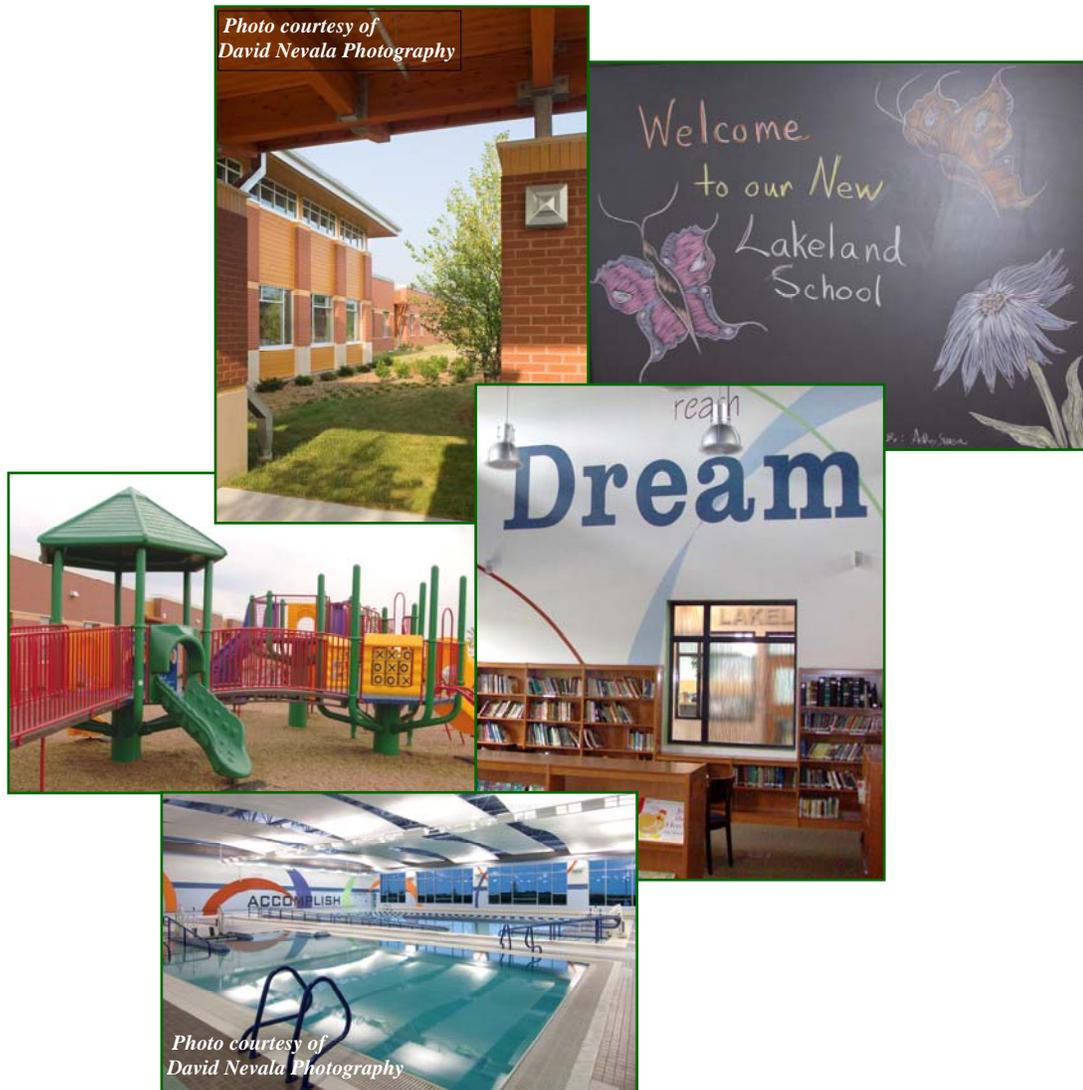


Walworth County, Wisconsin



Comprehensive Annual Financial Report

Including Auditor's Report
for the fiscal year ended December 31, 2008

**WALWORTH COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008**

Prepared by:
Walworth County Finance Department

WALWORTH COUNTY, WISCONSIN
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INTRODUCTORY SECTION



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May 19, 2009

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, 2008. To satisfy requirements of State law and Walworth County Ordinance, this report was prepared by the Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other authoritative accounting standard setting bodies. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

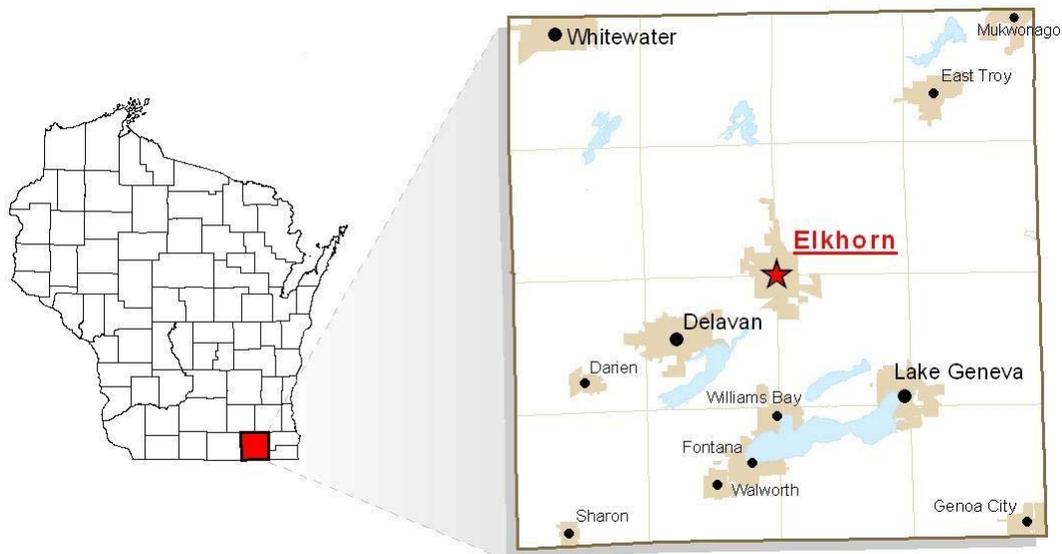
County policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 as amended, the related U.S. Office of Management and Budget Circular A-133 and the State Single Audit Act. An independent firm of licensed certified public accountants, 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, 2008, 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, 2008 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
PO BOX 1001
ELKHORN, WI 53121
262.741.4242 TEL
262.741.4384 FAX

THE REPORTING ENTITY

Walworth County was created in 1838, pursuant to the laws of the territory of Wisconsin, with the City of Elkhorn established as the County Seat. The County was part of Racine County until its organization as a separate unit of county government was authorized by an act of the Territorial Legislature in 1839. Within the County's 576 square miles, there are all or portions of 4 cities, 8 villages, 16 towns and 15 school districts.



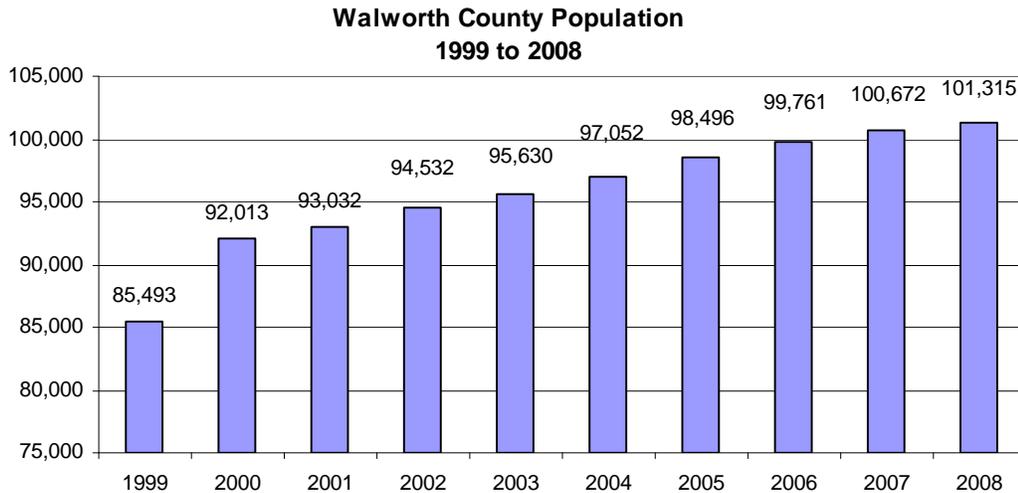
Policy-making and legislative authority are vested in a 25-member Board of Supervisors. Supervisors serve two-year terms and are elected in April of the even numbered calendar years. Pursuant to an April 2007 binding referendum, the Board of Supervisors was reduced from a 25-member board to an 11-member 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 other supplemental information section of this report for the General Fund.

