due to an increase in expected investment income.

The Capital Project fund has a total deficit fund balance of \$747,007 due to the new school building project being ahead of schedule. The General Fund advanced the Capital Project fund \$4.5 million to fund this project until the 2008 debt borrowing was received in January 2008 which is expected to fund this project.

**WALWORTH COUNTY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2007

Capital Project fund shows a negative unreserved and undesignated amount of \$3,838,378 which is due to the reserved encumbrances of \$2,646,531 and unspent bond proceeds reserved for road construction of \$444,840.

**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 \$7,820,069. The total growth in net assets was \$636,561.

Unrestricted net assets of the Public Works fund at the end of the year amounted to \$4,887,611. The total growth in net assets was \$470,278.

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 \$1,179,343 in appropriations; the majority consists of projects and encumbrances carried over from 2006.

During the year, actual revenues exceeded budgeted revenues by \$573,515, primarily in investment income. Actual expenditures were less than budgeted expenditures by \$2,358,734, primarily due to operational efficiencies from each department, and contingency funds not used.

**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, 2007 amounts to \$118,181,655 (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% (increase attributed all to the governmental activities).

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

- Replacement of various police vehicles, at a cost of \$360,506
- Installation of new general ledger financial system, at a capitalized cost of \$455,094
- Installation of a countywide telecom upgrade, at a cost of \$235,420
- Highway paint truck, at a cost of \$229,736
- Replacement of 3 plow trucks, at a cost of \$422,148
- County road resurfacing/reconstruction completed, at a cost of \$3,353,526

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

Further details of the County's capital assets can be found in the notes to the financial statements on pages 56-57.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$51,665,000. 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, 2007

limitation for the County is \$670,149,507, which is significantly in excess of the County's \$60,265,000 in general obligation debt.

The County's total general obligation debt increased by \$2,925,000 (5.7%) during the current fiscal year. The key factors in this increase were the issuance of notes in the amount of \$8,500,000 for construction of a new school facility and \$1,400,000 for road construction, and the retirement of \$6,975,000 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 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 2008 fiscal year.

Limits have been imposed on the property tax levy rates for Wisconsin counties. The limit excludes the Children with Disabilities Education Board tax levy, bridge aid, libraries, and certain increases in debt service. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids.

Upon the adoption of the budget for 2008, 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, 2007

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 43,932,263	\$ 12,056,679	\$ 55,988,942
Restricted cash and investments	960,960	35,363	996,323
Receivables (net of allowance for uncollectibles):			
Taxes	47,905,149	6,848,711	54,753,860
Delinquent taxes	5,065,306	-	5,065,306
Accounts	2,503,315	991,176	3,494,491
Internal balances	399,538	(399,538)	-
Due from other governments	3,030,543	1,894,302	4,924,845
Inventories	19,122	476,302	495,424
Prepaid items	86,213	15,588	101,801
Unamortized debt issuance costs	51,981	42,960	94,941
Total current assets	<u>103,954,390</u>	<u>21,961,543</u>	<u>125,915,933</u>
Noncurrent assets:			
Long-term receivable	282,771	-	282,771
Restricted investments			
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	1,563,000	-	1,563,000
Capital assets:			
Land and construction in progress	15,411,775	173,913	15,585,688
Other capital assets (net of accumulated depreciation)	82,659,494	19,936,473	102,595,967
Total capital assets	<u>98,071,269</u>	<u>20,110,386</u>	<u>118,181,655</u>
Total noncurrent assets	<u>99,917,040</u>	<u>20,110,386</u>	<u>120,027,426</u>
Total assets	<u>203,871,430</u>	<u>42,071,929</u>	<u>245,943,359</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	6,416,358	558,891	6,975,249
Accrued interest payable	494,684	105,425	600,109
Accrued liabilities	1,835,163	411,629	2,246,792
Claims payable	5,455,518	-	5,455,518
Deposits	2,430,421	35,363	2,465,784
Due to other governments	246,594	-	246,594
Unearned revenue	48,252,891	6,883,236	55,136,127
Total current liabilities	<u>65,131,629</u>	<u>7,994,544</u>	<u>73,126,173</u>
Noncurrent liabilities:			
Due within one year	14,083,163	2,504,570	16,587,733
Due in more than one year	30,300,644	11,538,920	41,839,564
Total noncurrent liabilities	<u>44,383,807</u>	<u>14,043,490</u>	<u>58,427,297</u>
Total liabilities	<u>109,515,436</u>	<u>22,038,034</u>	<u>131,553,470</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	59,418,254	7,582,462	67,000,716
Restricted for:			
General government	1,563,000	-	1,563,000
Public safety	857,822	-	857,822
Culture, recreation and education	84,258	-	84,258
Conservation and development	597,464	-	597,464
Nursing home	-	128,927	128,927
Unrestricted	31,835,196	12,322,506	44,157,702
Total net assets	<u>\$ 94,355,994</u>	<u>\$ 20,033,895</u>	<u>\$ 114,389,889</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, 2007

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
<b>Governmental activities:</b>							
General government	\$ 15,308,444	\$ 2,788,985	\$ 652,215	\$ 6,979	\$ (11,860,265)	\$ -	\$ (11,860,265)
Public safety	23,062,787	1,630,593	851,120	93,555	(20,487,519)	-	(20,487,519)
Health and human services	30,870,763	4,224,649	17,498,245	-	(9,147,869)	-	(9,147,869)
Culture, recreation and education	14,193,460	160,090	7,071,866	421,773	(6,539,731)	-	(6,539,731)
Public works	3,726,158	-	-	150,712	(3,575,446)	-	(3,575,446)
Conservation and development	2,479,686	856,256	293,649	-	(1,329,781)	-	(1,329,781)
Interest on long-term debt	1,412,336	-	-	-	(1,412,336)	-	(1,412,336)
Total governmental activities	91,053,634	9,660,573	26,367,095	673,019	(54,352,947)	-	(54,352,947)
<b>Business-type activities:</b>							
Nursing home	11,914,949	7,362,680	919,389	-	-	(3,632,880)	(3,632,880)
Highway/facilities administration	8,809,086	4,236,620	2,000,835	37,738	-	(2,533,893)	(2,533,893)
Total business-type activities	20,724,035	11,599,300	2,920,224	37,738	-	(6,166,773)	(6,166,773)
Total primary government	\$ 111,777,669	\$ 21,259,873	\$ 29,287,319	\$ 710,757	(54,352,947)	(6,166,773)	(60,519,720)
<b>General revenues:</b>							
General property taxes					39,470,341	5,424,014	44,894,355
Property taxes for debt service					7,875,781	-	7,875,781
County share of sales taxes					7,597,303	-	7,597,303
Other taxes					82,751	-	82,751
Grants and contributions not restricted to specific programs					341,038	-	341,038
Unrestricted investment earnings					4,642,076	129,806	4,771,882
Miscellaneous					124,731	36,247	160,978
Transfers					(1,290,254)	1,290,254	-
Total general revenues and transfers					58,843,767	6,880,321	65,724,088
Change in net assets					4,490,820	713,548	5,204,368
Net assets - beginning, as restated					89,865,174	19,320,347	109,185,521
Net assets - ending					\$ 94,355,994	\$ 20,033,895	\$ 114,389,889

27

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

**WALWORTH COUNTY, WISCONSIN**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2007

	Special Revenue Funds							Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Capital Projects	Debt Service	Nonmajor Governmental Funds		
<b>ASSETS</b>								
Cash and investments	\$ 19,655,066	\$ 3,965,506	\$ 708,992	\$ 6,936,200	\$ 487,397	\$ 1,331,304	\$ 33,084,465	
Receivables (net of allowance for uncollectibles):								
Taxes	20,860,247	11,261,639	8,908,379	-	6,714,271	160,613	47,905,149	
Delinquent taxes	4,059,385	-	-	-	-	-	4,059,385	
Accounts	292,032	1,050,584	-	257,403	-	-	1,600,019	
Due from other governments	1,457,050	97,068	1,464,160	2,520	-	9,745	3,030,543	
Inventories	19,122	-	-	-	-	-	19,122	
Advances to other funds	5,554,164	-	-	-	-	-	5,554,164	
Long-term receivables	282,771	-	-	-	-	-	282,771	
Restricted cash and investments								
Patient and school deposits	-	459,386	70,727	-	-	-	530,113	
Total assets	<u>\$ 52,179,837</u>	<u>\$ 16,834,183</u>	<u>\$ 11,152,258</u>	<u>\$ 7,196,123</u>	<u>\$ 7,201,668</u>	<u>\$ 1,501,662</u>	<u>\$ 96,065,731</u>	
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 541,323	\$ 2,239,503	\$ 474,079	\$ 3,131,420	\$ -	\$ 17,443	\$ 6,403,768	
Accrued liabilities	1,310,298	189,181	333,087	143	-	2,454	1,835,163	
Due to other funds	15,335	4,106	3,348	-	-	6	22,795	
Due to other governments	136,543	110,003	-	-	-	48	246,594	
Deposits	25,824	213,254	-	-	66,500	-	305,578	
Deferred tax revenues	21,639,979	11,261,639	8,908,379	-	6,714,271	160,613	48,684,881	
Other deferred revenues	323,252	93,642	-	257,403	-	300	674,597	
Advances from other funds	-	-	1,000,000	4,554,164	-	-	5,554,164	
Liabilities payable from restricted assets								
Patient and school deposits	-	459,386	70,727	-	-	-	530,113	
Other liabilities	28,090	-	-	-	-	-	28,090	
Total liabilities	<u>24,020,644</u>	<u>14,570,714</u>	<u>10,789,620</u>	<u>7,943,130</u>	<u>6,780,771</u>	<u>180,864</u>	<u>64,285,743</u>	

(Continued)

**WALWORTH COUNTY, WISCONSIN**

BALANCE SHEET (concluded)  
GOVERNMENTAL FUNDS  
December 31, 2007

	Special Revenue Funds						Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Capital Projects	Debt Service	Nonmajor Governmental Funds	
Fund balances (deficit):							
Reserved for:							
Alpine Valley	\$ 101,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,800
Advances	5,554,164	-	-	-	-	-	5,554,164
Debt service	-	-	-	-	420,897	-	420,897
Delinquent personal property taxes	2,693,925	-	-	-	-	-	2,693,925
Donations	62,654	-	82,436	-	-	-	145,090
Encumbrances	366,485	4,479	57	2,646,531	-	30,181	3,047,733
Inventory	19,122	-	-	-	-	-	19,122
Land information fees	-	-	-	-	-	571,852	571,852
Non-metallic mining fees	25,612	-	-	-	-	-	25,612
Receivables	75,148	-	-	-	-	-	75,148
Sheriff trusts	-	-	-	-	-	695,190	695,190
Unspent bond proceeds	-	-	-	444,840	-	-	444,840
Unreserved and designated, for:							
Subsequent year budget items	4,535,866	-	178,982	-	-	-	4,714,848
Open project carryforwards	220,386	717,296	2,715	-	-	-	940,397
Unreserved and undesignated, reported in:							
General fund	14,504,031	-	-	-	-	-	14,504,031
Special revenue fund	-	1,541,694	98,448	-	-	23,575	1,663,717
Capital project fund (deficit)	-	-	-	(3,838,378)	-	-	(3,838,378)
Total fund balances (deficit)	<u>28,159,193</u>	<u>2,263,469</u>	<u>362,638</u>	<u>(747,007)</u>	<u>420,897</u>	<u>1,320,798</u>	<u>31,779,988</u>
Total liabilities and fund balances	\$ <u>52,179,837</u>	\$ <u>16,834,183</u>	\$ <u>11,152,258</u>	\$ <u>7,196,123</u>	\$ <u>7,201,668</u>	\$ <u>1,501,662</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.	98,071,269
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,788,191
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.	5,233,119
Due from business-type activities related to internal service funds	385,174
Health insurance credits recorded as part of other post employment liability as a revenue	896,673
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(44,798,420)</u>
Net assets of governmental activities as reported on the statement of net assets (see page 26)	<u>\$ 94,355,994</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, 2007

	Special Revenue Funds			
	General	Health & Human Services	Children With Disabilities Education Board	Capital Projects
<b>REVENUES</b>				
Taxes	\$ 28,819,373	\$ 11,206,215	\$ 7,999,071	\$ -
Intergovernmental	1,522,695	17,364,364	6,908,074	350,018
Licenses and permits	376,192	-	-	-
Fines, forfeitures and penalties	1,315,006	-	-	-
Public charges for services	2,441,872	4,136,354	29,986	-
Intergovernmental charges for services	1,276,086	76,681	77,478	2,520
Investment income	3,198,089	-	-	-
Miscellaneous	349,732	130,912	160,286	421,773
Total revenues	<u>39,299,045</u>	<u>32,914,526</u>	<u>15,174,895</u>	<u>774,311</u>
<b>EXPENDITURES</b>				
Current:				
General government	12,590,192	-	-	-
Public safety	21,941,105	-	-	-
Health and human services	166,322	30,795,088	-	-
Culture, recreation, and education	450,750	-	14,895,091	-
Conservation and development	1,985,342	-	-	-
Capital outlay	1,354,455	29,139	7,285	15,136,878
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>38,488,166</u>	<u>30,824,227</u>	<u>14,902,376</u>	<u>15,136,878</u>
Excess (deficiency) of revenues over expenditures	<u>810,879</u>	<u>2,090,299</u>	<u>272,519</u>	<u>(14,362,567)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	-	9,900,000
Discount on long-term debt	-	-	-	-
Transfers in	2,619,191	156,645	474,727	1,064,579
Transfers out	(1,719,243)	(1,222,689)	(1,025,502)	(900,298)
Total other financing sources (uses)	<u>899,948</u>	<u>(1,066,044)</u>	<u>(550,775)</u>	<u>10,064,281</u>
Net change in fund balances	1,710,827	1,024,255	(278,256)	(4,298,286)
Fund balances - beginning	26,448,366	1,239,214	640,894	3,551,279
Fund balances - ending	<u>\$ 28,159,193</u>	<u>\$ 2,263,469</u>	<u>\$ 362,638</u>	<u>\$ (747,007)</u>

(Continued)

## WALWORTH COUNTY, WISCONSIN

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (concluded) GOVERNMENTAL FUNDS For the Year Ended December 31, 2007

	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 7,875,781	\$ 164,242	\$ 56,064,682
Intergovernmental	-	1,500	26,146,651
Licenses and permits	-	-	376,192
Fines, forfeitures and penalties	-	-	1,315,006
Public charges for services	-	150,746	6,758,958
Intergovernmental charges for services	-	-	1,432,765
Investment income	90,858	27,301	3,316,248
Miscellaneous	-	311,775	1,374,478
Total revenues	<u>7,966,639</u>	<u>655,564</u>	<u>96,784,980</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	12,590,192
Public safety	-	74,437	22,015,542
Health and human services	-	-	30,961,410
Culture, recreation, and education	-	-	15,345,841
Conservation and development	-	193,550	2,178,892
Capital outlay	-	9,748	16,537,505
Debt service:			
Principal retirement	6,126,156	-	6,126,156
Interest and fiscal charges	1,378,174	-	1,378,174
Total expenditures	<u>7,504,330</u>	<u>277,735</u>	<u>107,133,712</u>
Excess (deficiency) of revenues over expenditures	<u>462,309</u>	<u>377,829</u>	<u>(10,348,732)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	-	9,900,000
Discount on long-term debt	(42,348)	-	(42,348)
Transfers in	1,020,000	522	5,335,664
Transfers out	(1,432,664)	(426,655)	(6,727,051)
Total other financing sources (uses)	<u>(455,012)</u>	<u>(426,133)</u>	<u>8,466,265</u>
Net change in fund balances	7,297	(48,304)	(1,882,467)
Fund balances - beginning	413,600	1,369,102	33,662,455
Fund balances - ending	<u>\$ 420,897</u>	<u>\$ 1,320,798</u>	<u>\$ 31,779,988</u>

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

**WALWORTH COUNTY, WISCONSIN**

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2007

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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)	\$ (1,882,467)
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.	12,763,281
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(2,764,606)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	163,534
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.	(3,680,064)
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.	668,241
The net effect of certain activities of internal service funds is reported with governmental activities.	<u>(777,099)</u>
Change in net assets of governmental activities as reported on the statement of activities (page 27)	<u><u>\$ 4,490,820</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 29,453,100	\$ 28,965,637	\$ 28,819,373	\$ (146,264)
Intergovernmental	1,612,229	1,830,299	1,522,695	(307,604)
Licenses and permits	447,069	363,799	376,192	12,393
Fines, forfeitures and penalties	1,370,000	1,368,420	1,315,006	(53,414)
Public charges for services	2,692,516	2,463,761	2,441,872	(21,889)
Intergovernmental charges for services	1,099,349	1,236,183	1,276,086	39,903
Investment income	1,719,500	2,071,220	3,198,089	1,126,869
Miscellaneous	336,145	279,356	349,732	70,376
Total revenues	<u>38,729,908</u>	<u>38,578,675</u>	<u>39,299,045</u>	<u>720,370</u>
<b>EXPENDITURES</b>				
Current:				
General government	12,883,638	13,114,706	12,590,192	524,514
Public safety	22,148,106	22,462,928	21,941,105	521,823
Health and human services	167,552	168,792	166,322	2,470
Culture, recreation, and education	470,448	480,096	450,750	29,346
Conservation and development	2,151,613	2,182,536	1,985,342	197,194
Capital outlay:				
General government	272,960	612,479	412,090	200,389
Public safety	610,326	1,103,901	861,220	242,681
Culture, recreation, and education	26,000	109,292	60,848	48,444
Conservation and development	25,000	20,297	20,297	-
Total expenditures	<u>38,755,643</u>	<u>40,255,027</u>	<u>38,488,166</u>	<u>1,766,861</u>
Excess (deficiency) of revenues over expenditures	<u>(25,735)</u>	<u>(1,676,352)</u>	<u>810,879</u>	<u>2,487,231</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	140,735	2,766,046	2,619,191	(146,855)
Transfers out	<u>(3,225,000)</u>	<u>(2,311,116)</u>	<u>(1,719,243)</u>	<u>591,873</u>
Total other financing sources (uses)	<u>(3,084,265)</u>	<u>454,930</u>	<u>899,948</u>	<u>445,018</u>
Net change in fund balances	(3,110,000)	(1,221,422)	1,710,827	2,932,249
Fund balances - beginning	<u>26,448,366</u>	<u>26,448,366</u>	<u>26,448,366</u>	<u>-</u>
Fund balances - ending	<u>\$ 23,338,366</u>	<u>\$ 25,226,944</u>	<u>\$ 28,159,193</u>	<u>\$ 2,932,249</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, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 11,106,102	\$ 11,206,215	\$11,206,215	\$ -
Intergovernmental	16,609,052	16,996,016	17,364,364	368,348
Public charges for services	3,959,394	4,486,252	4,136,354	(349,898)
Intergovernmental charges for services	75,570	79,370	76,681	(2,689)
Miscellaneous	86,090	117,890	130,912	13,022
Total revenues	<u>31,836,208</u>	<u>32,885,743</u>	<u>32,914,526</u>	<u>28,783</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	31,107,908	32,266,727	30,795,088	1,471,639
Capital outlay:				
Health and human services	728,300	754,770	29,139	725,631
Total expenditures	<u>31,836,208</u>	<u>33,021,497</u>	<u>30,824,227</u>	<u>2,197,270</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(135,754)</u>	<u>2,090,299</u>	<u>2,226,053</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	156,645	156,645	-
Transfers out	-	(1,222,689)	(1,222,689)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,066,044)</u>	<u>(1,066,044)</u>	<u>-</u>
Net change in fund balances	-	(1,201,798)	1,024,255	2,226,053
Fund balances - beginning	1,239,214	1,239,214	1,239,214	-
Fund balances - ending	<u>\$ 1,239,214</u>	<u>\$ 37,416</u>	<u>\$ 2,263,469</u>	<u>\$ 2,226,053</u>

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

## WALWORTH COUNTY, WISCONSIN

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CHILDREN WITH DISABILITIES EDUCATION BOARD SPECIAL REVENUE FUND For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,999,071	\$ 7,999,071	\$ 7,999,071	\$ -
Intergovernmental	6,859,315	6,876,022	6,908,074	32,052
Public charges for services	25,150	25,150	29,986	4,836
Intergovernmental charges for services	51,550	51,550	77,478	25,928
Miscellaneous	24,710	136,242	160,286	24,044
Total revenues	<u>14,959,796</u>	<u>15,088,035</u>	<u>15,174,895</u>	<u>86,860</u>
<b>EXPENDITURES</b>				
Current:				
Culture, recreation, and education	15,246,702	15,649,734	14,895,091	754,643
Capital outlay:				
Culture, recreation, and education	-	17,000	7,285	9,715
Total expenditures	<u>15,246,702</u>	<u>15,666,734</u>	<u>14,902,376</u>	<u>764,358</u>
Excess (deficiency) of revenues over expenditures	<u>(286,906)</u>	<u>(578,699)</u>	<u>272,519</u>	<u>851,218</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	440,000	474,726	474,727	1
Transfers out	(153,094)	(1,098,534)	(1,025,502)	73,032
Total other financing sources (uses)	<u>286,906</u>	<u>(623,808)</u>	<u>(550,775)</u>	<u>73,033</u>
Net change in fund balances	-	(1,202,507)	(278,256)	924,251
Fund balances - beginning	640,894	640,894	640,894	-
Fund balances - ending	<u>\$ 640,894</u>	<u>\$ (561,613)</u>	<u>\$ 362,638</u>	<u>\$ 924,251</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, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 8,253,579	\$ 3,803,100	\$ 12,056,679	\$ 10,847,798
Restricted cash and investments:				
Patient deposits	35,363	-	35,363	-
Deposits held with fiscal agents	-	-	-	430,847
Taxes receivable	3,471,002	3,377,709	6,848,711	-
Accounts receivable	593,883	397,293	991,176	227,613
Due from other funds	-	-	-	37,159
Due from other governments	445,900	1,448,402	1,894,302	-
Inventories	34,754	441,548	476,302	-
Prepaid items	-	15,588	15,588	86,213
Unamortized debt issuance costs	42,960	-	42,960	-
Total current assets	<u>12,877,441</u>	<u>9,483,640</u>	<u>22,361,081</u>	<u>11,629,630</u>
Noncurrent assets:				
Restricted cash and investments:				
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	-	-	-	1,563,000
Capital assets:				
Land	36,260	62,226	98,486	-
Construction in progress	-	75,427	75,427	-
Other capital assets	15,262,922	13,085,472	28,348,394	-
Less: Accumulated depreciation	(811,457)	(7,600,464)	(8,411,921)	-
Net capital assets	<u>14,487,725</u>	<u>5,622,661</u>	<u>20,110,386</u>	<u>-</u>
Total assets	<u>27,365,166</u>	<u>15,106,301</u>	<u>42,471,467</u>	<u>13,192,630</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	140,221	418,670	558,891	12,590
Accrued interest payable	105,425	-	105,425	-
Accrued liabilities	329,516	82,113	411,629	-
Claims payable	-	-	-	5,455,518
Due to other funds	9,670	4,694	14,364	-
Deposits	35,363	-	35,363	1,594,730
Deferred tax revenues	3,471,002	3,377,709	6,848,711	-
Other deferred revenues	1,098	33,427	34,525	-
Compensated absences - current	465,771	436,876	902,647	-
General obligation notes payable - current	1,284,371	-	1,284,371	-
Other post employment benefits	195,617	121,935	317,552	-
Retiree health credits - current	-	-	-	157,797
Total current liabilities	<u>6,038,054</u>	<u>4,475,424</u>	<u>10,513,478</u>	<u>7,220,635</u>

(Continued)

**WALWORTH COUNTY, WISCONSIN**

STATEMENT OF NET ASSETS (concluded)  
 PROPRIETARY FUNDS  
 December 31, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
<b>LIABILITIES</b> (concluded)				
Noncurrent liabilities:				
Compensated absences	\$ 174,762	\$ 120,605	\$ 295,367	\$ -
General obligation notes payable (net of unamortized discounts)	11,243,553	-	11,243,553	-
Retiree health credits	-	-	-	738,876
Total noncurrent liabilities	<u>11,418,315</u>	<u>120,605</u>	<u>11,538,920</u>	<u>738,876</u>
Total liabilities	<u>17,456,369</u>	<u>4,596,029</u>	<u>22,052,398</u>	<u>7,959,511</u>
<b>NET ASSETS</b>				
Invested in capital assets	1,959,801	5,622,661	7,582,462	-
Restricted for deposit with WMMIC	-	-	-	1,563,000
Restricted for donations	128,927	-	128,927	-
Unrestricted	<u>7,820,069</u>	<u>4,887,611</u>	<u>12,707,680</u>	<u>3,670,119</u>
Total net assets	<u>\$ 9,908,797</u>	<u>\$ 10,510,272</u>	<u>\$ 20,419,069</u>	<u>\$ 5,233,119</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.

(385,174)

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

\$ 20,033,895

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, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 7,362,680	\$ 4,236,620	\$ 11,599,300	\$ 17,826,003
Operating expenses:				
Operation and maintenance	10,961,941	8,011,427	18,973,368	-
Insurance services	-	-	-	20,502,986
Depreciation	302,735	598,119	900,854	-
Total operating expenses	<u>11,264,676</u>	<u>8,609,546</u>	<u>19,874,222</u>	<u>20,502,986</u>
Operating loss	<u>(3,901,996)</u>	<u>(4,372,926)</u>	<u>(8,274,922)</u>	<u>(2,676,983)</u>
Nonoperating revenues (expenses):				
Property taxes	2,703,527	2,720,487	5,424,014	-
Intergovernmental grants	906,329	2,038,574	2,944,903	-
Investment income	10,754	119,052	129,806	471,042
Interest expense	(449,332)	-	(449,332)	-
Debt issuance costs and discounts	(7,190)	-	(7,190)	-
Gain (loss) on disposal of assets	(7,340)	6,056	(1,284)	-
Miscellaneous	29,894	20,696	50,590	138,878
Total nonoperating revenues	<u>3,186,642</u>	<u>4,904,865</u>	<u>8,091,507</u>	<u>609,920</u>
Income (loss) before transfers	(715,354)	531,939	(183,415)	(2,067,063)
Transfers in	1,453,048	11,071	1,464,119	-
Transfers out	<u>(101,133)</u>	<u>(72,732)</u>	<u>(173,865)</u>	-
Change in net assets	636,561	470,278	1,106,839	(2,067,063)
Total net assets - beginning, as restated	<u>9,272,236</u>	<u>10,039,994</u>	<u>19,312,230</u>	<u>7,300,182</u>
Total net assets - ending	<u>\$ 9,908,797</u>	<u>\$ 10,510,272</u>	<u>20,419,069</u>	<u>\$ 5,233,119</u>

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

Net change in net assets-total enterprise funds	1,106,839
The net revenue of certain activities of internal service funds is reported within business-type activities.	<u>(393,291)</u>
Net change in net assets of business-type activities as reported on the statement of activities (see page 26)	<u>\$ 713,548</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, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 6,988,904	\$ 2,627,655	\$ 9,616,559	\$ 1,624,977
Receipts from interfund services provided	1,905	445,586	447,491	18,753,883
Payments to suppliers	(1,682,323)	(2,115,078)	(3,797,401)	(18,119,672)
Payments to employees	(9,492,374)	(5,003,348)	(14,495,722)	-
Payments for interfund services used	(15,643)	(105,284)	(120,927)	-
Payments of patient trust deposits	(12,339)	-	(12,339)	-
Net cash flows (used) by operating activities	<u>(4,211,870)</u>	<u>(4,150,469)</u>	<u>(8,362,339)</u>	<u>2,259,188</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in	1,453,048	11,071	1,464,119	-
Transfers out	(101,133)	(72,732)	(173,865)	-
General property taxes	2,703,527	2,720,487	5,424,014	-
Intergovernmental grants	906,329	2,000,836	2,907,165	-
Insurance recoveries	-	-	-	138,878
Rent, rebates, and donations	29,894	3,667	33,561	-
Net cash flows provided by non-capital financing activities	<u>4,991,665</u>	<u>4,663,329</u>	<u>9,654,994</u>	<u>138,878</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	50,259	(954,279)	(904,020)	-
Capital asset insurance recovery	-	17,029	17,029	-
Capital-related intergovernmental grants	-	37,738	37,738	-
Principal paid on capital debt	(848,844)	-	(848,844)	-
Interest paid on capital debt	(583,820)	-	(583,820)	-
Net cash flows provided (used) by capital and related financing activities	<u>(1,382,405)</u>	<u>(899,512)</u>	<u>(2,281,917)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	10,754	119,052	129,806	471,042
Net cash flows provided by investing activities	<u>10,754</u>	<u>119,052</u>	<u>129,806</u>	<u>471,042</u>
Net increase (decrease) in cash and investments	(591,856)	(267,600)	(859,456)	2,869,108
Cash and investments - beginning	8,880,798	4,070,700	12,951,498	9,972,537
Cash and investments - ending	<u>\$ 8,288,942</u>	<u>\$ 3,803,100</u>	<u>\$ 12,092,042</u>	<u>\$ 12,841,645</u>

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

Cash and investments	\$ 8,253,579	\$ 3,803,100	\$ 12,056,679	\$ 10,847,798
Restricted cash and investments	35,363	-	35,363	1,993,847
	<u>\$ 8,288,942</u>	<u>\$ 3,803,100</u>	<u>\$ 12,092,042</u>	<u>\$ 12,841,645</u>

(Continued)

**WALWORTH COUNTY, WISCONSIN**

STATEMENT OF CASH FLOWS (concluded)  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2007

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
<b>Reconciliation of operating (loss) to net cash (used) by operating activities:</b>				
Operating (loss)	\$ (3,901,996)	\$ (4,372,926)	\$ (8,274,922)	\$ (2,676,983)
Adjustments to reconcile operating loss to net cash provided (used) from operating activities				
Noncash items included in operating (loss)				
Depreciation	302,735	598,119	900,854	-
Change in assets and liabilities:				
Accounts receivable	89,724	(233,612)	(143,888)	77,605
Due from other funds	-	-	-	(16,151)
Due from other governments	(444,850)	(930,434)	(1,375,284)	-
Inventories	2,320	379,650	381,970	-
Prepaid items	-	(15,438)	(15,438)	(84,106)
Accounts payable	(55,745)	317,636	261,891	(51,377)
Accrued liabilities	15,193	19,997	35,190	-
Due to other funds	1,397	2,691	4,088	-
Deferred revenues	413	665	1,078	-
Claims payable	-	-	-	2,518,797
Compensated absences	(128,696)	95,477	(33,219)	-
Retiree health credits	-	-	-	896,673
Deposits	(12,339)	-	(12,339)	1,594,730
Other post employment benefits	(80,026)	(12,294)	(92,320)	-
Net cash (used) by operating activities	<u>\$ (4,211,870)</u>	<u>\$ (4,150,469)</u>	<u>\$ (8,362,339)</u>	<u>\$ 2,259,188</u>
<b>Noncash investing, capital, and financing activities:</b>				
Capital asset trade-ins	<u>\$ -</u>	<u>59,335</u>	<u>59,335</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, 2007

	Other Post Employment Benefits Trust Fund	Private Purpose Trusts	Agency Funds
<b>ASSETS</b>			
Cash and investments	\$ 1,806,101	\$ 40,444	\$ 1,268,083
Total assets	<u>1,806,101</u>	<u>40,444</u>	<u>1,268,083</u>
<b>LIABILITIES</b>			
Accounts payable	7,383	-	287,138
Due to other governments	-	-	17,753
Deposits	-	-	963,192
Total liabilities	<u>7,383</u>	<u>-</u>	<u>1,268,083</u>
<b>NET ASSETS</b>			
Held in trust for post employment benefits:			
Children with Disabilities Education Board	512,828	-	-
Public Works	105,551	-	-
Lakeland Health Care Center	259,907	-	-
Sworn	672,905	-	-
Other	247,527	-	-
Held in trust for private purposes	<u>-</u>	<u>40,444</u>	<u>-</u>
Total net assets	<u>\$ 1,798,718</u>	<u>\$ 40,444</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, 2007

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 1,994,858	\$ -
Investment earnings:		
Interest	-	1,951
Dividends	987	-
Total investment earnings	987	1,951
Total additions	1,995,845	1,951
<b>DEDUCTIONS</b>		
Benefits	190,066	-
Administrative expenses	7,061	-
Educational outreach	-	500
Total deductions	197,127	500
Change in net assets	1,798,718	1,451
Net assets - beginning	-	38,993
Net assets - ending	\$ 1,798,718	\$ 40,444

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

**WALWORTH COUNTY, WISCONSIN**  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2007

**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. The county board is governed by 11 supervisors beginning with the 2008 election. 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, 2007

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, 2007

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

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

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

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

4. Measurement Focus and Basis of Accounting (continued)

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.

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 \$510,586 for the Health and Human Services fund and \$104,500 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.

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, 2007

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, 2007 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 are recorded as expenditures when paid in the fund statements.

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 Activities	Business-Type 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

h. 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.

i. 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, 2007

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

j. 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.

k. 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.

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 on the statement of fiduciary 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, 2007

**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 \$98,071,269 difference are as follows:

Land	\$ 1,103,694
Construction in progress	14,308,081
Buildings	50,539,339
Improvements other than buildings	4,193,270
Machinery and equipment	19,553,367
Infrastructure	44,818,859
Less: accumulated depreciation	<u>(36,445,341)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 98,071,269</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 \$44,798,420 difference are as follows:

Bonds and notes payable	\$ 39,122,620
Debt premium	24,763
Issuance costs	(51,981)
Compensated absences	2,444,667
Other post employment benefits	2,763,667
Accrued interest on long-term obligations	<u>494,684</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 44,798,420</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 \$2,788,191 difference are as follows:

Deferred revenues (see note D.8 for detail)	\$ 1,106,587
Interest and penalties for delinquent taxes	1,005,921
Court assessments	<u>675,683</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 2,788,191</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 \$12,763,281 difference are as follows:

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

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	\$ 16,537,505
Depreciation expense	(3,774,224)
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>	\$ 12,763,281

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 \$2,764,606 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.	\$ 1,525,895
Elimination of proceeds received from the sale of assets and insurance recoveries.	108,700
Transfer of capital assets from proprietary funds.	(101,133)
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.	1,231,144
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>	\$ 2,764,606

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 \$163,534 difference are as follows:

Deferred revenues	\$ (34,468)
Interest and penalties for delinquent taxes	122,438
Court assessments	75,564
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>	\$ 163,534

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 \$3,680,064 difference are as follows:

Debt issued or incurred	
Issuance of general obligation notes	\$ 9,900,000
Principal repayments	
General obligation debt	(6,126,156)
Debt premium	53,022
Issuance costs	40,758
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>	\$ 3,680,064

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 \$668,241 difference are as follows:

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

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	\$ 974,468
Post employment benefits	(220,633)
Accrued interest	(85,594)
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>	\$ 668,241

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

Beginning with the 2007 financial statements, the Capital Projects fund is considered a multi-year fund. The original budget reflects the original budget since the inception of each individual project. For December 31, 2007, only one new project was added and therefore the original budget only accounts for this project. Revised budget reflects remaining budget on all open projects and actuals appropriately reflect only 2007 related activity.