ECONOMIC CONDITIONS AND OUTLOOK

LOCAL ECONOMY

Walworth County added over 9,300 new residents since 2000, which represents a growth rate of 10.1%. This growth rate well surpasses the state rate of 5.8% during that same period. The estimated population at December 31, 2008 is 101,315, an increase of 643 from 2007. The graph below demonstrates the steady increase in census for the past 10 years.



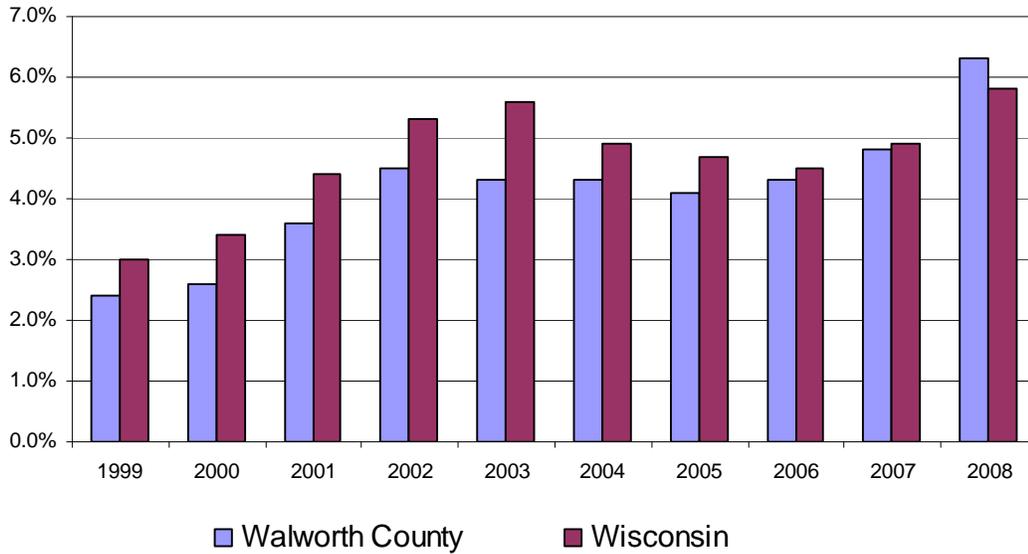
*Source: Wisconsin Department of Administration, Demographic Services Center
and US Census Bureau*

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 degree and vocational education programs to serve the technical training needs of the area. Aurora University is a private, independent university offering undergraduate and post-graduate degrees to approximately 4,000 combined students on their Aurora, Illinois, and Williams Bay, Wisconsin campuses.

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 December 2008 unemployment rate for the County was 6.3% compared to the statewide average of 5.8%. Historically, average unemployment levels within the County are lower than that of the State as indicated in the following chart, however, the 2008 rates were impacted by the closing of the General Motors plant in nearby Rock County. The rise in unemployment levels is reflective of the overall economic conditions nationwide.

**Unemployment Rates
1999 to 2008**



*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 two of its top ten employers are from the hospitality industry. Without a stadium, regional mall or convention center, Walworth County currently ranks sixth in the state in terms of spending for tourists, according to the Wisconsin Department of Tourism's 2008 report. 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.

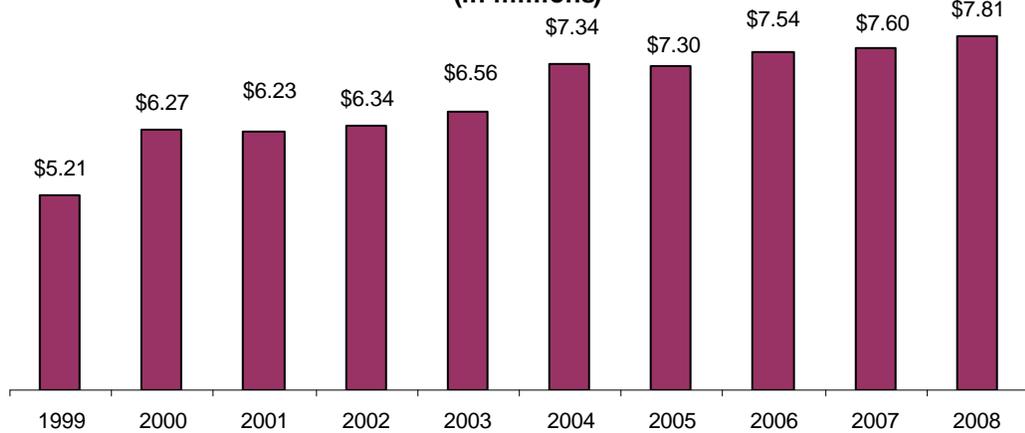
**Top 10 Industries in Walworth County
2007 Annual Average**

<u>Industry</u>	<u>Employees</u>
Food Services & Drinking Places	3,621
Educational Services	3,598
Accommodation	2,125
Administrative & Support Services	1,994
Machinery Manufacturing	1,960
Executive, Legislative & General Government	1,829
Plastics & Rubber Products Manufacturing	1,637
Nursing & Residential Care Facilities	1,275
Fabricated Metal Product Manufacturing	1,216
General Merchandise Stores	1,045

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
1999 to 2008
(in millions)**

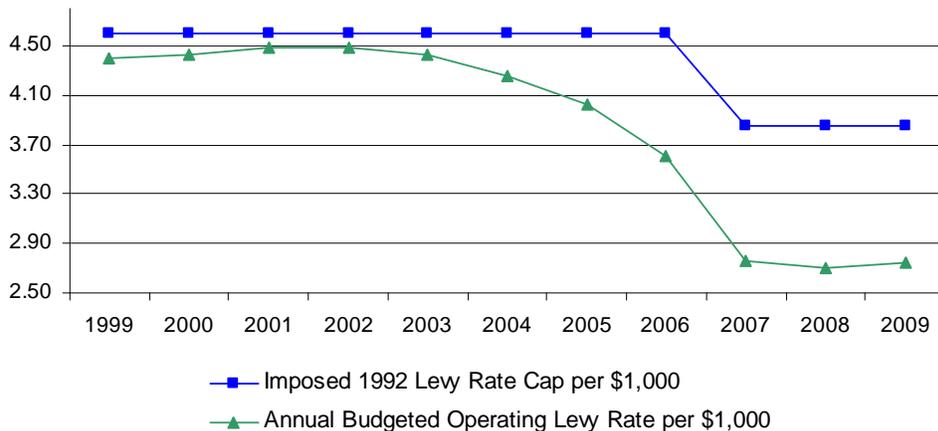


LONG-TERM FINANCIAL PLANNING

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 2007 operating mill rate for 2008 operations was \$2.70 per \$1,000 of equalized value, equating to \$16.1 million under the levy cap. The 2008 levy for the 2009 budget resulted in an operating mill rate of \$2.75 per \$1,000 of equalized value, increasing the room under this cap to \$16.3 million.