- c. During the year, formal budgetary integration is employed as a management control device for the general, special revenue, and debt service funds, with the exception of the Sheriff Trusts special revenue fund.
- 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 2007 are as follows:

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

1. Budgets and Budgetary Accounting (continued)

<b>Department/Fund</b>	<b>Adopted Budget</b>	<b>Modified Budget</b>	<b>Increase/(Decrease)</b>
County board	\$ 319,280	\$ 290,612	\$ (28,668)
County clerk	335,825	336,362	537
Elections	79,174	83,774	4,600
Administration	1,689,222	1,673,963	(15,259)
Finance	1,458,567	1,455,621	(2,946)
Treasurer	410,011	435,813	25,802
Coroner	340,715	343,531	2,816
Clerk of courts	2,802,420	2,845,771	43,351
District attorney	884,825	897,828	13,003
Register of deeds	592,177	609,272	17,095
Information systems	1,788,440	2,086,664	298,224
Central services	656,274	859,122	796,691
Non-departmental	5,024,668	4,119,968	(904,700)
Sheriff	22,758,432	23,566,829	808,397
Veterans services	167,552	168,792	1,240
UW extension	408,728	412,926	4,198
Parks	87,720	176,462	88,742
Land use & resource management	2,176,613	2,202,833	26,220
Total General fund	41,980,643	42,566,143	1,179,343
Health and Human Services fund	31,836,208	34,244,186	2,407,978
Children with Disabilities Education			
Board fund	15,399,796	16,765,268	1,365,472
Debt Service fund	8,895,781	8,981,929	86,148
Land Information fund	416,630	438,880	22,250

Encumbrance accounting is employed in the governmental fund statements. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

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, 2007.

The county maintains the expenditure budget at a department level for budgeted accounts of the general, debt service, and special revenue funds with the exception of the Sheriff Trusts fund. At December 31, 2007, no department's actual expenditures exceeded total budgeted appropriations.

3. Deficit Fund Equity

The Capital Projects fund had a deficit fund balance of \$747,007 as of December 31, 2007. The fund incurred expenditures ahead of anticipated schedule for the new school building. The General fund advanced funds of \$4.5 million to cover costs incurred until the debt proceeds of \$8.6 million were received in January 2008.

**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."

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

1. Cash and Investments (continued)

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 \$61,662,893 on December 31, 2007 as summarized below:

Petty cash funds	\$5,675
Demand deposits	1,713,386
Certificate of deposits	2,700,000
Deposits with fiscal agents	430,847
Wisconsin Municipal Mutual Insurance Company (WMMIC) Deposit	1,563,000
Investments	55,249,985
	\$61,662,893

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 55,988,942
Restricted cash and investments	2,559,323
Fiduciary funds	
Other post employment benefits fund	1,806,101
Private purpose trust funds	40,444
Agency funds	1,268,083
	\$61,662,893

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 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, 2007, \$943,465 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).

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

1. Cash and Investments (continued)

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	\$ 3,025,549	\$3,025,549	\$ -	\$ -	\$ -
Federal agency securities	3,995,404	7,326	3,988,078	-	-
Wisconsin local government investment pool	39,033,880	-	-	-	39,033,880
JP Morgan US Treasury Plus	7,389,051	-	7,389,051	-	-
Dreyfus Treasury Cash Management	1,806,101	-	1,806,101	-	-
	<u>\$ 55,249,985</u>	<u>\$3,032,875</u>	<u>\$ 13,183,230</u>	<u>\$ -</u>	<u>\$39,033,880</u>

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. At year end, the County did not have investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total County investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County's investment policy limits security purchases to securities that mature or may be tendered for purchase at the option of the holder for a term not to exceed five years from the date the security is acquired.

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	\$ 3,025,549	\$ -	\$3,025,549	\$ -	\$ -
Federal agency securities	3,995,404	3,988,078	-	-	7,326
Wisconsin local government investment pool	39,033,880	39,033,880	-	-	-
JP Morgan US Treasury Plus	7,389,051	7,389,051	-	-	-
Dreyfus Treasury Cash Management	1,806,101	1,806,101	-	-	-
Totals	<u>\$55,249,985</u>	<u>\$52,217,110</u>	<u>\$3,025,549</u>	<u>\$ -</u>	<u>\$ 7,326</u>

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	\$ 2,700,000	\$ -	\$ -	\$ -
Totals	<u>\$ 2,700,000</u>	<u>\$ 2,700,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

1. Cash and Investments (continued)

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, 2007 is \$3,995,404.

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$39,033,880 at year end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2007, 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.

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 \$54,753,860 is for financing 2008 operations and will be transferred in 2008 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 County Board for write-off approval.

On December 31, 2007, the General fund showed an investment of \$4,059,385 in delinquent taxes as follows:

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

3. Delinquent Property Taxes - General Fund (continued)

Tax certificates	\$ 4,046,788
Tax deeds	8,301
Personal property taxes	4,296
<b>Total</b>	<b><u>\$ 4,059,385</u></b>

An aging of the total delinquent taxes of \$4,059,385 on December 31, 2007 follows:

<u>Year Acquired</u>	<u>Total</u>	<u>Tax Certificates</u>	<u>Tax Deeds</u>	<u>Personal Property Taxes</u>
Prior to 2001	\$11,316	\$ 8,036	\$ 3,280	\$ -
2001	26,424	24,812	1,612	-
2002	37,961	37,961	-	-
2003	55,918	55,918	-	-
2004	224,528	224,528	-	-
2005	942,261	937,965	-	4,296
2006	2,760,977	2,757,568	3,409	-
	<b><u>\$ 4,059,385</u></b>	<b><u>\$ 4,046,788</u></b>	<b><u>\$ 8,301</u></b>	<b><u>\$ 4,296</u></b>

Of the total of \$4,046,788 for delinquent real estate taxes, the County collected \$568,914 within 60 days after December 31, 2007. The remaining unpaid balance of \$3,477,874 is reported as reserved fund balance for the General fund for the county purchased portion of \$2,693,925, and reported as a deferred revenue for the county levied portion of \$783,949.

4. Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,103,694	\$ -	\$ -	\$ 1,103,694
Construction in progress	4,585,510	12,880,006	3,157,435	14,308,081
Total capital assets, not being depreciated	<u>5,689,204</u>	<u>12,880,006</u>	<u>3,157,435</u>	<u>15,411,775</u>
Capital assets, being depreciated:				
Buildings	50,489,468	49,871	-	50,539,339
Improvements other than buildings	4,193,270	-	-	4,193,270
Machinery and equipment	19,246,076	1,769,374	1,462,083	19,553,367
Infrastructure – roads	39,949,240	3,353,526	2,608,340	40,694,426
Infrastructure – bridges	4,124,433	-	-	4,124,433
Subtotals	<u>118,002,487</u>	<u>5,172,771</u>	<u>4,070,423</u>	<u>119,104,835</u>
Less accumulated depreciation for:				
Buildings	8,627,832	1,015,516	-	9,643,348
Improvements other than buildings	1,418,332	145,997	-	1,564,329
Machinery and equipment	7,291,825	1,340,145	1,286,765	7,345,205
Infrastructure – roads	16,931,127	1,205,100	1,661,216	16,475,011
Infrastructure – bridges	1,349,982	67,466	-	1,417,448
Subtotals	<u>35,619,098</u>	<u>3,774,224</u>	<u>2,947,981</u>	<u>36,445,341</u>
Total capital assets, being depreciated, net	<u>82,383,389</u>	<u>1,398,547</u>	<u>1,122,442</u>	<u>82,659,494</u>
Governmental activities capital assets, net	<b><u>\$ 88,072,593</u></b>	<b><u>\$ 14,278,553</u></b>	<b><u>\$ 4,279,877</u></b>	<b><u>\$ 98,071,269</u></b>

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

4. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 98,486	\$ -	\$ -	\$ 98,486
Construction in progress	369,477	39,645	333,695	75,427
Total capital assets, not being depreciated	<u>467,963</u>	<u>39,645</u>	<u>333,695</u>	<u>173,913</u>
Capital assets, being depreciated:				
Buildings	17,653,614	31,152	199,495	17,485,271
Improvements other than buildings	143,872	78,762	6,098	216,536
Machinery and equipment	9,787,917	1,233,870	375,201	10,646,586
Subtotals	<u>27,585,403</u>	<u>1,343,784</u>	<u>580,794</u>	<u>28,348,393</u>
Less accumulated depreciation for:				
Buildings	1,618,442	338,267	98,362	1,858,347
Improvements other than buildings	106,915	5,617	6,098	106,434
Machinery and equipment	6,219,505	580,339	352,705	6,447,139
Subtotals	<u>7,944,862</u>	<u>924,223</u>	<u>457,165</u>	<u>8,411,920</u>
Total capital assets, being depreciated, net	<u>19,640,541</u>	<u>419,561</u>	<u>123,629</u>	<u>19,936,473</u>
Business-type activities capital assets, net	<u>\$ 20,108,504</u>	<u>\$ 459,206</u>	<u>\$ 457,324</u>	<u>\$ 20,110,386</u>

In 2007, \$1,231,144 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 \$101,133 was transferred back to the governmental funds from the Lakeland Health Care Center fund as final payment was less than anticipated. The construction in progress deletions were capitalized as depreciable assets totaling \$2,645,282 except for \$35,064 recorded as a loss due to capitalization policies and \$477,089 recorded as part of a \$1,325,450 jurisdictional transfer to local municipalities for portions of County Highway H.

The governmental funds report internal reclassifications of capital assets in the amount of \$5,896, due to a transfer between governmental departments. One fully depreciated equipment transfer from the governmental funds to the enterprise Public Works fund occurred in the amount of \$18,596.

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

**Governmental activities**

General government	\$ 1,037,520
Public safety	981,905
Health and human services	147,782
Culture, recreation and education	60,039
Public works	1,272,566
Conservation and development	274,412
Total depreciation expense – governmental activities	<u>\$ 3,774,224</u>

**Business-type activities**

Nursing home	\$302,736
Highway/facilities administration	598,119
Total depreciation expense – business-type activities	<u>\$ 895,839</u>

Depreciation expense does not agree to the increases in accumulated depreciation for business-type activities due to the transfer of an existing depreciated asset from the Governmental activities to the Business-type activities and an adjustment to reconcile general ledger to capital asset records.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

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, 2007 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal service funds	General fund	\$ 15,335
	Health and Human Services	4,106
	Children with Disabilities Education Board	3,348
	Lakeland Health Care Center	9,670
	Public Works	4,694
	Land Information	6
Subtotal – Fund financial statements		<u>37,159</u>
Less: Fund eliminations		(22,795)
Add: interfund receivables created with internal service fund eliminations		385,174
Total Internal balances – government-wide statement of net assets		<u>\$ 399,538</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	
Governmental Activities	Business-type Activities	\$ 119,391
Business-type Activities	Governmental Activities	280,147
		<u>\$ 399,538</u>

The Employee Benefits and 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 and Insurance funds.

An advance from the General fund to the Capital Projects fund has been made in the amount of \$4,554,164 for amounts related to working capital loans for the building of the new school facility. The advance was repaid upon the receipt of 2008 bond proceeds received in January, 2008. An advance from the General fund to the Children with Disabilities Education Board fund for the building of the new school facility was made in the amount of \$1,000,000. The payment terms are to be established upon completion of the construction project, expected in 2008. For 2007, this reflects a temporary budgeted deficit fund balance. For the government-wide statement of net assets, these advances are netted and eliminated.

Interfund transfers for the year ended December 31, 2007 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General fund	Health and Human Services	\$ 1,222,689
	Capital Projects	899,615
	Nonmajor Governmental funds	418,991
	Public Works	70,232
Health and Human Services	General fund	154,145
	Public Works	2,500
Children with Disabilities Education Board	General fund	474,044
	Capital Projects	683
Capital Projects	General fund	39,077
	Children with Disabilities Education Board	1,025,502
Debt Service	General fund	1,020,000
Nonmajor Governmental funds	General fund	522
	Nonmajor Governmental funds	7,664
Lakeland Health Care Center	General fund	20,384
	Debt Service	1,432,664
Public Works	General fund	11,071
	Subtotal transfers in– Fund financial statements	<u>\$ 6,799,783</u>

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

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

Subtotal transfers in – Fund financial statements	\$ 6,799,783
Less: Fund eliminations	(5,335,664)
Less: Transfer out from business type funds	(101,133)
Less: Government-wide eliminations	(72,732)
Total transfers – Government-wide statement of activities	\$ 1,290,254

<u>Transfers To</u>	<u>Transfers From</u>	
Governmental Activities	Business-type Activities	\$ 1,464,119
Business-type Activities	Governmental Activities	(173,865)
Total transfers – Government-wide statement of activities		\$ 1,290,254

County transfers are used to 1) move revenues from the fund that collects them to the fund that the budget requires to expend them, 2) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, 3) to close out completed projects and 4) move excess/shortage prior year undesignated fund balance between General fund and lapsing funds. In the fund financial statements, operating purposes account for \$2,043,271, and capital-related one-time use of equity projects account for \$1,397,355. Closing projects and lapsing funds account for \$3,359,157 returned to the General fund.

Transfers in do not balance to transfers out in the fund statements. During the year a transfer of \$101,133 for the prior year building capital asset related to Lakeland Health Care Center was returned to the governmental funds. 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 transfer out for the capital resources returned. The government-wide statements reflect this transfer in amount for the governmental activities.

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	\$ 459,386
Children with Disabilities Education Board	School/Student Deposits	70,727
Lakeland Health Care Center	Patient Deposits	35,363
Employee Benefits and Insurance	Held by Fiscal Agent	35,000
Risk Management	Held by Fiscal Agent	395,847
Risk Management	Held with WMMIC	1,563,000
Total Restricted Asset		\$ 2,559,323

7. Leases

Capital Leases

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

Operating Leases

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.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

7. Leases (continued)

Operating Leases (continued)

Lessor

Remaining annual required future lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
2008	\$ 10,200
2009	10,200
2010	10,200
2011	2,550
Total	\$ 33,150

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	\$ -	\$ 20,856,030
Health and Human Services	-	11,261,639
Children with Disabilities Education Board	-	8,908,379
Debt Service	-	6,714,271
Nonmajor Governmental funds	-	160,613
Delinquent real estate taxes – County share	783,949	-
Long-term receivable	282,771	-
Grant draw downs not received meeting all eligibility requirements	39,867	-
Grant draw downs prior to meeting all eligibility requirements	-	94,556
Donations expected not yet meeting all eligibility requirements	-	257,403
Totals	\$1,106,587	\$48,252,891

10. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2007:

	Outstanding 1/1/07 (restated)	Issued	Retired	Outstanding 12/31/07	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt					
Bonds	\$ 2,970,000	\$ 8,500,000	\$ 745,000	\$ 10,725,000	\$ 745,000
Notes	32,378,776	1,400,000	5,381,156	28,397,620	8,658,810
Unamortized debt premium	77,785	(42,348)	10,674	24,763	9,616
Total general obligation debt	35,426,561	9,857,652	6,136,830	39,147,383	9,413,426
Termination Benefits	-	28,090	-	28,090	14,190
Other post employment benefits	2,543,034	1,847,409	1,626,776	2,763,667	2,763,667
Compensated absences	3,419,135	2,575,393	3,549,861	2,444,667	1,891,880
Governmental activities long-term liabilities	\$ 41,388,730	\$14,308,544	\$11,313,467	\$ 44,383,807	\$14,083,163

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

10. Long-term Obligations (continued)

	Outstanding 1/1/07 (restated)	Issued	Retired	Outstanding 12/31/07	Due Within One Year
<b>Business-type activities:</b>					
General obligation notes	\$ 13,391,224	\$ -	\$ 848,844	\$ 12,542,380	\$ 1,286,190
Unamortized debt discount	(16,275)	-	(1,819)	(14,456)	(1,819)
Total general obligation debt	13,374,949	-	847,025	12,527,924	1,284,371
Other post employment benefits	409,872	275,762	368,082	317,552	317,552
Compensated absences	1,231,233	1,072,315	1,105,534	1,198,014	902,647
Business-type activities long-term liabilities	\$15,016,054	\$ 1,348,077	\$ 2,320,641	\$ 14,043,490	\$ 2,504,570

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 \$1,915,277.