**Operating Mill Rates
1999 to 2008**

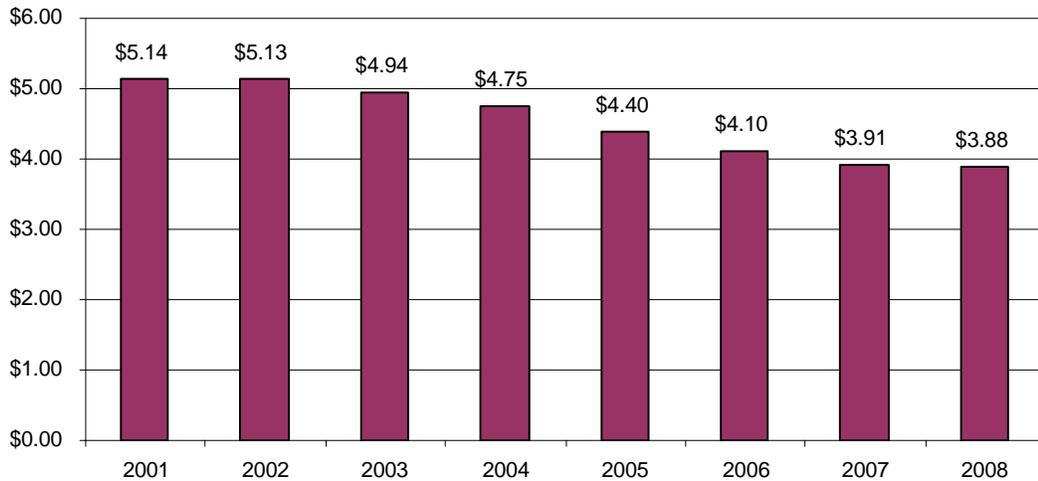


Note: The 1992 Operating Mill Rate Cap was adjusted to reflect the creation of a segregated CDEB district effective for fiscal year 2007.

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 2008 levy for 2009 purposes is compliant with the new cap and results in the County being \$890,000 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 2008 levy for 2009 budget purposes, providing the County with significant revenue flexibility below the rate limit.

**Levy Rates
2001 to 2008**



Capital Projects

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 was completed in mid-2008. The County sold the existing school facility and its adjoining 8 acres to a private developer.

The County continues to upgrade its technology. In addition to a recent upgrade to its financial and timekeeping software, the County "went live" with a new human resources/payroll system on January 1, 2009. Phase II of the advanced timekeeping system is scheduled for July, 2009. Installation of a new human services information system and jail management system are also in the implementation stages, with completion 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 55-56 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, 2008, the County has funded \$5,835,776 of the liability. In addition, an additional \$2,638,759 was included in the 2009 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, 2008, the undesignated fund balance is 24.47%, providing excess funds in the amount of approximately \$3.4 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, 2008, the County had \$69.5 million of cash and investments. For additional information, refer to pages 51-54 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 became effective January 1, 2008 and has significantly reduced 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, 2008, combined equity for the internal service funds totaled \$7,850,787. 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 1,067.53 to 871.62, effective with the 2009 budget. This is a net reduction of 195.91 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 3 of its 7 labor unions and has tentative agreements with the remaining 4 units. 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.

In an effort to create good jobs and diversify the tax base, the County introduced an economic development initiative in 2003. That year, a strategic planning process began that involved representatives from each town, city and village in the county, together with representatives of business, higher education and county government.

The process resulted in a recommendation that economic development be pursued through a non-profit corporation funded by both government and the private sector. In late 2005, the Walworth County Economic Development Alliance, Inc. (WCEDA) was formed. In 2009, the County expanded its economic development strategy to include the creation of a professional position in the University of Wisconsin-Extension Office. By leveraging State dollars, in addition to a \$20,000 County appropriation, the extensive resources of the University of Wisconsin can be accessed to assist WCEDA's economic development efforts.

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 2007 was \$436 million based upon an April 2008 report by the Wisconsin Department of Tourism.

2008 brought 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, 2007. This was the sixth 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, 2008. 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.

Public Policy Forum

In 2008, Walworth County, in conjunction with 15 local school districts, was the recipient of the Intergovernmental Cooperation Award in recognition of the hard work and cooperation associated with the intergovernmental agreement that made the new Lakeland School a reality. 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 our special education program.

American Red Cross Brave Hearts 2009 Health Care Award

The Walworth County Health and Human Services department earned the American Red Cross Brave Hearts 2009 Health Care Award for providing the best possible services and quality care to individuals in the community. The Community Support Program pioneered a model program that provides cost effective, high quality care in the community and drastically reduced the number of traumatic life events.

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,



David A. Bretl
County Administrator



Nicole J. Andersen
Deputy County Administrator-Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Walworth County
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

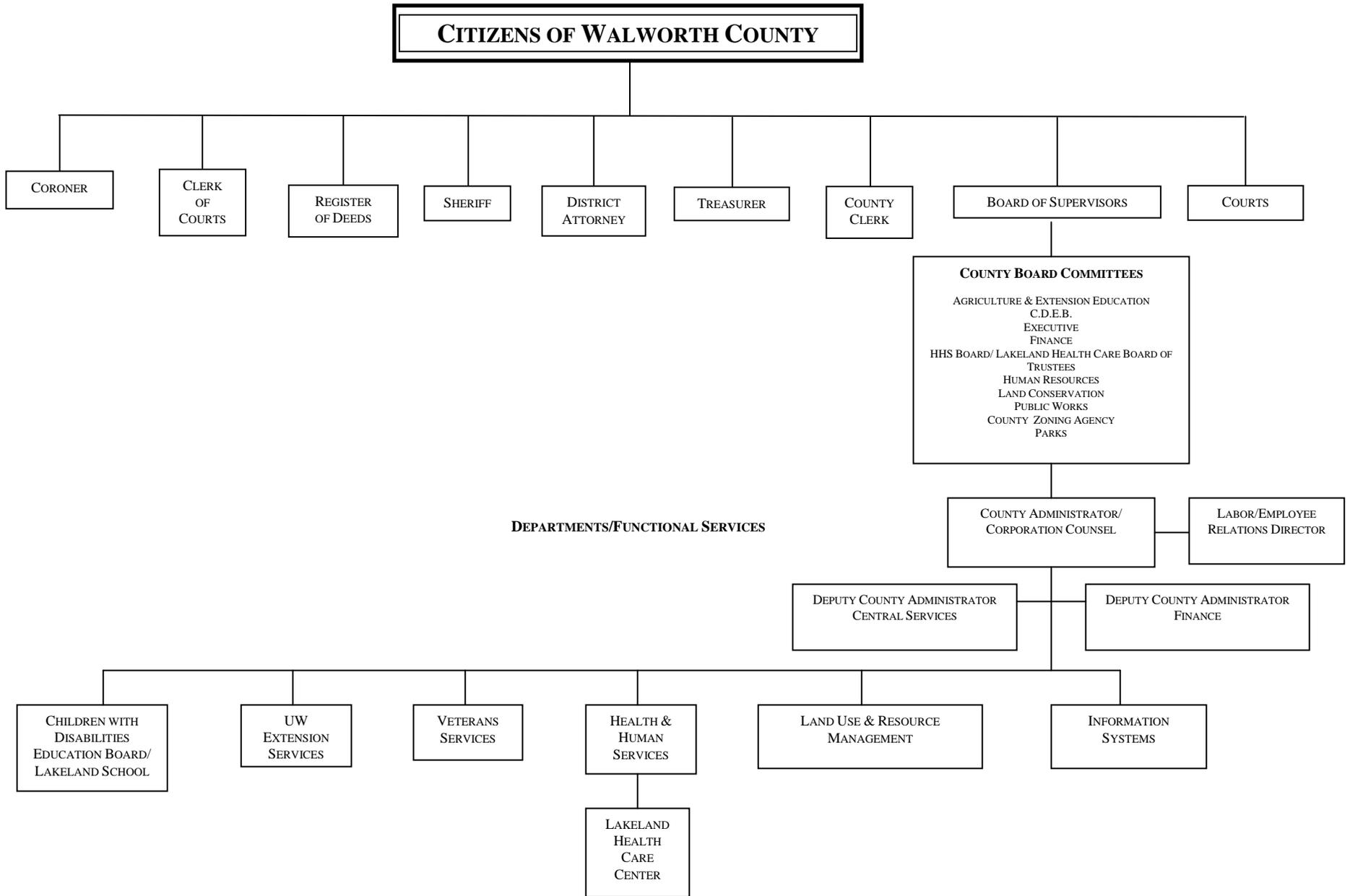
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

WALWORTH COUNTY ORGANIZATION STRUCTURE



WALWORTH COUNTY, WISCONSIN
LIST OF PRINCIPAL OFFICIALS
As of December 31, 2008

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 D. Goetz

COUNTY BOARD SUPERVISORS

Supervisory District	Name
1	Rick Stacey
2	Joe Schaefer
3	F. Mark Bromley
4	Jerry Grant
5	Claudia J. Holst
6	Kathy Ingersoll
7	David A. Weber
8	Daniel G. Kilkenny
9	Jim Van Dreser
10	Randy A. Hawkins
11	Nancy Russell

NONELECTED OFFICIALS

<u>Activity</u>	<u>Name</u>
County Administrator	David Bretl
Corporation Counsel.....	David Bretl
Deputy County Administrator - Finance	Nicole Andersen
Comptroller	Jessica Lanser
Deputy County Administrator – Central Services	Shane Crawford
Health and Human Services Director	Linda Seemeyer
Information Systems Director	John Orr
Lakeland Health Care Center Administrator.....	Jonn Turzenski
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



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**FINANCIAL
SECTION**



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Independent Auditor's Report

Board of County Supervisors
Walworth County, Wisconsin
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, 2008 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.

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, 2008, 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 May 19, 2009 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 16 through 24 and the required supplementary information on page 69 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 Gunderson LLP

Milwaukee, Wisconsin
May 19, 2009

**FINANCIAL
SECTION**



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**MANAGEMENT
DISCUSSION
AND
ANALYSIS**



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WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2008

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, 2008. Efforts have been made to provide comparison to prior year data when such data is available.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2008 by \$124.8 million (*net assets*), \$103.3 million in governmental activities and \$21.5 million in business-type activities. Of this amount, \$55.0 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 \$10.5 million. Governmental activities increased net assets by \$9.0 million; business-type activities increased net assets by \$1.5 million.
- As of December 31, 2008, the County's governmental funds reported combined ending fund balances of \$37.3 million. Approximately 64% of this total amount, \$23.9 million, is available for spending at the County's discretion (*unreserved and undesignated fund balance*).
- The mill rate fell 4.8% to 3.906 per \$1,000 of property value for the year ended December 31, 2008.

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 Public Works highway and facility administration.

The government-wide financial statements can be found on pages 25-26 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2008

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

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

The basic governmental fund financial statements can be found on pages 27-34 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 35-39 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
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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 42-68 of this report.

Required supplementary information. The required supplemental information provides information on the funding progress of the County's other postemployment benefit plan. This information can be found on page 69 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 70-84. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 85-87.

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 \$124,844,139 at the close of 2008.

Walworth County's Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current assets	\$ 113,451	\$ 103,954	\$ 21,995	\$ 21,962	\$ 135,446	\$ 125,916
Capital assets	98,841	98,071	20,158	20,110	118,999	118,181
Other noncurrent assets	1,939	1,846	87	-	2,026	1,846
Total assets	214,231	203,871	42,240	42,072	256,471	245,943
Current liabilities	65,540	65,132	8,292	7,995	73,832	73,127
Noncurrent liabilities	45,375	44,384	12,420	14,043	57,795	58,427
Total liabilities	110,915	109,515	20,712	22,038	131,627	131,553
Net assets:						
Invested in capital assets, net of related debt	57,402	59,418	8,910	7,582	66,312	67,000
Restricted	3,320	3,103	144	129	3,464	3,232
Unrestricted	42,594	31,835	12,474	12,323	55,068	44,158
Total net assets	\$ 103,316	\$ 94,356	\$ 21,528	\$ 20,034	\$ 124,844	\$ 114,390

The largest portion of the County's net assets (53.1%) 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* (\$55,067,703) may be used to meet the County's ongoing obligations to citizens and creditors.

WALWORTH COUNTY, WISCONSIN
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Change in net assets. At the end of the fiscal year, the County reported total revenues of \$122,082,378 and total expenses of \$111,628,128, resulting in an increase in net assets of \$10,454,250 (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	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 10,137	\$ 9,661	\$ 12,699	\$ 11,599	\$ 22,836	\$ 21,260
Operating grants and contributions	28,226	26,367	3,632	2,920	31,858	29,287
Capital grants and contributions	357	673	123	38	480	711
General revenues:						
Property taxes	48,725	47,346	6,720	5,424	55,445	52,770
Other taxes	7,884	7,680	-	-	7,884	7,680
Grants and contributions not restricted to specific programs	332	341	-	-	332	341
Other	3,039	4,767	208	166	3,247	4,933
Total revenues	98,700	96,835	23,382	20,147	122,082	116,982
Expenses:						
General government	13,813	15,308	-	-	13,813	15,308
Public safety	23,804	23,063	-	-	23,804	23,063
Health and human services	29,975	30,871	-	-	29,975	30,871
Culture, recreation and education	16,012	14,194	-	-	16,012	14,194
Public works	2,176	3,726	-	-	2,176	3,726
Conservation and development	2,440	2,480	-	-	2,440	2,480
Interest on long-term debt	1,570	1,412	-	-	1,570	1,412
Nursing home	-	-	12,145	11,915	12,145	11,915
Highway	-	-	9,693	8,809	9,693	8,809
Total expenses	89,790	91,054	21,838	20,724	111,628	111,778
Increase (decrease) in net assets before transfers	8,910	5,781	1,544	(577)	10,454	5,204
Transfers	50	(1,290)	(50)	1,290	-	-
Increase in net assets	8,960	4,491	1,494	713	10,454	5,204
Net assets - January 1	94,356	89,865	20,034	19,321	114,390	109,186
Net assets - December 31	\$ 103,316	\$ 94,356	\$ 21,528	\$ 20,034	\$ 124,844	\$ 114,390

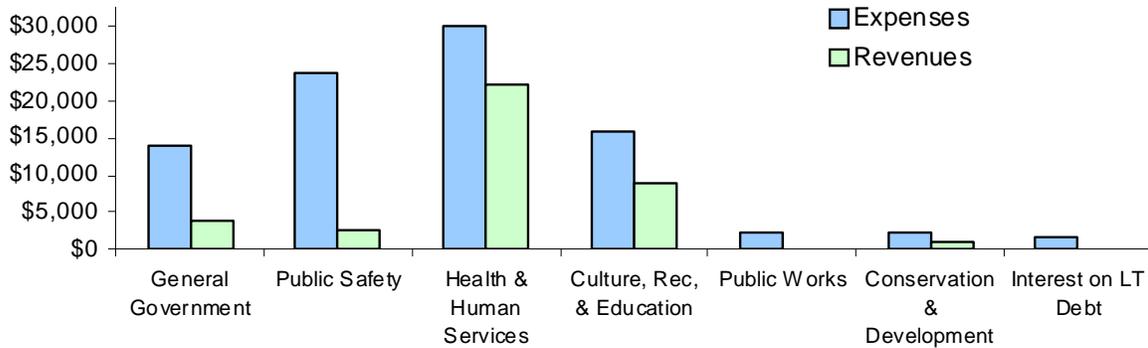
WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2008

Governmental Activities. Governmental activities increased the County's net assets by \$8,960,338, 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 \$98,750,148, with property taxes accounting for 49.4% of the total revenue, followed by operating grants and contributions at 28.6%. 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.

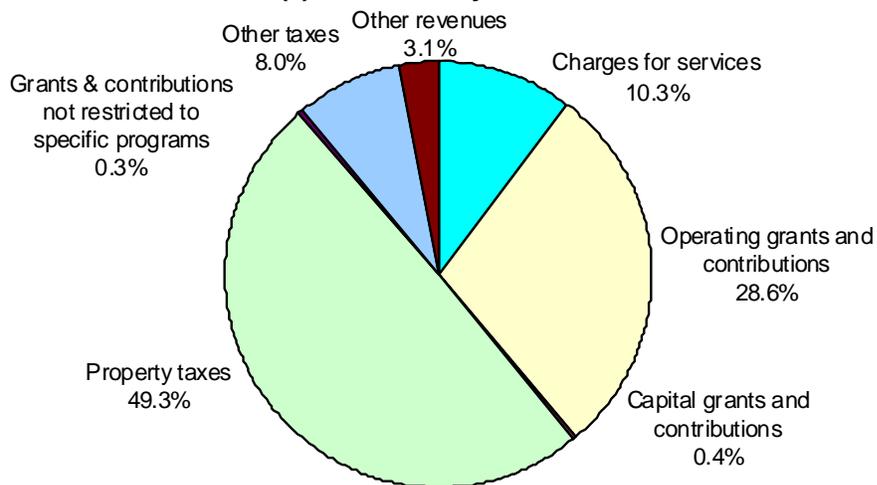
Health and human services increased efforts through new programs to reduce spending while maintaining a high level of service accounting for an increase of \$1.7 million. Early implementations of the Children with Disabilities Education Board contract with school districts resulted in transfer of employees to school districts saving payroll costs and transfer to district costs in the amount of \$1.2 million. Finally, the employee benefits fund began a recovery of its health insurance reserves resulting in a \$1.9 million increase in net assets.