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%;	\$ 2,225,000
\$8,500,000 issued 8/1/07; \$315,000 to 675,000 due annually through 2027; interest 4.00% to 4.20%	8,500,000

**Notes**

\$7,291,000 issued 7/15/00; \$666,000 to \$1,725,000 due annually through 2010; interest 5.25% to 5.50%	4,625,000
\$8,200,000 issued 2/1/01; \$50,000 to \$2,350,000 due annually through 2011; interest 4.30% to 4.875%	4,375,000
\$7,320,000 issued 7/1/02; \$155,000 to \$1,085,000 due annually through 2012; interest 3.00% to 4.10%	5,115,000
\$9,205,000 issued 11/1/03; \$570,000 to \$1,250,000 due annually through 2012; interest 1.00% to 3.40%	5,635,000
\$6,070,000 issued 9/1/04; \$500,000 to \$725,000 due annually through 2014; interest 3.00% to 3.55%	4,495,000
\$9,800,000 issued 8/1/05; \$785,000 to \$1,155,000 due annually through 2015; interest 3.38% to 3.50%	8,145,000
\$7,350,000 issued 4/1/06; \$200,000 to \$925,000 due annually through 2016; interest 3.75% to 3.80%	7,150,000
\$1,400,000 issued 8/1/07; \$30,000 to \$200,000 due annually through 2017; interest 4.00% to 4.15%	1,400,000

Total Outstanding General Obligation Debt

\$ 51,665,000

Annual principal and interest maturities of the outstanding general obligation debt of \$51,665,000 on December 31, 2007 are detailed as follows:

Year Ended December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2008	\$ 9,403,809	\$ 1,538,626	\$ 1,286,190	\$ 425,961
2009	4,209,898	1,083,898	1,335,102	379,465
2010	4,019,864	929,374	1,380,136	331,302
2011	5,446,599	727,534	1,433,401	281,392
2012	3,753,333	549,783	1,486,667	229,584
2013-2017	6,744,117	1,600,785	5,620,884	371,876
2018-2022	2,460,000	910,839	-	-
2023-2027	3,085,000	335,895	-	-
	\$ 39,122,620	\$ 7,676,734	12,542,380	\$ 2,019,581

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

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, 2007 was \$678,749,507 as follows:

Equalized valuation of the County		\$ 14,599,872,200
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		729,993,610
Total outstanding general obligation debt applicable to debt limitation	\$ 51,665,000	
Add: General obligation debt approved and not yet issued	8,600,000	
Less: Amounts available for financing general obligation debt Debt Service fund	(420,897)	
Net outstanding general obligation debt applicable to debt limitation		59,844,103
Legal Margin for New Debt		\$ 670,149,507

11. Other Postemployment Benefits

In April 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 43 – *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans*. This statement establishes uniform standards of financial reporting by state and local governmental entities for other post employment benefit plans.

In June 2004, the GASB issued Statement No. 45 – *Accounting and Financial Reporting by Employers for PostEmployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and required supplementary information (RSI) in the financial reports of state and local governmental employers.

The County made the decision to implement these standards effective January 1, 2007.

County-wide Plan Description

Walworth County provides post employment health care benefits in accordance with collective bargaining agreements and the County's ordinance code. The County provides other post employment benefits (OPEB) by offering health insurance to retired employees. This liability encompasses the County's share of the costs associated with the Sheriff Deputies Sworn personnel and the Lakeland Education Association personnel who receive unique OPEB benefits as described below in addition to the benefits offered to all County employees. The County offers employees retiring with the County to continue to purchase health insurance through the County's self-insured Employee Benefits and Insurance fund. The retirees pay monthly premiums for this service equal to employee premiums for single or family coverage and at a reduced rate once reaching Medicare eligible age. The County incurs a liability for these benefits offered as the cost of claims is greater than the cost of monthly premiums received. This benefit is only available to those employees hired before the contract dates listed below.

<u>Contract/Bargaining Unit</u>	<u>Hired Before</u>
Deputy Sheriffs' Association	01/01/2005
Association of Human Services Professionals	11/12/2005
Non-represented Employees	12/01/2005
AFSCME Local 1925C – Health and Human Services Employees	12/03/2005
AFSCME Local 1925 – Highway Employees	12/21/2005
AFSCME Local 1925A – Nonclerical Lakeland Health Care Center Employees	12/23/2005
AFSCME Local 1925B – Courthouse Employees	12/23/2005
Lakeland Education Association	12/01/2006

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

11. Other Postemployment Benefits (continued)

Sick Leave/Health Credit Benefit

In addition to the County benefit to purchase health insurance at the full cost, employees hired prior to the dates above who at termination apply for an immediate retirement annuity from the Wisconsin Retirement System, or have reached the age of 50 or older and have a minimum of 20 years of service with Walworth County, to have their sick leave balance converted at 60% of their basic pay rate at the time of retirement to pay for county health insurance until the credits are exhausted. Currently, 51 retirees meet the eligibility requirements for this benefit. During 2007, approximately \$183,840 of expenditures were recognized for post employment health care benefits from these sick leave insurance credits. The OPEB calculation includes these benefits.

Lakeland Education Association Retirement OPEB Plan Description

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. At December 31, 2007, 10 retirees were eligible to receive future benefits. This benefit was terminated with the 2005 contract for all employees hired after ratification on December 1, 2006. The 2005-2007 letter of agreement includes early retirement health insurance incentives in effect for that contract year for employees at the end of the 2016 school year age 55 or older with at least 15 continuous years of service. The OPEB calculation includes these benefits. The valuation excludes 11 school employees whose positions will be eliminated in the next 2 years.

Deputies Sworn Retirement OPEB Plan Description

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, 2007, 21 retirees were eligible to receive future benefits. This benefit was terminated with the 2005 contract for all employees hired after January 1, 2005. The OPEB calculation includes these benefits.

Funding Policy

On September 7, 2006, the County elected to amortize their postemployment health benefits over a 30-year period such that this benefit will be fully amortized by December 31, 2034. On December 26, 2007, the County obtained an outside investment trust company to hold the funds on behalf of the County. Withdrawals may only be made to the County for the purpose of funding current retirees retirement OPEB related health insurance costs. As of December 31, 2007, the County's investment held in trust was \$1,806,101, of which \$987 was due to interest earned since inception of the trust.

Annual OPEB Cost

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The remaining amortization period at December 31, 2007 is twenty-seven years.

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

11. Other Postemployment Benefits (continued)  
Annual OPEB Cost (continued)

Annual required contribution	\$ 1,927,030
Contributions made	(1,798,718)
Increase in net OPEB obligation	<u>128,312</u>
Net OPEB obligation – beginning of year	<u>2,952,907</u>
Net OPEB obligation – end of year	<u>\$ 3,081,219</u>
Governmental Activities Net OPEB obligation	\$ 2,763,667
Business-type Activities Net OPEB obligation	317,552
	<u>\$ 3,081,219</u>

The County reports its OPEB cost in 5 separate reserves accounts; Children with Disabilities Education Board (CDEB) reserve, public works reserve (PW), Lakeland Health Care Center (LHCC) reserve, sworn deputies reserve, and all other county departments reserve. The government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007 and the two preceding years were as follows for each individual reserve account.

<u>Reserve Account</u>	<u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
CDEB	2005	\$ 277,596	0%	\$ 277,596
	2006	279,855	0%	557,451
	2007	363,785	141%	408,408
Public Works	2005	70,630	0%	70,630
	2006	71,204	0%	141,834
	2007	92,560	115%	128,843
LHCC	2005	137,263	0%	137,263
	2006	138,380	0%	275,643
	2007	179,881	145%	195,617
Sworn Deputies	2005	635,278	0%	635,278
	2006	640,447	0%	1,275,726
	2007	832,523	30%	1,860,722
Other Departments	2005	349,704	0%	349,704
	2006	352,549	0%	702,253
	2007	458,281	147%	487,629
Total County	2005	1,470,471	0%	1,470,471
	2006	1,482,435	0%	2,952,907
	2007	1,927,030	93%	3,081,219

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

11. Other Postemployment Benefits (continued)

Funded Status and Funding Progress.

The funded status of the plan as of January 1, 2007 was as follows:

	<u>CDEB</u>	<u>PW</u>	<u>LHCC</u>	<u>Sworn</u>	<u>Other</u>	<u>Total</u>
Actuarial accrued liability (AAL)	\$3,707,065	\$841,224	\$2,102,687	\$8,422,219	\$4,314,478	\$19,387,673
Actuarial value of plan assets	\$512,828	\$105,551	\$259,907	\$247,527	\$672,905	\$1,798,718
Unfunded actuarial accrued liability (UAAL)	\$3,194,237	\$735,673	\$1,842,780	\$8,174,692	\$3,641,573	\$17,588,955
Funded ratio (actuarial value of plan assets/AAL)	14%	13%	12%	3%	16%	9%
Covered payroll	\$6,869,562	\$3,469,130	\$5,580,657	\$5,295,725	\$18,035,203	\$39,250,277
UAAL as a percentage of covered payroll	46%	21%	33%	154%	20%	45%

Actuarial Methods and Assumptions

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

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

In the January 1, 2008 actuarial valuation the projected unit credit actuarial cost method is used to establish the December 31, 2007 liability. The actuarial assumptions include a 4.5 percent investment rate of return based on the rate return on A rated municipal bonds with maturities of 30 years, as no history yet exists to determine an actual historical rate of return. An annual healthcare cost trend rate of 12.5 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after 10 years. A three percent salary inflation assumption is also used. The "*Wisconsin Retirement System 2003 – 2005 Experience Study*" was used to determine mortality, disability and turnover rates. Retirement rates, benefit selections, and participation of employees and spousal coverage have been developed based on County experience. 2008 monthly premiums were used and converted to age-specific charges using Actuarial & Health Care Solutions, LLC rating model factors to create the annual benefit costs for retirees. Administrative costs were included in benefit costs. The unfunded actuarial accrued liability is being amortized using a level percent of payroll method.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

12. Net Assets/Fund Balances

Net assets of the governmental activities reported on the government-wide statement of net assets at December 31, 2007 include the following:

Invested in capital assets, net of related debt	
Land	\$ 1,103,694
Construction in progress	14,308,081
Buildings, net of accumulated depreciation	40,895,991
Improvements other than buildings, net of accumulated depreciation	2,628,941
Machinery and equipment, net of accumulated depreciation	12,208,162
Infrastructure, net of accumulated depreciation	26,926,400
Subtotal	98,071,269
Less: related long-term debt outstanding (net of unspent capital related debt proceeds of \$444,840 and debt premium \$24,763)	(38,653,015)
Total Invested in Capital Assets, Net of Related Debt	59,418,254
Restricted	
Alpine Valley surplus	101,800
Land modernization fees	380,059
Non-metallic mining fees	25,612
Park donations	1,822
Public access fees	191,793
Sheriff donations	60,832
Sheriff trusts	695,190
School donations	82,436
Deposit with Wisconsin Municipal Mutual Insurance Company (WMMIC)	1,563,000
Total Restricted	3,102,544
Unrestricted	31,835,196
 Total Governmental Activities Net Assets	 \$94,355,994

The detail of the fund balance reserves and designations can be found in the fund statements.

13. Restatement of Net Assets

Net assets are restated due to debt incurred related to the construction of the Lakeland Health Care Center completed and transferred to the fund in 2006. The debt related to this project should have been transferred to accurately reflect the outstanding liability associated with this project.

The county began recording other post employment benefits liability (OPEB) in 2007, however, county policy states that the amortization of this liability shall begin in 2005. The county is therefore retroactively reporting and restating the liability for other post employment benefits.

Fund statements

Lakeland Health Care Center

Net Assets – December 31, 2006 (as reported)	\$ 23,114,410
Less: Debt payable (net of issuance costs and debt discount)	(13,326,618)
Less: Accrued interest payable	(239,913)
Less: Other post employment benefits	(275,643)
Net Assets – January 1, 2007 (as restated)	\$ 9,272,236

Public Works

Net Assets – December 31, 2006 (as reported)	\$ 10,174,223
Less: Other post employment benefits	(134,229)
Net Assets – January 1, 2007 (as restated)	\$ 10,039,994

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

13. Restatement of Net Assets (continued)

Government-wide statements

Governmental Activities

Net Assets – December 31, 2006 (as reported)	\$ 77,185,351
Add: Debt payable (net of issuance costs and debt discount)	13,326,618
Add: Accrued interest payable	239,913
Less: Other post employment benefits (net of 2006 retiree payable)	<u>(886,708)</u>
Net Assets – January 1, 2007 (as restated)	<u>\$ 89,865,174</u>

Business Type Activities

Net Assets – December 31, 2006 (as reported)	\$ 33,296,750
Less: Debt payable (net of issuance costs and debt discount)	(13,326,618)
Less: Accrued interest payable	(239,913)
Less: Other post employment benefits	<u>(409,872)</u>
Net Assets – January 1, 2007 (as restated)	<u>\$ 19,320,347</u>

**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 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% 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, 2007 was \$38,029,029; the employer's total payroll was \$39,290,722. The total required contribution for the year ended December 31, 2007 was \$4,313,715 or 11.3% of covered payroll financed by the County. Total contributions for the years ending December 31, 2006 and 2005 were \$4,180,258 and \$4,072,706 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.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

2. Termination Benefits

One administration employee accepted an early retirement benefit to retire during 2007. The health insurance liability was recorded in the General fund. At December 31, 2007, the liability is \$28,090. The benefit will continue until October, 2009.

The Deputy Sheriff Association and Lakeland Education Association contracts include early retirement incentives which are accounted for under the Other Post Employment Benefits Liability.

3. 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, administrative costs of the program and establish a claims reserve. 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>
2005	\$ 556,385
2006	800,056
2007	468,958
Total	<u>\$ 1,825,399</u>

The County has recognized \$3,739,425 of claims liabilities in the employee benefits insurance fund at December 31, 2007. This liability amount was determined from reviewing the 2007 claim settlements recorded during the first three months of 2007 and extrapolating forward. The calculation of the claims liability is below:

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	<u>(17,400,947)</u>
January 1, 2007 claims liabilities	2,718,241
2007 claims incurred during the period	20,369,642
2007 discounts, rebates, and refunds	(481,896)
2007 change in estimates of prior years	43,844
2007 claims payments	<u>(18,910,406)</u>
Unpaid claims – end of year	<u>\$ 3,739,425</u>

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

3. Risk Management (continued)

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. Summary financial information of WCMIC as of December 31, 2007 can be obtained directly from WCMIC's offices.

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 that will then be replenished in the following year. The known claims liability of \$1,716,093 reported in the fund at December 31, 2007 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. Beginning with 2007, the total liability includes the actuarial determined incurred but not reported (IBNR) claims. The County's objective is to provide a reserve confidence level between 75% and 95% for liability claims as a reflection of the County's risk tolerance. At December 31, 2007, the County's liability claims reserve is recorded at a 95% confidence level. Changes in the fund's claim liability amount for 2007 and 2006 follow:

January 1, 2006 claims liabilities	\$	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
2007 claims incurred during the period		138,894
2007 change in estimates of prior years		1,581,287
2007 claims payments		(222,568)
Unpaid claims – December 31, 2007		\$ 1,716,093

Investment in Wisconsin Municipal Mutual Insurance Company

In 2007 the County became a member with certain other units of government within the State of Wisconsin, of the Wisconsin Municipal Mutual Insurance Company (WMMIC), a non-assessable mutual company which provides liability insurance and risk management services to its members. The County's coverage will begin as of January 1, 2008. The scope of insurance protection provided by WMMIC is broad, covering automobile liability, general liability, law enforcement liability, public official's errors and omissions, civil rights, incidental medical malpractice, personal injury, equal rights, and Americans with Disabilities Act at policy limits of \$5,000,000 per occurrence with a \$10,000,000 aggregate for general and automobile liability claims and a \$15,000,000 aggregate for errors or omissions claims. At this time, settled claims have not exceeded the commercial coverage in any of the past three years. WMMIC's exposure in its layer of insurance is limited to \$1,000,000 per occurrence in that the company purchases \$4,000,000 per occurrence in reinsurance for losses in excess of its retained layer of coverage.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2007

3. Risk Management (continued)

Investment in Wisconsin Municipal Mutual Insurance Company (continued)

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

The County's investment in WMMIC is reported on the Risk Management fund balance sheet as a deposit. The amount reported is the original capitalization of \$1,563,000. According to its bylaws, WMMIC allocates equity to members based on the percentage of participation. GASB pronouncements do not allow the current value of the County's account at WMMIC to be recorded as an asset. However, the amount is currently valued the same as the original investment. A list of other members and their share of participation is in the WMMIC report. Separate financial statements can be obtained from WMMIC at their address of 4785 Hayes Road, Madison, Wisconsin, 53704.

Commercial Insurance

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

4. 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 becomes party to claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position.

c. The County has approved several capital projects to be completed over the next couple 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.

	<u>Estimated Costs</u>	<u>Expended thru Dec. 31, 2007</u>
County road construction (open projects)	\$ 1,552,622	\$ 1,107,782
Lakeland School (new building)	18,136,682	12,359,210

d. At December 31, 2007, the County's governmental funds had commitments under various service agreements which provide for payments in the amount of \$3,047,734. The service agreement payments are subject to adjustment resulting from changes in cost of living and other factors.

e. Children with Disabilities Education Board Transfer Agreement

The County has entered an agreement with the school districts to transfer teaching and student aide duties provided at the school district sites previously provided by County personnel to the individual school districts. This agreement will transfer these duties over a 10-year period ending in 2016. The Lakeland Education Association teachers union contract includes a letter of agreement for early retirement health insurance incentives and involuntary layoff termination benefits for eligible

**WALWORTH COUNTY, WISCONSIN**  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2007

4. Contingencies and Commitments (continued)

e. Children with Disabilities Education Board Transfer Agreement

employees at the time of termination. At this time, the County does not have any liabilities associated with this transfer of duties. The early health insurance incentives expected are accounted for within the other post employment benefits described in Note D.11.

f. 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 for 2007 tax levy collected in 2008 to the greater of 3.86% plus terminated TID applied to the 2006 levy (.017%) or the percentage of change in equalized value due to net new construction (3.486%) plus terminated TID applied to the 2006 levy (.017%). The limit for the County for the 2008 budget was 3.877%. The levy limit is applied to both operations and debt service. However, the Act allows the limit to exclude increases in debt service, library aid, bridge aid, and the County's Children with Disabilities Education Board.

5. 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").

On April, 14, 2008, an appeal filed by DRW of the decision with the 7<sup>th</sup> Circuit Court of Appeals has been denied on the grounds DRW lacked standing to bring the suit.

General Obligation Refunding Bonds Issuance

The County issued \$3,305,000 of general obligation bonds for a current refunding on January 4, 2008 at an interest rate of 3.50%. Proceeds and interest earned were used to refund 2000 general obligation bonds called in the amount of \$3,325,000 with an interest rate of 5.50% on April 1, 2008. This results in interest earned of \$28,689 on invested proceeds and a savings of \$103,059 in future debt service payments and related costs over the next 2 years.

General Obligation School Building Bonds Issuance

The County issued \$8,600,000 of general obligation school building bonds on January 18, 2008 at an average interest rate of 3.79%. Proceeds will be used to fund the construction of the new school building.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



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## WALWORTH COUNTY, WISCONSIN

### REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE OF FUNDING PROGRESS

<u>Reserve</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) ** (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
<b>Children with Disabilities</b>							
Education Board	12/31/2005	-	2,654,009	2,654,009	0%	6,895,059	38%
	12/31/2006*	-	2,771,935	2,771,935	0%	7,159,787	39%
	12/31/2007	512,828	3,707,065	3,194,237	14%	6,869,562	46%
<b>Public Works</b>							
	12/31/2005	-	602,260	602,260	0%	2,670,419	23%
	12/31/2006*	-	640,397	640,397	0%	2,714,602	24%
	12/31/2007	105,551	841,224	735,673	13%	3,469,130	21%
<b>Lakeland Health Care Center</b>							
	12/31/2005	-	1,505,382	1,505,382	0%	6,186,335	24%
	12/31/2006*	-	1,461,356	1,461,356	0%	5,854,003	25%
	12/31/2007	259,907	2,102,687	1,842,780	12%	5,580,657	33%
<b>Deputies-Sworn</b>							
	12/31/2005	-	6,029,742	6,029,742	0%	5,046,676	119%
	12/31/2006*	-	6,370,414	6,370,414	0%	5,167,685	123%
	12/31/2007	247,527	8,422,219	8,174,692	3%	5,295,725	154%
<b>Other County Departments</b>							
	12/31/2005	-	3,088,876	3,088,876	0%	18,044,695	17%
	12/31/2006*	-	3,093,446	3,093,446	0%	18,004,905	17%
	12/31/2007	672,905	4,314,478	3,641,573	16%	18,035,203	20%
<b>Total County</b>							
	12/31/2005	-	13,880,269	13,880,269	0%	38,843,184	36%
	12/31/2006*	-	14,337,548	14,337,548	0%	38,900,982	37%
	12/31/2007	1,798,718	19,387,673	17,588,955	9%	39,250,277	45%

Valuations based on reports as of 1/1 the following year.

\*Amounts based on 2006 valuation report.

\*\*Projected unit credit actuarial method used.



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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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>TAXES</b>				
Real and personal property taxes	\$ 20,912,900	\$ 20,893,437	\$ 20,750,526	\$ (142,911)
Retail sales and use taxes	7,950,200	7,600,200	7,597,303	(2,897)
Other taxes	590,000	472,000	471,544	(456)
<b>TOTAL</b>	<u>29,453,100</u>	<u>28,965,637</u>	<u>28,819,373</u>	<u>(146,264)</u>
<b>INTERGOVERNMENTAL</b>				
State shared taxes	325,000	323,280	341,038	17,758
Federal grants	231,545	359,484	267,006	(92,478)
State grants	1,055,684	1,147,535	914,651	(232,884)
<b>TOTAL</b>	<u>1,612,229</u>	<u>1,830,299</u>	<u>1,522,695</u>	<u>(307,604)</u>
<b>LICENSES AND PERMITS</b>				
Licenses	73,069	71,069	82,697	11,628
Permits	374,000	292,730	293,495	765
<b>TOTAL</b>	<u>447,069</u>	<u>363,799</u>	<u>376,192</u>	<u>12,393</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Law and ordinance violations	701,500	701,500	647,398	(54,102)
Court fees and costs	668,500	666,920	667,608	688
<b>TOTAL</b>	<u>1,370,000</u>	<u>1,368,420</u>	<u>1,315,006</u>	<u>(53,414)</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
Public charges for services	2,672,516	2,443,761	2,431,206	(12,555)
Patient/client revenue	20,000	20,000	10,666	(9,334)
<b>TOTAL</b>	<u>2,692,516</u>	<u>2,463,761</u>	<u>2,441,872</u>	<u>(21,889)</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
State and federal	289,350	414,629	444,728	30,099
Local districts	34,233	55,233	56,938	1,705
Interdepartmental revenues	775,766	766,321	774,420	8,099
<b>TOTAL</b>	<u>1,099,349</u>	<u>1,236,183</u>	<u>1,276,086</u>	<u>39,903</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>INVESTMENT INCOME</b>				
Investment income	\$ 1,719,500	\$ 2,071,220	\$ 3,198,089	\$ 1,126,869
<b>MISCELLANEOUS</b>				
Rental revenue	78,480	136,330	157,016	20,686
Property sales and loss compensation	240,390	117,109	140,641	23,532
Donations and contributions	11,525	1,545	26,279	24,734
Other	5,750	24,372	25,796	1,424
<b>TOTAL</b>	<u>336,145</u>	<u>279,356</u>	<u>349,732</u>	<u>70,376</u>
<b>TOTAL REVENUES</b>	<u>38,729,908</u>	<u>38,578,675</u>	<u>39,299,045</u>	<u>720,370</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>140,735</u>	<u>2,766,046</u>	<u>2,619,191</u>	<u>(146,855)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 38,870,643</u>	<u>\$ 41,344,721</u>	<u>\$ 41,918,236</u>	<u>\$ 573,515</u>

## WALWORTH COUNTY, WISCONSIN

### DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT</b>				
County board	\$ 319,280	\$ 290,612	\$ 274,471	\$ 16,141
County clerk	335,825	336,362	315,968	20,394
Elections	79,174	79,174	47,448	31,726
Administration	1,689,222	1,673,963	1,615,826	58,137
Finance	1,458,567	1,404,469	1,287,698	116,771
Treasurer	410,011	435,813	415,246	20,567
Coroner	340,715	343,531	293,330	50,201
Clerk of courts	2,802,420	2,845,771	2,768,485	77,286
District attorney	884,825	897,828	874,957	22,871
Register of deeds	592,177	609,272	599,483	9,789
Information systems	1,515,480	1,529,937	1,505,571	24,366
Central services	656,274	859,122	796,691	62,431
Non-departmental	1,799,668	1,808,852	1,795,018	13,834
<b>TOTAL</b>	<u>12,883,638</u>	<u>13,114,706</u>	<u>12,590,192</u>	<u>524,514</u>
<b>PUBLIC SAFETY</b>				
Sheriff	22,148,106	22,462,928	21,941,105	521,823
<b>HEALTH AND HUMAN SERVICES</b>				
Veterans services	167,552	168,792	166,322	2,470
<b>CULTURE, RECREATION, AND EDUCATION</b>				
UW extension	408,728	412,926	375,645	37,281
Parks	61,720	67,170	75,105	(7,935)
<b>TOTAL</b>	<u>470,448</u>	<u>480,096</u>	<u>450,750</u>	<u>29,346</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Land use and resource management	2,151,613	2,182,536	1,985,342	197,194
<b>TOTAL CURRENT EXPENDITURES</b>	<u>37,821,357</u>	<u>38,409,058</u>	<u>37,133,711</u>	<u>1,275,347</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>CAPITAL OUTLAY:</b>				
<b>GENERAL GOVERNMENT</b>				
Elections	\$ -	\$ 4,600	\$ -	\$ 4,600
Finance	-	51,152	36,498	14,654
Information systems	272,960	556,727	375,592	181,135
<b>TOTAL</b>	<u>272,960</u>	<u>612,479</u>	<u>412,090</u>	<u>200,389</u>
<b>PUBLIC SAFETY</b>				
Sheriff	610,326	1,103,901	861,220	242,681
<b>CULTURE, RECREATION, AND EDUCATION</b>				
Parks	26,000	109,292	60,848	48,444
<b>CONSERVATION AND DEVELOPMENT</b>				
Land use and resource management	25,000	20,297	20,297	-
<b>TOTAL CAPITAL OUTLAY</b>	<u>934,286</u>	<u>1,845,969</u>	<u>1,354,455</u>	<u>491,514</u>
<b>TOTAL EXPENDITURES</b>	<u>38,755,643</u>	<u>40,255,027</u>	<u>38,488,166</u>	<u>1,766,861</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	3,225,000	2,311,116	1,719,243	591,873
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 41,980,643</u>	<u>\$ 42,566,143</u>	<u>\$ 40,207,409</u>	<u>\$ 2,358,734</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,875,781	\$ 7,875,781	\$ 7,875,781	\$ -
Investment income	-	86,148	90,858	4,710
Total revenues	<u>7,875,781</u>	<u>7,961,929</u>	<u>7,966,639</u>	<u>4,710</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	6,975,000	6,975,000	6,126,156	848,844
Interest and fiscal charges	1,920,781	1,964,581	1,378,174	586,407
Total expenditures	<u>8,895,781</u>	<u>8,939,581</u>	<u>7,504,330</u>	<u>1,435,251</u>
Excess (deficiency) of revenues over expenditures	<u>(1,020,000)</u>	<u>(977,652)</u>	<u>462,309</u>	<u>1,439,961</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Discount on long-term debt	-	(42,348)	(42,348)	-
Transfers in	1,020,000	1,020,000	1,020,000	-
Transfers out	-	-	(1,432,664)	(1,432,664)
Total other financing sources (uses)	<u>1,020,000</u>	<u>977,652</u>	<u>(455,012)</u>	<u>(1,432,664)</u>
Net change in fund balances	-	-	7,297	7,297
Fund balances - beginning	<u>413,600</u>	<u>413,600</u>	<u>413,600</u>	<u>-</u>
Fund balances - ending	<u>\$ 413,600</u>	<u>\$ 413,600</u>	<u>\$ 420,897</u>	<u>\$ 7,297</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 donations.



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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, 2007

	Budgeted Amounts		Actual	Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 201,827	\$ 350,018	\$ 148,191
Intergovernmental charges for services	-	322,276	2,520	(319,756)
Miscellaneous	-	679,176	421,773	(257,403)
Total revenues	<u>-</u>	<u>1,203,279</u>	<u>774,311</u>	<u>(171,565)</u>
<b>EXPENDITURES</b>				
Capital outlay:				
General government	-	1,746,370	595,987	1,150,383
Public safety	-	106,574	100,281	6,293
Health and human services	-	142,123	137,747	4,376
Culture, recreation, and education	18,100,000	18,141,681	12,358,527	5,783,154
Public works	<u>1,400,000</u>	<u>3,258,992</u>	<u>1,944,336</u>	<u>1,314,656</u>
Total expenditures	<u>19,500,000</u>	<u>23,395,740</u>	<u>15,136,878</u>	<u>8,258,862</u>
Excess (deficiency) of revenues over expenditures	<u>(19,500,000)</u>	<u>(22,192,461)</u>	<u>(14,362,567)</u>	<u>8,087,297</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	18,500,000	18,500,000	9,900,000	(8,600,000)
Transfers in	1,000,000	1,064,579	1,064,579	-
Transfers out	<u>-</u>	<u>(900,298)</u>	<u>(900,298)</u>	<u>-</u>
Total other financing sources (uses)	<u>19,500,000</u>	<u>18,664,281</u>	<u>10,064,281</u>	<u>(8,600,000)</u>
Net change in fund balances	-	(3,528,180)	(4,298,286)	(512,703)
Fund balances - beginning	<u>3,551,279</u>	<u>3,551,279</u>	<u>3,551,279</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,551,279</u>	<u>\$ 23,099</u>	<u>\$ (747,007)</u>	<u>\$ (512,703)</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.
  - ◆ **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, 2007

	Special Revenue Funds		Totals
	Land Information	Sheriff Trusts	
<b>ASSETS</b>			
Cash and investments	\$ 644,798	\$ 686,506	\$ 1,331,304
Taxes receivable	160,613	-	160,613
Due from other governments	336	9,409	9,745
Total assets	<u>\$ 805,747</u>	<u>\$ 695,915</u>	<u>\$ 1,501,662</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 16,718	\$ 725	\$ 17,443
Accrued liabilities	2,454	-	2,454
Due to other governments	48	-	48
Due to other funds	6	-	6
Deferred tax revenues	160,613	-	160,613
Other deferred revenues	300	-	300
Total liabilities	<u>180,139</u>	<u>725</u>	<u>180,864</u>
Fund balances:			
Reserved for:			
Encumbrances	30,181	-	30,181
Modernization fees	380,059	-	380,059
Public access fees	191,793	-	191,793
Sheriff trusts	-	695,190	695,190
Unreserved, undesignated	23,575	-	23,575
Total fund balance	<u>625,608</u>	<u>695,190</u>	<u>1,320,798</u>
Total liabilities and fund balances	<u>\$ 805,747</u>	<u>\$ 695,915</u>	<u>\$ 1,501,662</u>

**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2007

	<u>Special Revenue Funds</u>		Total
	<u>Land Information</u>	<u>Sheriff Trusts</u>	Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 164,242	\$ -	\$ 164,242
Intergovernmental	-	1,500	1,500
Public charges for services	150,746	-	150,746
Investment income	27,301	-	27,301
Miscellaneous	-	311,775	311,775
Total revenues	<u>342,289</u>	<u>313,275</u>	<u>655,564</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	74,437	74,437
Conservation and development	193,550	-	193,550
Capital outlay:			
Conservation and development	<u>9,748</u>	-	<u>9,748</u>
Total expenditures	<u>203,298</u>	<u>74,437</u>	<u>277,735</u>
Excess of revenues over expenditures	<u>138,991</u>	<u>238,838</u>	<u>377,829</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	522	-	522
Transfers out	<u>(44,008)</u>	<u>(382,647)</u>	<u>(426,655)</u>
Total other financing sources (uses)	<u>(43,486)</u>	<u>(382,647)</u>	<u>(426,133)</u>
Net change in fund balances	95,505	(143,809)	(48,304)
Fund balances - beginning	<u>530,103</u>	<u>838,999</u>	<u>1,369,102</u>
Fund balances - ending	<u>\$ 625,608</u>	<u>\$ 695,190</u>	<u>\$ 1,320,798</u>

## WALWORTH COUNTY, WISCONSIN

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL LAND INFORMATION SPECIAL REVENUE FUND For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 164,242	\$ 164,242	\$ 164,242	\$ -
Intergovernmental	300	300	-	(300)
Public charges for services	174,600	174,600	150,746	(23,854)
Intergovernmental charges for services	700	700	-	(700)
Investment income	15,300	15,300	27,301	12,001
Total revenues	<u>355,142</u>	<u>355,142</u>	<u>342,289</u>	<u>(12,853)</u>
<b>EXPENDITURES</b>				
Current:				
Conservation and development	302,190	280,368	193,550	86,818
Capital outlay:				
Conservation and development	<u>114,440</u>	<u>114,504</u>	<u>9,748</u>	<u>104,756</u>
Total expenditures	<u>416,630</u>	<u>394,872</u>	<u>203,298</u>	<u>191,574</u>
Excess (deficiency) of revenues over expenditures	<u>(61,488)</u>	<u>(39,730)</u>	<u>138,991</u>	<u>178,721</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	522	522	-
Transfers out	-	(44,008)	(44,008)	-
Total other financing sources (uses)	<u>-</u>	<u>(43,486)</u>	<u>(43,486)</u>	<u>-</u>
Net change in fund balances	(61,488)	(83,216)	95,505	178,721
Fund balances - beginning	<u>530,103</u>	<u>530,103</u>	<u>530,103</u>	<u>-</u>
Fund balances - ending	<u>\$ 468,615</u>	<u>\$ 446,887</u>	<u>\$ 625,608</u>	<u>\$ 178,721</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, 2007