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

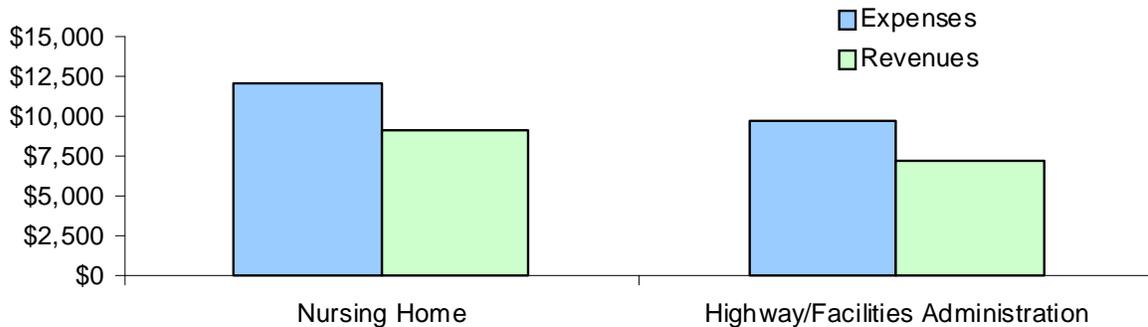


WALWORTH COUNTY, WISCONSIN
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 December 31, 2008

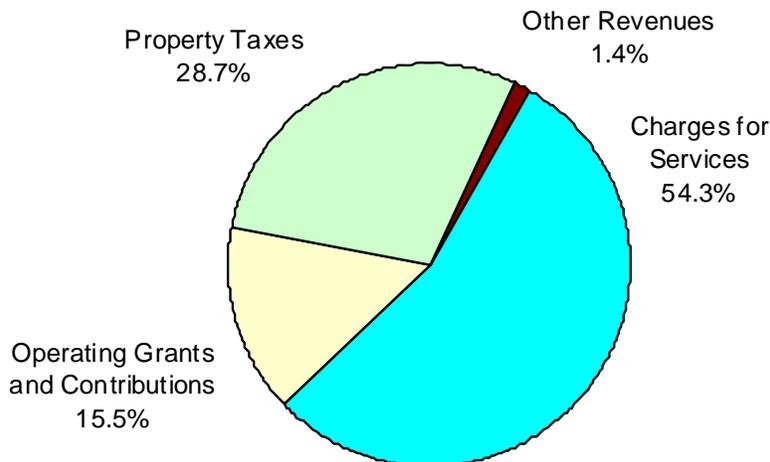
Business-type Activities. Business-type activities increased net assets by \$1,493,912, thereby accounting for 14% of the total growth in net assets of the County. This growth is due primarily to increased revenues. Lakeland Health Care Center has shifted its primary revenue sources by working with more 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.

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, 2008

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, 2008, the County's governmental funds reported combined ending fund balances of \$37,325,484, an increase of \$5,545,496 from the prior year. Approximately 59% of this amount (\$23,932,920) 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 \$4,150,000 to fund subsequent year budget items and \$2,530,593 for open projects carried forward into the next year, and \$25,000 designated for parks. 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 (\$15,274), 2) for non-liquid delinquent taxes (\$3,740,060), 3) for encumbrances (\$684,797), 4) for debt retirement (\$594,982), for Sheriff Trusts (\$641,727), for land information projects (\$548,640), 6) for donations for school, sheriff and parks (\$161,886), 7) for unspent bond proceeds (\$184,776), 8) for Alpine Valley (\$91,758), and 9) for non-metallic mining fees collected and held by statute (\$23,071).

The General fund is the chief operating fund of the County. At the end of the current year, unreserved, undesignated fund balance of the General fund was \$18,471,322, while total fund balance reached \$27,873,596. 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 and transfers. Unreserved, undesignated fund balance represents 44% of total General fund expenditures and transfers, while total fund balance represents 66% of that same amount.

The fund balance of the County's General fund decreased by \$285,597. The fund was budgeted to decrease by \$4,535,866. The key factors include the transfer of prior year health and human service savings of \$1,541,694, sale of the old Lakeland School building of \$400,000, and lapsing individual General fund department savings of \$1,223,249.

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 \$3,932,380. Of this fund balance, \$400,118 is unreserved, but designated to fund projects carried forward and \$234,055 is reserved for encumbrances. The fund balance increased by \$1,668,911 due primarily to improved service and programs allowing for a decrease in professional services. Health and Human Services net change in fund balance will result in a 2009 transfer to the General fund in the amount of \$3,298,207.

The Children with Disabilities Education Board special revenue fund has a total fund balance of \$2,253,104. Of this fund balance, \$553 is reserved for encumbrances, and \$92,852 is reserved as donations. The fund balance increased by \$1,890,466, primarily due to the early implementation of school district transfers resulting in savings of payroll costs and transfers to districts.

The Debt Service fund has a total fund balance of \$594,982, which is reserved for future debt service payments. The fund balance increase of \$174,085 was due to a refunding of debt realizing additional investment income and a savings in debt service interest payments.

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
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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 \$7,018,070. The total growth in net assets was \$225,290.

Unrestricted net assets of the Public Works fund at the end of the year amounted to \$5,312,605. The total growth in net assets was \$740,841.

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 \$1,156,370 in appropriations; the majority consists of projects and encumbrances carried over from 2007.

During the year, budgeted revenues exceeded actual revenues by \$676,574 due to the down turn in the economy affecting the majority of revenues including tax collections, fees collected, and interest income. Actual expenditures were less than budgeted expenditures by \$3,239,438, primarily due to operational efficiencies from each department, and capital outlay projects not completed. The public safety area accounts for \$1.9 million of this savings of which \$1.1 million in outlay projects expense budgets will be carried forward to 2009.

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, 2008 amounts to \$118,998,434 (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 decrease in the County's investment in capital assets for the current fiscal year was 2% (decrease attributed all to the governmental activities).

The County has taken a new approach to road construction and will be completing road construction every other year. 2008 is considered an off year where only small projects and engineering costs were incurred. This is the primary cause for the decline in capital asset value due to depreciation of roads without replacement.

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

- New school building, most of which was construction in progress, capitalized at a cost of \$16,717,372
- Replacement of various police vehicles, at a cost of \$268,545
- Replacement of 3 plow trucks, at a cost of \$567,974
- Sale of old school building, resulting in proceeds of \$400,000

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 55-56.

Long-term debt. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$52,880,000. 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 debt is subject to a legal

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2008

limitation, based on 5% of the total equalized value of taxable property in the County. The current debt limitation for the County is \$715,724,947, which is significantly in excess of the County's \$58,180,000 in authorized general obligation debt.

The County's total general obligation debt increased by \$1,215,000 (2.3%) during the current fiscal year. The key factors in this increase were the issuance of notes in the amount of \$8,600,000 for construction of the new school building and \$3,305,000 for refinancing of old debt, and the retirement of \$10,690,000 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 59-60.