	Employee Benefits & Insurance	Risk Management	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 6,858,662	\$ 3,989,136	\$ 10,847,798
Restricted cash and investments:			
Deposits held with fiscal agents	35,000	395,847	430,847
Accounts receivable	227,613	-	227,613
Due from other funds	37,159	-	37,159
Prepaid items	84,077	2,136	86,213
Total current assets	<u>7,242,511</u>	<u>4,387,119</u>	<u>11,629,630</u>
Noncurrent assets:			
Restricted cash and investments:			
Deposit held with WMMIC	-	1,563,000	1,563,000
Total assets	<u>7,242,511</u>	<u>5,950,119</u>	<u>13,192,630</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	9,894	2,696	12,590
Claims payable	3,739,425	1,716,093	5,455,518
Deposits	1,594,730	-	1,594,730
Retiree health credits - current	157,797	-	157,797
Total current liabilities	<u>5,501,846</u>	<u>1,718,789</u>	<u>7,220,635</u>
Noncurrent liabilities			
Retiree health credits	738,876	-	738,876
Total liabilities	<u>6,240,722</u>	<u>1,718,789</u>	<u>7,959,511</u>
<b>NET ASSETS</b>			
Restricted deposit with WMMIC	-	1,563,000	1,563,000
Unrestricted	1,001,789	2,668,330	3,670,119
Total net assets	<u>\$ 1,001,789</u>	<u>\$ 4,231,330</u>	<u>\$ 5,233,119</u>

**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2007

---

	Employee Benefits & Insurance	Risk Management	Totals
Operating revenues:			
Charges for services	\$ 17,678,875	\$ 147,128	\$ 17,826,003
Operating expenses:			
Insurance services	18,668,642	1,834,344	20,502,986
Total operating expenses	18,668,642	1,834,344	20,502,986
Operating loss	(989,767)	(1,687,216)	(2,676,983)
Nonoperating revenues:			
Investment income	225,490	245,552	471,042
Miscellaneous	-	138,878	138,878
Total nonoperating revenues	225,490	384,430	609,920
Change in net assets	(764,277)	(1,302,786)	(2,067,063)
Total net assets - beginning	1,766,066	5,534,116	7,300,182
Total net assets - ending	\$ 1,001,789	\$ 4,231,330	\$ 5,233,119

**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2007

	Employee Benefits & Insurance	Risk Management	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,624,977	\$ -	\$ 1,624,977
Receipts from interfund services provided	18,606,755	147,128	18,753,883
Payments to suppliers	<u>(17,727,116)</u>	<u>(392,556)</u>	<u>(18,119,672)</u>
Net cash flows (used) by operating activities	<u>2,504,616</u>	<u>(245,428)</u>	<u>2,259,188</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Insurance recoveries	<u>-</u>	<u>138,878</u>	<u>138,878</u>
Net cash flows (used) by non-capital financing activities	<u>-</u>	<u>138,878</u>	<u>138,878</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>225,490</u>	<u>245,552</u>	<u>471,042</u>
Net cash flows provided by investing activities	<u>225,490</u>	<u>245,552</u>	<u>471,042</u>
Net increase in cash and investments	2,730,106	139,002	2,869,108
Cash and investments - beginning	<u>4,163,556</u>	<u>5,808,981</u>	<u>9,972,537</u>
Cash and investments - ending	<u>\$ 6,893,662</u>	<u>\$ 5,947,983</u>	<u>\$ 12,841,645</u>

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

Cash and investments	\$ 6,858,662	\$ 3,989,136	\$ 10,847,798
Restricted cash and investments	<u>35,000</u>	<u>1,958,847</u>	<u>1,993,847</u>
	<u>\$ 6,893,662</u>	<u>\$ 5,947,983</u>	<u>\$ 12,841,645</u>

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

Operating (loss)	\$ (989,767)	\$ (1,687,216)	\$ (2,676,983)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities			
Change in assets and liabilities:			
Accounts receivable	77,605	-	77,605
Due from other funds	(16,151)	-	(16,151)
Prepaid items	(84,077)	(29)	(84,106)
Accounts payable	4,419	(55,796)	(51,377)
Claims payable	1,021,184	1,497,613	2,518,797
Retiree health credits	896,673	-	896,673
Deposits	1,594,730	-	1,594,730
Net cash (used) by operating activities	<u>\$ 2,504,616</u>	<u>\$ (245,428)</u>	<u>\$ 2,259,188</u>



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# FIDUCIARY FUNDS

**Other Post Employment Benefit Fund** – to account for the accumulation of resources held in a third party trust for the health insurance benefits of retired employees.

## **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.
- ◆ **Other Agency Funds:**
  - ◆ **Dog License Fund** – to account for the accumulation of proceeds from the sale of dog licenses. Payments are made to the State, Lakeland Animal Welfare Society, Inc., 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/Inmate Trust** – to account for the holding of funds for Huber prisoners and jail inmates.
  - ◆ **Gang Intelligence Deposits** – to account for gang related activity deposits and payments to be used by the county and local governments.
  - ◆ **Sheriff Bond Collections** – to account for the accumulation of bond, writ, or warrant fees turned over to local governments or court ordered services.



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**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2007

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	<u>Private Purpose Trusts</u>		
	<u>G. Charter Harrison Trust</u>	<u>Tricentennial Trust</u>	<u>Fiduciary Funds Total</u>
<b>ASSETS</b>			
Cash and investments	<u>\$ 39,812</u>	<u>\$ 632</u>	<u>\$ 40,444</u>
<b>NET ASSETS</b>			
Restricted for private purpose trust activities	<u>\$ 39,812</u>	<u>\$ 632</u>	<u>\$ 40,444</u>

# WALWORTH COUNTY, WISCONSIN

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

For the Year Ended December 31, 2007

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	Private Purpose Trusts		
	G. Charter Harrison Trust	Tricentennial Trust	Fiduciary Funds Total
<b>ADDITIONS</b>			
Investment income	\$ 1,949	\$ 2	\$ 1,951
<b>DEDUCTIONS</b>			
Educational outreach	500	-	500
Change in net assets	1,449	2	1,451
Net assets - beginning	38,363	630	38,993
Net assets - ending	<u>\$ 39,812</u>	<u>\$ 632</u>	<u>\$ 40,444</u>

**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - AGENCY FUNDS  
For the Year Ended December 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
<b><u>PENDING COURT CASES</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,234,528	\$ 2,763,081	\$ 2,955,815	\$ 1,041,794
Total assets	<u>\$ 1,234,528</u>	<u>\$ 2,763,081</u>	<u>\$ 2,955,815</u>	<u>\$ 1,041,794</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 142,530	\$ 2,578,021	\$ 2,575,455	\$ 145,096
Deposits	<u>1,091,998</u>	<u>185,060</u>	<u>380,360</u>	<u>896,698</u>
Total liabilities	<u>\$ 1,234,528</u>	<u>\$ 2,763,081</u>	<u>\$ 2,955,815</u>	<u>\$ 1,041,794</u>
<b><u>OTHER</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 241,646	\$ 7,363,859	\$ 7,379,216	\$ 226,289
Accounts receivable	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total assets	<u>\$ 241,660</u>	<u>\$ 7,363,859</u>	<u>\$ 7,379,230</u>	<u>\$ 226,289</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ 2,658,861	\$ 2,516,819	\$ 142,042
Due to other governments	205,672	2,183,113	2,371,032	17,753
Deposits	<u>35,988</u>	<u>2,521,885</u>	<u>2,491,379</u>	<u>66,494</u>
Total liabilities	<u>\$ 241,660</u>	<u>\$ 7,363,859</u>	<u>\$ 7,379,230</u>	<u>\$ 226,289</u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,476,174	\$ 10,126,940	\$ 10,335,031	\$ 1,268,083
Accounts receivable	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total assets	<u>\$ 1,476,188</u>	<u>\$ 10,126,940</u>	<u>\$ 10,335,045</u>	<u>\$ 1,268,083</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 142,530	\$ 5,236,882	\$ 5,092,274	\$ 287,138
Due to other governments	205,672	2,183,113	2,371,032	17,753
Deposits	<u>1,127,986</u>	<u>2,706,945</u>	<u>2,871,739</u>	<u>963,192</u>
Total liabilities	<u>\$ 1,476,188</u>	<u>\$ 10,126,940</u>	<u>\$ 10,335,045</u>	<u>\$ 1,268,083</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, 2007 AND 2006

	<b>2007</b>	<b>2006</b>
Capital assets:		
Land	\$ 1,103,694	\$ 1,103,694
Buildings	50,539,339	50,489,468
Improvements other than buildings	4,193,270	4,193,270
Infrastructure	44,818,859	44,073,673
Machinery and equipment	19,553,367	19,246,076
Construction in progress	14,308,081	4,585,510
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 134,516,610</b>	<b>\$ 123,691,691</b>
Investment in capital assets by source:		
Bonds	\$ 55,272,666	\$ 54,370,667
Donations	1,020,493	1,030,543
Grants	914,949	731,881
Tax levy	38,108,060	25,749,818
Capital projects **	39,200,442	41,808,782
<b>TOTAL INVESTMENT IN CAPITAL ASSETS</b>	<b>\$ 134,516,610</b>	<b>\$ 123,691,691</b>

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, 2007

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>INFRASTRUCTURE</u>	<u>MACHINERY AND EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
General Government							
County clerk	\$ -	\$ -	\$ -	\$ -	\$ 11,886	\$ -	\$ 11,886
Elections	-	-	-	-	18,750	-	18,750
Finance	-	-	-	-	656,686	36,498	693,184
Clerk of courts	-	-	-	-	485,505	-	485,505
District attorney	-	-	-	-	54,812	-	54,812
Register of deeds	-	-	-	-	23,389	-	23,389
Information systems	-	-	-	-	3,164,852	63,278	3,228,130
Central services	-	20,534,956	2,235,954	-	2,007,012	-	24,777,922
Non-departmental	708,930	90,530	405,278	-	27,500	-	1,232,238
<b>TOTAL GENERAL GOVERNMENT</b>	<b>708,930</b>	<b>20,625,486</b>	<b>2,641,232</b>	<b>-</b>	<b>6,450,392</b>	<b>99,776</b>	<b>30,525,816</b>
Public Safety							
Sheriff	-	21,857,887	1,321,345	-	6,784,205	290,944	30,254,381
<b>TOTAL PUBLIC SAFETY</b>	<b>-</b>	<b>21,857,887</b>	<b>1,321,345</b>	<b>-</b>	<b>6,784,205</b>	<b>290,944</b>	<b>30,254,381</b>
Health and Human Services							
Veterans	-	-	-	-	13,117	-	13,117
Human services	-	5,528,231	30,285	-	176,244	82	5,734,842
<b>TOTAL HEALTH AND HUMAN SERVICES</b>	<b>-</b>	<b>5,528,231</b>	<b>30,285</b>	<b>-</b>	<b>189,361</b>	<b>82</b>	<b>5,747,959</b>
Culture, Recreation, and Education							
Children with Disabilities Education Board	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	-	-	259,055	1,240,679
<b>TOTAL CULTURE, RECREATION AND EDUCATION</b>	<b>394,764</b>	<b>2,527,735</b>	<b>200,408</b>	<b>-</b>	<b>321,445</b>	<b>259,055</b>	<b>3,703,407</b>
Public Works							
Capital projects	-	-	-	-	-	13,658,224	13,658,224
Infrastructure	-	-	-	44,818,859	-	-	44,818,859
<b>TOTAL PUBLIC WORKS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,818,859</b>	<b>-</b>	<b>13,658,224</b>	<b>58,477,083</b>
Conservation and Development							
Land use & resource management	-	-	-	-	150,916	-	150,916
County land information	-	-	-	-	5,657,048	-	5,657,048
<b>TOTAL CONSERVATION AND DEVELOPMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,807,964</b>	<b>-</b>	<b>5,807,964</b>
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 1,103,694</b>	<b>\$ 50,539,339</b>	<b>\$ 4,193,270</b>	<b>\$ 44,818,859</b>	<b>\$ 19,553,367</b>	<b>\$ 14,308,081</b>	<b>\$ 134,516,610</b>

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

**WALWORTH COUNTY, WISCONSIN**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY  
 December 31, 2007

<u>FUNCTION AND ACTIVITY</u>	CAPITAL ASSETS			CAPITAL ASSETS
	JANUARY 1, 2007	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2007
General Government				
County clerk	\$ 11,886	\$ -	\$ -	\$ 11,886
Elections	18,750	-	-	18,750
Finance	207,488	491,592	5,896	693,184
Clerk of courts	485,505	-	-	485,505
District attorney	54,812	-	-	54,812
Register of deeds	23,389	-	-	23,389
Information systems	4,051,073	554,954	1,377,897	3,228,130
Central services	24,772,026	5,896	-	24,777,922
Non-departmental	1,232,238	-	-	1,232,238
<b>TOTAL GENERAL GOVERNMENT</b>	<b>30,857,167</b>	<b>1,052,442</b>	<b>1,383,793</b>	<b>30,525,816</b>
Public Safety				
Sheriff	29,765,631	850,904	362,154	30,254,381
<b>TOTAL PUBLIC SAFETY</b>	<b>29,765,631</b>	<b>850,904</b>	<b>362,154</b>	<b>30,254,381</b>
Health and Human Services				
Veterans	13,117	-	-	13,117
Human services	5,736,917	15,920	17,995	5,734,842
<b>TOTAL HEALTH AND HUMAN SERVICES</b>	<b>5,750,034</b>	<b>15,920</b>	<b>17,995</b>	<b>5,747,959</b>
Culture, Recreation, and Education				
Children with Disabilities Education Board	2,457,610	-	-	2,457,610
UW extension	5,118	-	-	5,118
Parks	1,205,831	34,848	-	1,240,679
<b>TOTAL CULTURE, RECREATION AND EDUCATION</b>	<b>3,668,559</b>	<b>34,848</b>	<b>-</b>	<b>3,703,407</b>
Public Works				
Capital projects	3,770,364	12,730,736	2,842,876	13,658,224
Infrastructure	44,073,673	3,353,526	2,608,340	44,818,859
<b>TOTAL PUBLIC WORKS</b>	<b>47,844,037</b>	<b>16,084,262</b>	<b>5,451,216</b>	<b>58,477,083</b>
Conservation and Development				
Land use and resource management	149,215	20,297	18,596	150,916
County land information	5,657,048	-	-	5,657,048
<b>TOTAL CONSERVATION AND DEVELOPMENT</b>	<b>5,806,263</b>	<b>20,297</b>	<b>18,596</b>	<b>5,807,964</b>
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 123,691,691</b>	<b>\$ 18,058,673</b>	<b>\$ 7,233,754</b>	<b>\$ 134,516,610</b>

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.

The Additions and Deductions include amounts transferred between funds. For 2007, these transfers total \$5,896.



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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>
<b>FINANCIAL TRENDS</b>	<b>91 – 96</b>
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
<b>REVENUE CAPACITY</b>	<b>97 – 101</b>
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
<b>DEBT CAPACITY</b>	<b>102 – 105</b>
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.	
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	<b>106 – 107</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>OPERATING INFORMATION</b>	<b>108 – 111</b>
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 Five Fiscal Years

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 39,965,835	\$ 45,152,949	\$ 49,641,480	\$ 40,139,193	\$ 59,418,254
Restricted	2,717,020	1,772,359	1,913,155	1,510,947	3,102,544
Unrestricted	31,516,690	32,626,923	35,583,545	35,535,211	31,835,196
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>	<u>\$ 94,355,994</u>
Business-type activities					
Invested in capital assets	8,439,267	8,214,914	7,674,254	20,108,504	7,582,462
Restricted	-	-	250,998	121,838	128,927
Unrestricted	8,650,148	10,583,255	14,129,494	13,066,408	12,322,506
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>	<u>\$ 20,033,895</u>
Primary government					
Invested in capital assets, net of related debt	\$ 48,405,102	\$ 53,367,863	\$ 57,315,734	\$ 60,247,697	\$ 67,000,716
Restricted	2,717,020	1,772,359	2,164,153	1,632,785	3,231,471
Unrestricted	40,166,838	43,210,178	49,713,039	48,601,619	44,157,702
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>	<u>\$ 114,389,889</u>