Economic Factors and Next Year's Budget and Rates

- The economic condition of the nation has taken a downturn affecting many aspects of the County's economy including employment and revenue declines. The County is based on a relatively healthy mix of manufacturing, tourism, service industry, retail, and farming activities that support our tax base, and therefore expects to come out of this recession and return to a stable environment.
- Inflationary trends in our region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2009 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 2009, 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, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 47,971,759	\$ 11,557,791	\$ 59,529,550
Restricted cash and investments	1,192,797	52,433	1,245,230
Receivables (net of allowance for uncollectibles):			
Taxes	50,437,276	6,989,060	57,426,336
Delinquent taxes	7,208,856	-	7,208,856
Accounts	2,663,097	1,425,409	4,088,506
Internal balances	(125,905)	125,905	-
Due from other governments	4,084,088	1,175,688	5,259,776
Inventories	15,274	649,368	664,642
Prepaid items	4,356	19,588	23,944
Total current assets	<u>113,451,598</u>	<u>21,995,242</u>	<u>135,446,840</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
Other post employment benefits	-	49,836	49,836
Unamortized debt issuance costs	93,391	37,589	130,980
Capital assets:			
Land and construction in progress	2,857,796	134,415	2,992,211
Other capital assets (net of accumulated depreciation)	95,983,089	20,023,134	116,006,223
Total capital assets	<u>98,840,885</u>	<u>20,157,549</u>	<u>118,998,434</u>
Total noncurrent assets	<u>100,780,047</u>	<u>20,244,974</u>	<u>121,025,021</u>
Total assets	<u>214,231,645</u>	<u>42,240,216</u>	<u>256,471,861</u>
LIABILITIES			
Current liabilities:			
Accounts payable	3,573,495	583,013	4,156,508
Accrued interest payable	305,004	100,787	405,791
Accrued liabilities	2,048,300	522,251	2,570,551
Claims payable	5,708,257	-	5,708,257
Deposits	2,316,160	52,433	2,368,593
Due to other governments	259,794	-	259,794
Unearned revenue	51,329,064	7,034,155	58,363,219
Total current liabilities	<u>65,540,074</u>	<u>8,292,639</u>	<u>73,832,713</u>
Noncurrent liabilities:			
Due within one year	8,138,335	2,204,852	10,343,187
Due in more than one year	37,236,904	10,214,918	47,451,822
Total noncurrent liabilities	<u>45,375,239</u>	<u>12,419,770</u>	<u>57,795,009</u>
Total liabilities	<u>110,915,313</u>	<u>20,712,409</u>	<u>131,627,722</u>
NET ASSETS			
Invested in capital assets, net of related debt	57,401,851	8,910,256	66,312,107
Restricted for:			
General government	1,563,000	-	1,563,000
Public safety	800,652	-	800,652
Culture, recreation and education	94,719	-	94,719
Conservation and development	571,711	-	571,711
Debt service	289,978	-	289,978
Nursing home	-	144,269	144,269
Unrestricted	42,594,421	12,473,282	55,067,703
Total net assets	<u>\$ 103,316,332</u>	<u>\$ 21,527,807</u>	<u>\$ 124,844,139</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, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 13,813,464	\$ 3,455,029	\$ 574,195	\$ -	\$ (9,784,240)	\$ -	\$ (9,784,240)
Public safety	23,803,711	1,708,157	852,400	70,674	(21,172,480)	-	(21,172,480)
Health and human services	29,975,541	4,075,661	18,129,418	3,732	(7,766,730)	-	(7,766,730)
Culture, recreation and education	16,011,838	174,430	8,346,676	282,352	(7,208,380)	-	(7,208,380)
Public works	2,175,607	-	-	-	(2,175,607)	-	(2,175,607)
Conservation and development	2,439,853	724,190	323,639	-	(1,392,024)	-	(1,392,024)
Interest on long-term debt	1,569,796	-	-	-	(1,569,796)	-	(1,569,796)
Total governmental activities	<u>89,789,810</u>	<u>10,137,467</u>	<u>28,226,328</u>	<u>356,758</u>	<u>(51,069,257)</u>	<u>-</u>	<u>(51,069,257)</u>
Business-type activities:							
Nursing home	12,145,036	7,690,184	1,520,883	-	-	(2,933,969)	(2,933,969)
Highway/facilities administration	9,693,282	5,009,372	2,110,893	123,040	-	(2,449,977)	(2,449,977)
Total business-type activities	<u>21,838,318</u>	<u>12,699,556</u>	<u>3,631,776</u>	<u>123,040</u>	<u>-</u>	<u>(5,383,946)</u>	<u>(5,383,946)</u>
Total primary government	<u>\$ 111,628,128</u>	<u>\$ 22,837,023</u>	<u>\$ 31,858,104</u>	<u>\$ 479,798</u>	<u>\$ (51,069,257)</u>	<u>\$ (5,383,946)</u>	<u>\$ (56,453,203)</u>
General revenues:							
General property taxes					42,011,107	6,719,641	48,730,748
Property taxes for debt service					6,714,271	-	6,714,271
County share of sales taxes					7,807,117	-	7,807,117
Other taxes					76,789	-	76,789
Grants and contributions not restricted to specific programs					331,464	-	331,464
Unrestricted investment earnings					2,992,572	63,731	3,056,303
Gain on sale of assets					-	98,245	98,245
Miscellaneous					46,561	45,955	92,516
Transfers					49,714	(49,714)	-
Total general revenues and transfers					<u>60,029,595</u>	<u>6,877,858</u>	<u>66,907,453</u>
Change in net assets					8,960,338	1,493,912	10,454,250
Net assets - beginning					<u>94,355,994</u>	<u>20,033,895</u>	<u>114,389,889</u>
Net assets - ending					<u>\$ 103,316,332</u>	<u>\$ 21,527,807</u>	<u>\$ 124,844,139</u>

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

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

	Special Revenue Funds					
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 24,241,879	\$ 4,893,050	\$ 1,832,297	\$ 594,982	\$ 2,901,923	\$ 34,464,131
Receivables (net of allowance for uncollectibles):						
Taxes	23,813,328	11,001,334	8,821,321	6,642,168	159,125	50,437,276
Delinquent taxes	5,945,555	-	-	-	-	5,945,555
Accounts	135,349	838,403	1,000	-	1,193	975,945
Due from other governments	1,399,581	910,367	1,614,687	-	159,453	4,084,088
Inventories	15,274	-	-	-	-	15,274
Long-term receivables	282,771	-	-	-	-	282,771
Restricted cash and investments						
Patient and school deposits	-	499,017	62,683	-	-	561,700
Total assets	\$ 55,833,737	\$ 18,142,171	\$ 12,331,988	\$ 7,237,150	\$ 3,221,694	\$ 96,766,740
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 634,982	\$ 1,887,588	\$ 809,763	\$ -	\$ 236,212	\$ 3,568,545
Accrued liabilities	1,399,441	261,298	382,147	-	5,414	2,048,300
Due to other funds	8,417	785	2,970	-	4	12,176
Due to other governments	157,121	102,637	-	-	36	259,794
Deposits	19,263	212,372	-	-	-	231,635
Deferred tax revenues	24,870,182	11,001,334	8,821,321	6,642,168	159,125	51,494,130
Other deferred revenues	856,835	244,760	-	-	149,481	1,251,076
Liabilities payable from restricted assets						
Patient and school deposits	-	499,017	62,683	-	-	561,700
Other liabilities	13,900	-	-	-	-	13,900
Total liabilities	27,960,141	14,209,791	10,078,884	6,642,168	550,272	59,441,256

(Continued)

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET (concluded)
GOVERNMENTAL FUNDS
December 31, 2008