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

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ 11,680,604	\$ 13,384,447	\$ 13,034,915	\$ 15,159,984	\$ 15,308,444
Public safety	18,706,689	19,747,239	20,694,984	21,841,262	23,062,787
Health and human services	29,577,094	29,940,303	29,228,166	29,316,500	30,870,763
Culture, recreation and education	11,181,802	11,602,673	12,511,033	14,182,158	14,193,460
Public works	1,322,027	1,286,584	1,612,019	3,616,627	3,726,158
Conservation and development	2,433,761	2,292,313	2,345,557	2,409,888	2,479,686
Interest on long-term debt	1,448,636	1,648,922	1,750,429	1,914,265	1,412,336
Subtotal governmental activities expenses	<u>76,350,613</u>	<u>79,902,481</u>	<u>81,177,103</u>	<u>88,440,684</u>	<u>91,053,634</u>
Business-type activities:					
Nursing home	16,177,451	13,587,405	12,210,404	14,022,169	11,914,949
Highway	5,989,487	5,079,508	7,369,426	6,950,699	8,809,086
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>	<u>20,724,035</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>	<u>\$ 111,777,669</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	\$ 2,508,176	\$ 2,928,960	\$ 2,654,039	\$ 3,509,042	\$ 2,788,985
Public safety	1,399,600	1,377,735	1,389,687	1,537,802	1,630,593
Health and human services	3,510,181	3,614,429	3,602,941	3,702,426	4,224,649
Culture, recreation and education	381,141	314,965	173,618	154,992	160,090
Public works	-	-	26,180	137,782	-
Conservation and development	1,097,225	1,055,950	1,029,192	988,825	856,256
Operating grants and contributions					
General government	512,487	603,549	542,107	557,570	652,215
Public safety	743,317	815,674	803,228	953,121	851,120
Health and human services	15,773,806	16,077,659	16,640,899	16,590,140	17,498,245
Culture, recreation and education	6,117,502	6,031,338	6,201,662	6,693,544	7,071,866
Conservation and development	338,588	426,495	363,915	290,133	293,649
Capital grants and contributions					
General government	-	-	-	640,305	6,979
Public safety	152,553	317,136	542,469	86,275	93,555
Culture, recreation and education	-	14,395	-	14,702	421,773
Public works	390,427	5,084	922,761	756,813	150,712
Conservation and development	93,050	52,218	226,109	-	-
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>	<u>36,700,687</u>
Business-type activities					
Charges for services					
Nursing home	11,233,355	9,447,784	10,452,940	6,159,046	7,362,680
Highway/facilities administration	3,113,119	2,877,118	3,407,112	2,718,861	4,236,620
Operating grants and contributions					
Nursing home	4,145,900	1,933,348	16,196	1,017,463	919,389
Highway/facilities administration	2,106,245	2,081,204	67,891	2,024,358	2,000,835
Capital grants and contributions					
Nursing home	-	-	-	-	-
Highway/facilities administration	-	-	2,740	-	37,738
Subtotal business-type activities program revenues	<u>20,598,619</u>	<u>16,339,454</u>	<u>13,946,879</u>	<u>11,919,728</u>	<u>14,557,262</u>
Total primary government program revenues	<u>\$ 53,616,672</u>	<u>\$ 49,975,041</u>	<u>\$ 49,065,686</u>	<u>\$ 48,533,200</u>	<u>\$ 51,257,949</u>
<b>Net (Expense) Revenue by Function:</b>					
Governmental activities:					
General government	\$ (8,659,941)	\$ (9,851,938)	\$ (9,838,769)	\$ (10,453,067)	\$ (11,860,265)
Public safety	(16,411,219)	(17,236,694)	(17,959,600)	(19,264,064)	(20,487,519)
Health and human services	(10,293,107)	(10,248,215)	(8,984,326)	(9,023,934)	(9,147,869)
Culture, recreation and education	(4,683,159)	(5,241,975)	(6,135,753)	(7,318,920)	(6,539,731)
Public works	(931,600)	(1,281,500)	(663,078)	(2,722,032)	(3,575,446)
Conservation and development	(904,898)	(757,650)	(726,341)	(1,130,930)	(1,329,781)
Interest on long-term debt	(1,448,636)	(1,648,922)	(1,750,429)	(1,914,265)	(1,412,336)
Subtotal governmental activities expenses	<u>(43,332,560)</u>	<u>(46,266,894)</u>	<u>(46,058,296)</u>	<u>(51,827,212)</u>	<u>(54,352,947)</u>
Business-type activities:					
Nursing home	(798,196)	(2,206,273)	(1,741,268)	(6,845,660)	(3,632,880)
Highway/facilities administration	(770,123)	(121,186)	(3,891,683)	(2,207,480)	(2,533,893)
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>	<u>(6,166,773)</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>	<u>\$ (60,519,720)</u>

(continued)

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

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
General property taxes	\$ 35,453,371	\$ 37,150,309	\$ 38,031,659	\$ 36,352,921	\$ 39,470,341
Property taxes for debt service	4,690,152	5,242,764	6,051,593	7,716,392	7,875,781
Sales taxes	6,556,865	7,336,138	7,303,638	7,535,343	7,597,303
Real estate transfer fees	455,045	573,046	648,518	-	-
Other taxes	89,923	81,920	90,475	77,710	82,751
Unrestricted grants and contributions	776,327	367,357	325,169	341,622	341,038
Unrestricted investment earnings	853,927	839,240	2,873,982	4,480,264	4,642,076
Miscellaneous	190,113	30,360	7,225	13,925	124,731
Transfers	23,528	(1,554)	(1,688,014)	(14,643,794)	(1,290,254)
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>	<u>58,843,767</u>
Business-type activities:					
Property taxes	3,890,008	3,989,468	3,349,396	5,517,249	5,424,014
Unrestricted grants and contributions	-	-	3,750,920	-	-
Unrestricted investment earnings	4,768	31,223	75,608	134,101	129,806
Gain/(Loss) on sale of capital assets	6,109	-	-	-	-
Miscellaneous	47,135	13,968	25,590	-	36,247
Transfers	380,895	1,554	1,688,014	14,643,794	1,290,254
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>	<u>6,880,321</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>	<u>\$ 65,724,088</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 5,756,691	\$ 5,352,686	\$ 7,585,949	\$ (9,952,829)	\$ 4,490,820
Business-type activities	2,760,596	1,708,754	3,256,577	11,242,004	713,548
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>	<u>\$ 5,204,368</u>

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund										
Reserved	\$ 3,600,010	\$ 3,838,037	\$ 3,898,114	\$ 4,913,451	\$ 4,957,073	\$ 3,180,879	\$ 2,506,336	\$ 2,995,254	\$ 3,649,929	\$ 8,898,910
Unreserved	13,493,190	15,559,753	14,074,537	15,793,662	17,559,634	25,410,679	21,241,187	23,849,264	22,798,437	19,260,283
Total general fund	<u>\$ 17,093,200</u>	<u>\$ 19,397,790</u>	<u>\$ 17,972,651</u>	<u>\$ 20,707,113</u>	<u>\$ 22,516,707</u>	<u>\$ 28,591,558</u>	<u>\$ 23,747,523</u>	<u>\$ 26,844,518</u>	<u>\$ 26,448,366</u>	<u>\$ 28,159,193</u>
All other governmental funds										
Reserved	\$ 1,348,736	\$ 1,174,027	\$ 1,200,585	\$ 5,039,716	\$ 5,465,055	\$ 5,627,188	\$ 7,526,442	\$ 7,418,986	\$ 3,389,038	\$ 4,896,463
Unreserved										
Special revenue funds	466,412	532,470	1,265,413	1,120,727	1,706,707	1,558,663	524,073	199,376	1,901,176	2,562,710
Capital projects fund	-	-	-	-	-	1,599,101	2,107,355	2,659,242	1,923,875	(3,838,378)
Total all other governmental funds	<u>\$ 1,815,148</u>	<u>\$ 1,706,497</u>	<u>\$ 2,465,998</u>	<u>\$ 6,160,443</u>	<u>\$ 7,171,762</u>	<u>\$ 8,784,952</u>	<u>\$ 10,157,870</u>	<u>\$ 10,277,604</u>	<u>\$ 7,214,089</u>	<u>\$ 3,620,795</u>
Total governmental funds, fund balance	<u>\$ 18,908,348</u>	<u>\$ 21,104,287</u>	<u>\$ 20,438,649</u>	<u>\$ 26,867,556</u>	<u>\$ 29,688,469</u>	<u>\$ 37,376,510</u>	<u>\$ 33,905,393</u>	<u>\$ 37,122,122</u>	<u>\$ 33,662,455</u>	<u>\$ 31,779,988</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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$ 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	\$ 56,064,682
Intergovernmental	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	26,146,651
Licenses, fees and permits	214,458	209,985	242,590	375,293	324,951	387,352	399,561	359,380	351,552	376,192
Fines, forfeits and penalties	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	1,315,006
Charges for services	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	8,191,723
Other	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	4,690,726
<b>Total revenues</b>	<b>58,200,203</b>	<b>60,183,301</b>	<b>67,615,343</b>	<b>72,106,287</b>	<b>80,093,858</b>	<b>82,018,661</b>	<b>85,468,008</b>	<b>89,313,895</b>	<b>92,014,568</b>	<b>96,784,980</b>
<b>Expenditures</b>										
General government	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	12,590,192
Public safety	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	22,015,542
Health and human services	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	30,961,410
Culture, recreation and education	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	15,345,841
Conservation and development	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	2,178,892
Capital outlay	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	16,537,505
Debt service										
Interest	1,094,145	835,988	856,781	1,593,279	1,373,926	1,522,521	1,589,718	1,715,428	1,851,914	1,378,174
Principal	2,065,000	1,270,000	1,300,000	1,885,159	2,572,415	3,619,483	3,695,000	4,625,000	6,145,000	6,126,156
<b>Total expenditures</b>	<b>56,271,807</b>	<b>60,570,981</b>	<b>67,097,190</b>	<b>77,349,233</b>	<b>85,000,367</b>	<b>87,353,315</b>	<b>90,359,574</b>	<b>94,221,080</b>	<b>102,737,302</b>	<b>107,133,712</b>
Excess of revenues over (under) expenditures	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)	(10,348,732)
<b>Other financing sources (uses)</b>										
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	9,900,000
Proceeds from refunding	-	-	-	7,035,670	3,875,000	-	-	-	(9,358)	(42,348)
Payments to escrow agent	-	-	-	(7,035,670)	(3,850,000)	-	-	-	-	-
Transfers in	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	5,335,664
Transfers out	(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)	(6,727,051)
<b>Total other financing sources (uses)</b>	<b>267,543</b>	<b>(277,958)</b>	<b>5,910,754</b>	<b>8,063,859</b>	<b>8,955,304</b>	<b>8,973,900</b>	<b>1,420,449</b>	<b>8,123,914</b>	<b>7,263,067</b>	<b>8,466,265</b>
<b>Net change in fund balances<sup>(a)</sup></b>	<b>\$ 2,195,939</b>	<b>\$ (665,638)</b>	<b>\$ 6,428,907</b>	<b>\$ 2,820,913</b>	<b>\$ 4,048,795</b>	<b>\$ 3,639,246</b>	<b>\$ (3,471,117)</b>	<b>\$ 3,216,729</b>	<b>\$ (3,459,667)</b>	<b>\$ (1,882,467)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	5.64%	3.50%	3.36%	5.00%	5.33%	6.74%	6.55%	7.82%	9.50%	8.28%

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	\$ 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%
1998	\$ 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%
1999	\$ 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%
2000	\$ 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%
2001	\$ 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%
2007	\$ 12,590,192	\$ 22,015,542	\$ 30,961,410	\$ 15,345,841	\$ 2,178,892	\$ 16,537,505	\$ 6,126,156	\$ 1,378,174	\$ 107,133,712
% of Total	11.8%	20.5%	29.0%	14.3%	2.0%	15.4%	5.7%	1.3%	100.0%

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 <sup>(a)</sup>	Fines Forfeits & Penalties	Charges for Services	Miscellaneous	Total
1997	\$ 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%
1998	\$ 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%
1999	\$ 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%
2000	\$ 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%
2001	\$ 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%
2007	\$ 56,064,682	\$ 26,146,651	\$ 376,192	\$ 1,315,006	\$ 8,191,723	\$ 4,690,726	\$ 96,784,980
% of Total	57.9%	27.0%	0.4%	1.4%	8.5%	4.8%	100.0%

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				
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
2007	12,300,327,100	1,531,444,300	237,648,000	52,961,200	23,023,300	29,669,900	268,943,600	155,854,800	583,552,100	14,016,320,100	3.91

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	2007 TOTAL EQUALIZED VALUE	NET TAX RATE - YEAR LEVIED										
		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	
<b>County Direct Rates (per \$1,000 of equalized value)</b>												
Children with Disabilities Education Board		0.64	0.63	n/a	n/a							
County (All Other)		<u>3.27</u>	<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>	
Total County Direct Rates		3.91	4.10	4.40	4.75	4.94	5.13	5.14	5.08	4.84	4.83	
<b>CITY</b>												
Burlington	\$ 120,000	\$ 16.51	\$ 19.43	\$ 20.28	\$ 21.36	\$ 22.36	\$ 22.99	\$ 23.62	\$ 23.49	\$ 22.77	\$ 22.22	
Delavan	710,442,900	19.90	19.43	20.28	21.36	22.36	22.99	23.62	23.49	22.77	22.22	
Elkhorn	723,341,700	16.72	16.96	18.15	20.43	21.38	21.70	21.09	21.44	21.08	23.46	
Lake Geneva	1,273,935,500	17.35	18.00	19.60	21.62	21.43	22.79	23.91	23.53	23.51	24.25	
Whitewater	550,178,500	17.39	17.24	19.16	20.06	20.57	20.81	21.84	22.26	21.07	19.93	
CITY TOTAL	\$ 3,258,018,600											
<b>TOWN</b>												
Bloomfield	\$ 547,634,400	\$ 15.21	\$ 15.28	\$ 17.26	\$ 19.30	\$ 18.84	\$ 19.91	\$ 22.68	\$ 23.17	\$ 21.68	\$ 21.73	
Darien	160,071,700	11.64	11.55	12.46	12.92	13.23	13.50	14.09	14.42	14.63	15.44	
Delavan	1,109,487,200	13.04	13.66	15.14	16.47	16.79	18.17	18.85	18.80	18.56	18.65	
East Troy	748,065,800	13.16	12.69	13.84	15.23	15.77	16.45	21.98	19.11	16.82	17.30	
Geneva	906,397,200	13.39	13.88	15.32	16.93	17.06	19.06	19.53	18.49	18.35	18.75	
La Fayette	271,058,100	13.76	13.43	14.46	16.11	16.04	18.10	19.12	18.28	17.61	18.04	
La Grange	804,686,400	12.44	13.17	13.81	15.12	15.70	16.26	17.21	17.47	16.84	17.02	
Linn	1,601,197,400	12.88	13.37	14.99	16.38	17.10	19.12	19.08	19.68	18.48	18.79	
Lyons	481,886,000	13.08	13.01	13.70	15.16	16.51	16.87	18.40	17.27	17.21	17.49	
Richmond	256,844,700	13.03	12.84	13.98	14.93	15.25	16.77	17.44	18.14	17.56	16.93	
Sharon	77,240,200	16.30	16.80	18.12	19.31	19.80	22.09	22.09	22.29	22.03	19.86	
Spring Prairie	238,807,800	14.74	14.89	15.87	17.66	17.87	20.64	20.98	22.91	18.24	17.94	
Sugar Creek	397,036,900	12.73	12.64	13.79	15.15	15.45	16.70	17.40	18.54	17.72	17.49	
Troy	271,245,700	13.76	13.86	15.09	16.73	16.51	17.23	16.82	17.09	16.83	17.79	
Walworth	223,146,300	12.28	13.22	14.68	15.32	15.77	18.15	18.73	18.32	17.28	17.51	
Whitewater	306,999,300	13.14	12.93	14.45	15.61	15.80	16.13	16.90	17.54	16.96	15.80	
TOWN TOTAL	\$ 8,401,805,100											
<b>VILLAGE</b>												
Darien	\$ 115,427,600	\$ 22.89	\$ 22.37	\$ 23.87	\$ 24.87	\$ 25.71	\$ 25.50	\$ 25.81	\$ 26.42	\$ 26.78	\$ 27.34	
East Troy	346,555,400	17.30	16.84	18.21	19.82	20.13	20.53	20.78	20.44	20.23	20.76	
Fontana	1,222,875,600	12.57	13.71	15.35	16.58	17.54	19.52	19.29	19.65	19.64	20.51	
Genoa City	197,797,500	20.31	21.69	22.44	27.57	23.62	25.51	27.52	27.29	26.82	27.29	
Mukwonago	6,379,000	17.54	18.41	18.73	20.16	21.59	18.59	22.58	26.20	19.57	22.80	
Sharon	79,727,000	21.98	22.43	25.36	26.47	27.24	27.90	27.36	29.36	28.76	27.19	
Walworth	227,321,000	16.55	17.67	18.79	20.32	21.24	21.79	21.94	22.07	21.52	22.41	
Williams Bay	743,965,400	12.97	14.07	15.43	16.77	18.02	18.23	23.62	20.10	20.04	20.61	
VILLAGE TOTAL	\$ 2,940,048,500											
COUNTY TOTAL	\$ 14,599,872,200											

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, 2007 and Nine Years Prior

Taxpayer	2007			1998		
	Equalized Value	Rank	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
DLK Enterprises, Inc.	\$ 45,860,176	1	0.31%	19,911,436	1	0.30%
Delevan Resort (Lake Lawn Lodge/Airport - 1998)	\$ 36,107,263	2	0.25%	13,943,483	2	0.21%
Grand Geneva (Marcus Hotels & Resorts - 1998)	\$ 35,766,113	3	0.24%	9,990,452	6	0.15%
Wal-Mart Associates	\$ 32,071,709	4	0.22%			
Versacold Cascade (Geneva Lakes Cold Storage - 1998)	\$ 22,410,918	5	0.15%	9,484,311	8	0.14%
Kikkoman Foods, Inc.	\$ 20,727,433	6	0.14%	13,852,462	3	0.21%
Paloma Geneva National, LLC	\$ 14,669,951	7	0.10%	9,857,937	7	0.15%
Lake Geneva Investors, LLC	\$ 14,317,393	8	0.10%			
Geneva Project	\$ 14,224,703	9	0.10%	10,391,195	5	0.16%
Home Depot	\$ 12,355,812	10	0.08%			
ABKA (The Abbey)				12,920,639	4	0.20%
Midwest Track Associates				9,009,366	9	0.14%
Anvan Company				7,952,851	10	0.12%
<b>Total</b>	<b>\$ 248,511,471</b>		<b>1.70%</b>	<b>\$ 117,314,132</b>		<b>1.78%</b>