	Special Revenue Funds					Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service	Nonmajor Governmental Funds	
Fund balances:						
Reserved for:						
Alpine Valley	\$ 91,758	\$ -	\$ -	\$ -	\$ -	\$ 91,758
Debt service	-	-	-	594,982	-	594,982
Delinquent personal property taxes	3,740,060	-	-	-	-	3,740,060
Donations	69,034	-	92,852	-	-	161,886
Encumbrances	250,705	234,055	553	-	199,484	684,797
Inventory	15,274	-	-	-	-	15,274
Land information fees	-	-	-	-	548,640	548,640
Non-metallic mining fees	23,071	-	-	-	-	23,071
Sheriff trusts	-	-	-	-	641,727	641,727
Unspent bond proceeds	-	-	-	-	184,776	184,776
Unreserved and designated, for:						
Subsequent year budget items	4,150,000	-	-	-	-	4,150,000
Open project carryforwards	1,037,372	400,118	-	-	1,093,103	2,530,593
Parks	25,000	-	-	-	-	25,000
Unreserved and undesignated, reported in:						
General fund	18,471,322	-	-	-	-	18,471,322
Special revenue funds	-	3,298,207	2,159,699	-	3,692	5,461,598
Total fund balances	<u>27,873,596</u>	<u>3,932,380</u>	<u>2,253,104</u>	<u>594,982</u>	<u>2,671,422</u>	<u>37,325,484</u>
Total liabilities and fund balances	<u>\$ 55,833,737</u>	<u>\$ 18,142,171</u>	<u>\$ 12,331,988</u>	<u>\$ 7,237,150</u>	<u>\$ 3,221,694</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.	98,840,885
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	4,172,460
Internal service funds are used by management to charge the costs of employee benefits, and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	7,850,787
Due from business-type activities related to internal service funds	(142,607)
Health insurance credits recorded as part of other post employment liability as a revenue	842,275
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(45,572,952)</u>
Net assets of governmental activities as reported on the statement of net assets (see page 25)	<u>\$ 103,316,332</u>

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008

	General	Special Revenue Funds	
		Health & Human Services	Children With Disabilities Education Board
REVENUES			
Taxes	\$ 30,486,115	\$ 11,029,031	\$ 8,908,379
Intergovernmental	1,488,109	17,992,816	8,267,640
Licenses and permits	309,766	-	-
Fines, forfeitures and penalties	1,425,845	-	-
Public charges for services	2,391,519	4,012,005	30,776
Intergovernmental charges for services	1,302,990	61,326	106,114
Investment income	1,657,535	-	-
Miscellaneous	258,593	125,931	60,534
Total revenues	<u>39,320,472</u>	<u>33,221,109</u>	<u>17,373,443</u>
EXPENDITURES			
Current:			
General government	12,914,743	-	-
Public safety	22,412,136	-	-
Health and human services	175,290	29,921,560	-
Culture, recreation, and education	456,366	-	18,607,192
Conservation and development	1,996,634	-	-
Capital outlay	768,940	355,444	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>38,724,109</u>	<u>30,277,004</u>	<u>18,607,192</u>
Excess (deficiency) of revenues over expenditures	<u>596,363</u>	<u>2,944,105</u>	<u>(1,233,749)</u>
OTHER FINANCING SOURCES (USES)			
Sale of assets	474,719	-	-
Long-term debt issued	-	-	-
Premium on long-term debt	-	-	-
Transfers in	1,956,247	266,500	3,546,426
Transfers out	<u>(3,312,926)</u>	<u>(1,541,694)</u>	<u>(422,211)</u>
Total other financing sources (uses)	<u>(881,960)</u>	<u>(1,275,194)</u>	<u>3,124,215</u>
Net change in fund balances	(285,597)	1,668,911	1,890,466
Fund balances - beginning	<u>28,159,193</u>	<u>2,263,469</u>	<u>362,638</u>
Fund balances - ending	<u>\$ 27,873,596</u>	<u>\$ 3,932,380</u>	<u>\$ 2,253,104</u>

(continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (concluded) GOVERNMENTAL FUNDS For the Year Ended December 31, 2008

	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 6,714,271	\$ 162,675	\$ 57,300,471
Intergovernmental	-	-	27,748,565
Licenses and permits	-	-	309,766
Fines, forfeitures and penalties	-	-	1,425,845
Public charges for services	-	130,150	6,564,450
Intergovernmental charges for services	-	-	1,470,430
Investment income	115,078	14,596	1,787,209
Miscellaneous	-	595,454	1,040,512
Total revenues	6,829,349	902,875	97,647,248
EXPENDITURES			
Current:			
General government	-	-	12,914,743
Public safety	-	83,637	22,495,773
Health and human services	-	-	30,096,850
Culture, recreation, and education	-	-	19,063,558
Conservation and development	-	220,217	2,216,851
Capital outlay	-	5,410,827	6,535,211
Debt service:			
Principal retirement	9,403,810	-	9,403,810
Interest and fiscal charges	1,815,130	-	1,815,130
Total expenditures	11,218,940	5,714,681	104,541,926
Excess (deficiency) of revenues over expenditures	(4,389,591)	(4,811,806)	(6,894,678)
OTHER FINANCING SOURCES (USES)			
Sale of assets	-	-	474,719
Long-term debt issued	3,305,000	8,600,000	11,905,000
Premium on long-term debt	10,741	-	10,741
Transfers in	1,247,935	14,996	7,032,104
Transfers out	-	(1,705,559)	(6,982,390)
Total other financing sources (uses)	4,563,676	6,909,437	12,440,174
Net change in fund balances	174,085	2,097,631	5,545,496
Fund balances - beginning	420,897	573,791	31,779,988
Fund balances - ending	\$ 594,982	\$ 2,671,422	\$ 37,325,484