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
1997	1998	\$ 29,227,872	\$29,010,588	99.3%	\$ 217,284	\$ 29,223,847	99.99%	\$ -	0.00%
1998	1999	\$ 31,059,316	\$ 30,463,810	98.1%	\$ 595,506	\$ 31,055,002	99.99%	\$ -	0.00%
1999	2000	\$ 33,022,473	\$ 32,600,353	98.7%	\$ 422,120	\$ 33,017,981	99.99%	\$ -	0.00%
2000	2001	\$ 35,913,644	\$ 35,275,498	98.2%	\$ 630,110	\$ 35,905,608	99.98%	\$ 8,036	0.02%
2001	2002	\$ 39,588,237	\$ 38,987,517	98.5%	\$ 575,908	\$ 39,563,425	99.94%	\$ 24,812	0.06%
2002	2003	\$ 42,594,222	\$ 40,035,888	94.0%	\$ 2,520,374	\$ 42,556,262	99.91%	\$ 37,960	0.09%
2003	2004	\$ 45,014,093	\$ 43,342,996	96.3%	\$ 1,615,179	\$ 44,958,175	99.88%	\$ 55,918	0.12%
2004	2005	\$ 47,082,255	\$ 45,216,101	96.0%	\$ 1,641,626	\$ 46,857,727	99.52%	\$ 224,528	0.48%
2005	2006	\$ 49,199,366	\$ 47,210,455	96.0%	\$ 1,050,946	\$ 48,261,401	98.09%	\$ 937,965	1.91%
2006	2007	\$ 52,238,866	\$ 49,481,298	94.7%	\$ -	\$ 49,481,298	94.72%	\$ 2,757,568	5.28%

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, 2007		<u>\$ 14,599,872,200</u>
Legal debt margin:		
Debt limitation, 5% of total equalized value (Wisconsin Statutory Limitation)		729,993,610
Debt applicable to limitation:		
General obligation bonds	10,725,000	
General obligation notes	<u>40,940,000</u>	
Total debt applicable to limitation at December 31, 2007	51,665,000	
Less amount available in debt service fund	<u>(420,897)</u>	<u>(51,244,103)</u>
Legal debt margin for year ending December 31, 2007		<u>\$ 678,749,507</u>

102

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total equalized value - 12/31	\$ 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	\$ 11,417,096,000	\$ 13,207,425,100	\$ 14,599,872,200
Legal debt margin (5% of equalized value)	329,716,330	351,267,050	364,683,950	396,973,220	429,487,240	473,930,770	512,118,395	570,854,800	660,371,255	729,993,610
Debt applicable to limitation										
State Trust Funds	-	-	650,000	609,980	879,601	-	-	-	-	-
General Obligation Bonds	17,775,000	16,505,000	15,205,000	13,950,000	11,660,000	8,940,000	6,070,000	3,720,000	2,970,000	10,725,000
General Obligation Notes	-	-	7,291,000	14,825,000	22,045,000	31,045,000	36,290,000	43,815,000	45,770,000	40,940,000
Total debt applicable to limitation - 12/31	<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>48,740,000</u>	<u>51,665,000</u>
Less amount available in debt service fund	<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>	<u>(420,897)</u>
Total debt applicable to limitation - 12/31	<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>48,326,400</u>	<u>51,244,103</u>
Legal debt margin - 12/31	<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>\$ 523,773,729</u>	<u>\$ 612,044,855</u>	<u>\$ 678,749,507</u>
Total net debt applicable to the limit as a percentage of debt limit	5%	5%	6%	7%	8%	8%	8%	8%	7%	7%

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 <sup>(a)</sup>	Equalized Value <sup>(b)</sup>	Gross Bonded Debt	Less Debt Service Fund <sup>(c)</sup>	Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Value	Percentage of Personal Income <sup>(a)</sup>	Net Bonded Debt per Capita
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%	1.48%	\$ 431
2005	98,496	\$ 11,565,232,700	\$ 47,535,000	\$ 453,929	\$ 47,081,071	0.41%	1.60%	\$ 478
2006	99,761	\$ 13,207,425,100	\$ 48,740,000	\$ 413,600	\$ 48,326,400	0.37%	n/a	\$ 484
2007	100,672	\$ 14,599,872,200	\$ 51,665,000	\$ 420,897	\$ 51,244,103	0.35%	n/a	\$ 509

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 for repayment of general obligation debt

n/a - information not yet available

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

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service <sup>(a)</sup>	Total General Governmental Expenditures <sup>(b)</sup>	Ratio of Debt Service to General Governmental Expenditures
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	\$ 5,536,224	\$ 1,561,380	\$ 7,097,604	\$ 102,737,302	6.9%
2007	\$ 6,126,156	\$ 1,378,174	\$ 7,504,330	\$ 107,133,712	7.0%

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

(a) Excludes bond issuance and other costs

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

TABLE 14  
**WALWORTH COUNTY, WISCONSIN**  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 December 31, 2007

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Walworth County	Amount Applicable to Government
Direct:			
Walworth County	\$ 51,665,000	100.00%	\$ 51,665,000
Overlapping:			
City:			
Delavan	22,813,021	100.00%	22,813,021
Elkhorn	17,100,000	100.00%	17,100,000
Lake Geneva	7,275,000	100.00%	7,275,000
Whitewater	13,808,498	88.80%	12,261,946
<b>CITY TOTAL</b>	<u>60,996,519</u>		<u>59,449,967</u>
Town:			
Delavan	1,774,500	100.00%	1,774,500
East Troy	376,667	100.00%	376,667
Linn	498,728	100.00%	498,728
Lyons	285,714	100.00%	285,714
Spring Prairie	3,095,000	100.00%	3,095,000
Troy	510,000	100.00%	510,000
<b>TOWN TOTAL</b>	<u>6,540,609</u>		<u>6,540,609</u>
Village:			
Darlen	2,997,740	100.00%	2,997,740
East Troy	5,905,000	100.00%	5,905,000
Fontana-on-Geneva Lake	10,402,018	100.00%	10,402,018
Genoa City	3,535,000	100.00%	3,535,000
Mukwonago	20,590,403	0.80%	164,723
Sharon	689,202	100.00%	689,202
Walworth	3,517,477	100.00%	3,517,477
Williams Bay	2,591,987	100.00%	2,591,987
<b>VILLAGE TOTAL</b>	<u>50,228,827</u>		<u>29,803,147</u>
School Districts:			
Big Foot	8,345,443	100.00%	8,345,443
Clinton	15,595,000	0.40%	61,691
Delavan-Darlen	13,160,000	99.73%	13,123,823
East Troy	10,845,830	99.46%	10,787,270
Elkhorn	27,420,000	99.98%	27,413,765
Fontana	2,350,000	100.00%	2,350,000
Lake Geneva Jt 4	1,895,000	100.00%	1,895,000
Genoa City Jt 2	6,500,000	100.00%	6,500,000
Lake Geneva Jt 1	10,560,000	100.00%	10,560,000
Lake Geneva-Genoa City Unified High School	16,935,000	100.00%	16,935,000
Linn Jt 4	2,320,000	100.00%	2,320,000
Linn Jt 6	2,350,000	100.00%	2,350,000
Mukwonago	15,725,000	0.03%	4,402
Palmyra-Eagle	16,376,645	3.45%	564,235
Sharon	480,000	100.00%	480,000
Walworth	1,185,000	100.00%	1,185,000
Whitewater	18,566,121	50.45%	9,367,107
Williams Bay	5,055,000	100.00%	5,055,000
<b>SCHOOL DISTRICT TOTAL</b>	<u>175,664,039</u>		<u>119,297,736</u>
Technical College:			
Gateway	27,000,000	32.90%	8,883,000
Special Districts:			
Country Estates	812,600	100.00%	812,600
Delavan Lake Sanitary	685,000	100.00%	685,000
East Troy	35,000	100.00%	35,000
Lake Beulah	129,200	100.00%	129,200
Lake Como Sanitary	12,780,000	100.00%	12,780,000
Lauderdale Lakes Lake Management	1,109,200	100.00%	1,109,200
Troy Sanitary District	1,432	100.00%	1,432
WALCOMET	14,996,184	100.00%	14,996,184
<b>SPECIAL DISTRICT TOTAL</b>	<u>30,548,616</u>		<u>30,548,616</u>
<b>TOTAL DEBT APPLICABLE TO WALWORTH COUNTY</b>	<u>\$ 402,643,610</u>		<u>\$ 306,188,075</u>

Source: Robert W. Baird & Company

n/a - information not available

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

Fiscal Year	Population <sup>(a)</sup>	Personal Income <sup>(a)</sup> <i>thousands of dollars</i>	Per Capita Personal Income <sup>(a)</sup>	School Enrollment <sup>(b)</sup>	Unemployment Rate <sup>(c)</sup>	Total Residential Housing Units <sup>(a)</sup>
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%	43,766
2001	93,032	2,539,118	27,144	16,727	3.6%	44,727
2002	94,532	2,589,936	27,202	17,290	4.5%	45,565
2003	95,630	2,676,919	27,626	17,483	4.3%	46,534
2004	97,052	2,821,971	28,787	17,010	4.3%	47,479
2005	98,496	2,941,270	29,485	17,699	4.1%	48,587
2006	99,761	n/a	30,824	17,710	4.3%	49,560
2007	100,672	n/a	n/a	17,868	4.8%	50,174

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, 2007 and Nine Years Prior

Taxpayer	Type of Business	2007			1998		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
University of Wisconsin - Whitewater	College	1000+	1	1.88%	1000+	1	1.91%
County of Walworth	Governmental Agency	500-999	2	1.87%	1000+	2	1.91%
Grand Geneva (Marcus Hotels & Resorts - 1998)	Resort	500-999	3	1.87%	500-999	4	1.91%
Wal-Mart Associates	Discount Department Store	500-999	5	1.87%	-	-	-
Miniature Precision Components Inc.	Manufacturer - Plastics	500-999	6	1.87%	250-499	6	0.95%
Pentair Water Group (Sta-Rite Industries - 1998)	Manufacturer - Pumps	500-999	4	1.87%	500-999	3	1.91%
Aurora Health Care of Southern Lakes (Lakeland Medical Center - 1998)	Medical/Surgical Hospital	500-999	7	1.87%	250-499	5	0.95%
Elkhorn Area School District	Elementary/Secondary School	250-499	8	0.94%			
Whitewater Unified School District	Elementary/Secondary School	250-499	9	0.94%			
School District of Delavan-Darien	Elementary/Secondary School	250-499	10	0.94%	-	-	-
The Abbey	Resort				250-499	8	0.95%
Trostel Ltd.	Urethane & Thermoplastic Products	-		-	250-499	7	0.95%
ECM Motor Company	Electric Motors	-		-	250-499	9	0.95%
Waukesha Cherry-Burrell	Hydraulic Valves & Fittings	-		-	250-499	10	0.95%
<b>Total</b>				<b>15.93%</b>			<b>13.34%</b>

Source: Wisconsin Department of Workforce Development, Bureau of Workforce Information - June, 2007

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General government</b>										
County board	-	-	-	-	-	-	-	0.50	0.50	0.50
County clerk	4.00	4.00	4.00	4.00	4.16	4.16	4.00	4.00	4.20	4.20
Administration	2.00	2.47	2.00	8.50	8.50	7.50	18.50	15.00	15.00	10.50
Corp counsel	5.00	6.00	6.00	-	-	-	-	-	-	-
Human resources	8.50	9.00	9.00	11.00	11.00	10.00	-	-	-	-
Finance	8.80	9.80	13.00	13.00	13.00	12.00	12.00	16.00	16.00	14.00
Treasurer	5.16	4.91	5.16	5.30	5.30	4.98	4.99	4.99	4.99	5.99
Coroner	1.24	1.24	1.24	1.30	1.34	1.34	1.32	1.32	1.44	1.44
Clerk of courts	30.05	32.05	30.05	30.05	30.05	30.05	29.49	30.30	30.30	29.86
District attorney	9.29	9.29	11.15	11.15	11.05	11.05	11.55	11.55	11.55	11.55
Register of deeds	6.00	6.08	6.58	6.08	6.08	6.50	6.50	6.50	8.00	8.00
Information systems	10.00	11.00	13.00	13.00	13.00	11.00	17.00	17.00	14.00	13.00
Land information	-	-	-	5.00	5.00	4.00	-	-	-	-
Surveyor	4.24	5.00	4.00	-	-	-	-	-	-	-
	<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>	<u>99.04</u>
<b>Public safety</b>										
Sheriff	213.88	216.25	219.25	219.27	222.69	222.69	225.93	224.92	221.40	220.40
	<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>	<u>220.40</u>
<b>Health and human services</b>										
Health and human services	151.81	156.71	158.04	156.09	156.09	156.59	158.21	158.34	156.32	162.12
Child support enforcement agency	11.50	-	-	-	-	-	-	-	-	-
Veterans	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	<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>	<u>164.12</u>
<b>Culture, recreation, and education</b>										
UW extension	4.24	4.24	5.00	5.00	5.00	3.00	3.00	3.00	3.00	3.00
Lakeland school	145.29	152.13	162.83	177.29	182.85	182.81	183.16	188.89	196.90	180.72
	<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>	<u>183.72</u>

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Conservation and development										
Planning/zoning/sanitation/solid waste	17.99	19.49	19.00	-	-	-	-	-	-	-
Land conservation	6.00	7.00	7.50	-	-	-	-	-	-	-
Land use and resource management	-	-	-	26.50	26.50	27.00	23.00	23.00	22.00	21.00
	<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>	<u>21.00</u>
Lakeland health care center										
Lakeland health care center	320.80	304.75	303.10	268.11	267.61	260.66	251.10	197.76	163.77	146.69
	<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>	<u>146.69</u>
Highway/facilities administration										
Public works	-	-	-	83.67	83.68	75.48	68.49	66.49	65.49	73.25
Highway	53.93	53.97	54.35	-	-	-	-	-	-	-
Facilities	-	25.34	29.28	-	-	-	-	-	-	-
Lakeland agricultural complex	3.44	3.44	2.00	1.00	-	-	-	-	-	-
	<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>	<u>73.25</u>
Total Full-time Equivalents	<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>	<u>908.22</u>

Notes:

- \*Reorganization of Administration, Finance & Public Works in 2007
- \*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, 2007 and Nine Years Prior

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General government</b>										
Register of deeds										
Real estate documents processed	32,019	31,066	24,512	35,693	43,061	51,110	38,136	36,987	32,937	29,225
Birth records processed	1,172	1,259	1,324	1,397	1,423	1,496	1,447	1,548	1,646	1,649
Death records processed	851	908	880	861	901	838	911	925	897	851
County clerk										
Marriage licenses issued	694	691	783	765	768	761	714	788	755	739
Clerk of courts										
Case filings	19,585	21,345	21,621	22,265	24,008	21,814	24,758	22,492	22,458	21,469
Treasurer										
Tax parcels	n/a	n/a	n/a	n/a	59,331	59,745	60,545	61,250	62,312	63,764
<b>Public safety</b>										
Traffic citations	5,308	4,762	4,870	6,662	7,613	6,964	4,545	3,649	5,035	3,605
Ordinance citations	1,536	1,696	1,802	1,380	1,959	1,846	1,862	1,029	1,322	1,093
Traffic accidents reported	725	767	682	585	725	811	811	833	704	783
<b>Health and human services</b>										
Veterans office										
Phone calls received	5,064	5,412	6,027	6,577	6,909	7,134	8,175	8,369	9,205	9,311
Office visits	2,518	2,680	3,122	3,433	3,775	3,820	3,940	4,020	4,438	4,824
<b>Culture, recreation, and education</b>										
School										
Students (onsite)	229	221	226	239	241	239	240	258	270	251
Students (outlying districts)	1,268	1,335	1,485	1,561	1,616	1,651	1,714	1,785	1,786	943
Parks										
Trail: yearly passes sold	n/a	n/a	n/a	n/a	n/a	502	559	703	750	754
Trail: daily passes sold	n/a	n/a	n/a	n/a	n/a	33	545	1,187	1,614	1,344
<b>Conservation and development</b>										
Land use and resource management										
Zoning permits issued	1,095	1,227	1,220	1,258	1,340	1,359	1,471	1,352	1,141	1,016
Sanitation permits issued	484	502	413	446	469	501	536	458	348	292
<b>Highway/facilities administration</b>										
Hazardous waste collected-agricultural (lbs)	n/a	n/a	n/a	n/a	28,435	n/a	n/a	14,812	n/a	3,411
Hazardous waste collected-household (lbs)	12,312	19,215	23,345	n/a	23,253	27,512	35,151	26,513	28,531	25,927
Hazardous waste collected-computer equip (lbs)	n/a	n/a	n/a	28,258	n/a	23,474	29,178	38,346	55,727	62,304
State lane miles maintained	n/a	656	689	689						
County lane miles maintained	n/a	n/a	400	400	399	401	399	386	386	386
<b>Nursing Home</b>										
Licensed beds	295	295	295	245	245	235	235	235	120	120

n/a = not readily available

TABLE 19  
**WALWORTH COUNTY, WISCONSIN**  
 Capital Asset Statistics by Function  
 For December 31, 2007 and Nine Years Prior

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public safety										
Vehicles insured	57	61	61	64	69	64	74	61	57	51
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	400	400	399	401	399	386	386	386
County bridges	26	26	26	26	26	26	26	26	26	26
Vehicles insured	80	91	87	95	99	82	85	86	94	125
County facility buildings (sq ft)	n/a	686,658	686,658	686,658	686,658	686,658	686,658	1,033,450	861,450	861,450
Facilities maintained (sq ft/employee)	n/a	31,938	22,904	22,904	22,904	31,938	47,356	86,121	71,788	71,788

n/a - information not available



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