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, 2008

Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Net change in fund balances-total governmental funds (page 30)	\$ 5,545,496
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.	2,663,734
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(1,894,119)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,384,269
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.	(2,456,277)
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.	1,681,746
The net effect of certain activities of internal service funds is reported with governmental activities.	<u>2,035,489</u>
Change in net assets of governmental activities as reported on the statement of activities (page 26)	<u><u>\$ 8,960,338</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 30,762,202	\$ 30,789,957	\$ 30,486,115	\$ (303,842)
Intergovernmental	1,476,911	1,795,031	1,488,109	(306,922)
Licenses and permits	372,500	337,686	309,766	(27,920)
Fines, forfeitures and penalties	1,452,300	1,451,820	1,425,845	(25,975)
Public charges for services	2,479,235	2,518,465	2,391,519	(126,946)
Intergovernmental charges for services	1,272,550	1,272,418	1,302,990	30,572
Investment income	1,838,100	1,602,105	1,657,535	55,430
Miscellaneous	372,355	229,564	258,593	29,029
Total revenues	<u>40,026,153</u>	<u>39,997,046</u>	<u>39,320,472</u>	<u>(676,574)</u>
EXPENDITURES				
Current:				
General government	13,602,715	13,679,610	12,914,743	764,867
Public safety	23,023,823	23,244,545	22,412,136	832,409
Health and human services	179,259	181,619	175,290	6,329
Culture, recreation, and education	453,826	452,179	456,366	(4,187)
Conservation and development	2,248,157	2,288,257	1,996,634	291,623
Capital outlay:				
General government	41,730	288,721	111,253	177,468
Public safety	1,246,080	1,712,637	604,804	1,107,833
Culture, recreation, and education	4,317	107,449	44,437	63,012
Conservation and development	7,270	8,530	8,446	84
Total expenditures	<u>40,807,177</u>	<u>41,963,547</u>	<u>38,724,109</u>	<u>3,239,438</u>
Excess (deficiency) of revenues over expenditures	<u>(781,024)</u>	<u>(1,966,501)</u>	<u>596,363</u>	<u>2,562,864</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	75,800	63,549	474,719	411,170
Transfers in	297,284	2,110,897	1,956,247	(154,650)
Transfers out	<u>(4,127,926)</u>	<u>(3,497,376)</u>	<u>(3,312,926)</u>	<u>184,450</u>
Total other financing sources (uses)	<u>(3,754,842)</u>	<u>(1,322,930)</u>	<u>(881,960)</u>	<u>440,970</u>
Net change in fund balances	(4,535,866)	(3,289,431)	(285,597)	3,003,834
Fund balances - beginning	<u>28,159,193</u>	<u>28,159,193</u>	<u>28,159,193</u>	<u>-</u>
Fund balances - ending	<u>\$ 23,623,327</u>	<u>\$ 24,869,762</u>	<u>\$ 27,873,596</u>	<u>\$ 3,003,834</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, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 11,261,639	\$ 11,029,031	\$11,029,031	\$ -
Intergovernmental	17,370,702	17,554,103	17,992,816	438,713
Public charges for services	4,449,822	4,525,154	4,012,005	(513,149)
Intergovernmental charges for services	92,871	92,871	61,326	(31,545)
Miscellaneous	120,335	321,778	125,931	(195,847)
Total revenues	<u>33,295,369</u>	<u>33,522,937</u>	<u>33,221,109</u>	<u>(301,828)</u>
EXPENDITURES				
Current:				
Health and human services	33,295,369	33,407,294	29,921,560	3,485,734
Capital outlay:				
Health and human services	266,500	998,919	355,444	643,475
Total expenditures	<u>33,561,869</u>	<u>34,406,213</u>	<u>30,277,004</u>	<u>4,129,209</u>
Excess (deficiency) of revenues over expenditures	<u>(266,500)</u>	<u>(883,276)</u>	<u>2,944,105</u>	<u>3,827,381</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	266,500	266,500	266,500	-
Transfers out	-	(1,541,694)	(1,541,694)	-
Total other financing sources (uses)	<u>266,500</u>	<u>(1,275,194)</u>	<u>(1,275,194)</u>	<u>-</u>
Net change in fund balances	-	(2,158,470)	1,668,911	3,827,381
Fund balances - beginning	2,263,469	2,263,469	2,263,469	-
Fund balances - ending	<u>\$ 2,263,469</u>	<u>\$ 104,999</u>	<u>\$ 3,932,380</u>	<u>\$ 3,827,381</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,908,379	\$ 8,908,379	\$ 8,908,379	\$ -
Intergovernmental	8,075,409	8,145,409	8,267,640	122,231
Public charges for services	25,100	25,100	30,776	5,676
Intergovernmental charges for services	67,850	67,850	106,114	38,264
Miscellaneous	88,972	93,472	60,534	(32,938)
Total revenues	<u>17,165,710</u>	<u>17,240,210</u>	<u>17,373,443</u>	<u>133,233</u>
EXPENDITURES				
Current:				
Culture, recreation, and education	<u>19,283,903</u>	<u>19,552,002</u>	<u>18,607,192</u>	<u>944,810</u>
Total expenditures	<u>19,283,903</u>	<u>19,552,002</u>	<u>18,607,192</u>	<u>944,810</u>
Excess (deficiency) of revenues over expenditures	<u>(2,118,193)</u>	<u>(2,311,792)</u>	<u>(1,233,749)</u>	<u>1,078,043</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,546,426	3,546,426	3,546,426	-
Transfers out	<u>(607,215)</u>	<u>(498,824)</u>	<u>(422,211)</u>	<u>76,613</u>
Total other financing sources (uses)	<u>1,939,211</u>	<u>3,047,602</u>	<u>3,124,215</u>	<u>76,613</u>
Net change in fund balances	(178,982)	735,810	1,890,466	1,154,656
Fund balances - beginning	<u>362,638</u>	<u>362,638</u>	<u>362,638</u>	<u>-</u>
Fund balances - ending	<u>\$ 183,656</u>	<u>\$ 1,098,448</u>	<u>\$ 2,253,104</u>	<u>\$ 1,154,656</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, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
ASSETS				
Current assets:				
Cash and investments	\$ 7,289,649	\$ 4,268,142	\$ 11,557,791	\$ 13,507,628
Restricted cash and investments:				
Patient deposits	52,433	-	52,433	-
Deposits held with fiscal agents	-	-	-	631,097
Taxes receivable	3,554,420	3,434,640	6,989,060	-
Accounts receivable	1,332,250	93,159	1,425,409	194,135
Due from other funds	-	-	-	28,878
Due from other governments	630	1,175,058	1,175,688	-
Inventories	18,409	630,959	649,368	-
Prepaid items	-	19,588	19,588	4,356
Unamortized debt issuance costs	37,589	-	37,589	-
Total current assets	12,285,380	9,621,546	21,906,926	14,366,094
Noncurrent assets:				
Restricted cash and investments:				
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	-	-	-	1,563,000
Other post employment benefits	-	297,979	297,979	-
Capital assets:				
Land	36,260	62,226	98,486	-
Construction in progress	4,356	31,573	35,929	-
Other capital assets	15,278,415	13,511,129	28,789,544	-
Less: Accumulated depreciation	(1,103,730)	(7,662,680)	(8,766,410)	-
Net capital assets	14,215,301	5,942,248	20,157,549	-
Total noncurrent assets	14,215,301	6,240,227	20,455,528	1,563,000
Total assets	26,500,681	15,861,773	42,362,454	15,929,094
LIABILITIES				
Current liabilities:				
Accounts payable	195,831	387,182	583,013	4,950
Accrued interest payable	100,787	-	100,787	-
Accrued liabilities	342,543	179,708	522,251	-
Claims payable	-	-	-	5,708,257
Due to other funds	7,815	8,887	16,702	-
Deposits	52,433	-	52,433	1,522,825
Deferred tax revenues	3,554,420	3,434,640	6,989,060	-
Other deferred revenues	181	44,914	45,095	-
Compensated absences - current	441,721	420,498	862,219	-
General obligation notes payable - current	1,333,283	-	1,333,283	-
Retiree health credits - current	-	9,350	9,350	120,265
Total current liabilities	6,029,014	4,485,179	10,514,193	7,356,297

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET ASSETS (concluded)
 PROPRIETARY FUNDS
 December 31, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
LIABILITIES (concluded)				
Noncurrent liabilities:				
Compensated absences	\$ 179,167	\$ 121,741	\$ 300,908	\$ -
General obligation notes payable (net of unamortized discounts)	9,910,270	-	9,910,270	-
Other post employment benefits	248,143	-	248,143	-
Retiree health credits	-	3,740	3,740	722,010
Total noncurrent liabilities	<u>10,337,580</u>	<u>125,481</u>	<u>10,463,061</u>	<u>722,010</u>
Total liabilities	<u>16,366,594</u>	<u>4,610,660</u>	<u>20,977,254</u>	<u>8,078,307</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,971,748	5,938,508	8,910,256	-
Restricted for deposit with WMMIC	-	-	-	1,563,000
Restricted for donations	144,269	-	144,269	-
Unrestricted	<u>7,018,070</u>	<u>5,312,605</u>	<u>12,330,675</u>	<u>6,287,787</u>
Total net assets	<u>\$ 10,134,087</u>	<u>\$ 11,251,113</u>	<u>\$ 21,385,200</u>	<u>\$ 7,850,787</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.

142,607

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

\$ 21,527,807

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, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 7,690,184	\$ 5,009,372	\$ 12,699,556	\$ 20,220,395
Operating expenses:				
Operation and maintenance	11,734,027	9,341,427	21,075,454	-
Insurance services	-		-	17,939,507
Depreciation	<u>301,258</u>	<u>551,714</u>	<u>852,972</u>	<u>-</u>
Total operating expenses	<u>12,035,285</u>	<u>9,893,141</u>	<u>21,928,426</u>	<u>17,939,507</u>
Operating income (loss)	<u>(4,345,101)</u>	<u>(4,883,769)</u>	<u>(9,228,870)</u>	<u>2,280,888</u>
Nonoperating revenues (expenses):				
Property taxes	3,467,999	3,251,642	6,719,641	-
Intergovernmental grants	1,480,764	2,233,933	3,714,697	-
Investment income	7,040	56,691	63,731	286,834
Interest expense	(421,322)	-	(421,322)	-
Debt issuance costs and discounts	(7,190)	-	(7,190)	-
Gain (loss) on disposal of assets	725	97,520	98,245	-
Miscellaneous	<u>42,375</u>	<u>34,538</u>	<u>76,913</u>	<u>49,946</u>
Total nonoperating revenues (expenses)	<u>4,570,391</u>	<u>5,674,324</u>	<u>10,244,715</u>	<u>336,780</u>
Income before transfers	225,290	790,555	1,015,845	2,617,668
Transfers out	<u>-</u>	<u>(49,714)</u>	<u>(49,714)</u>	<u>-</u>
Change in net assets	225,290	740,841	966,131	2,617,668
Total net assets - beginning	<u>9,908,797</u>	<u>10,510,272</u>	<u>20,419,069</u>	<u>5,233,119</u>
Total net assets - ending	<u>\$ 10,134,087</u>	<u>\$ 11,251,113</u>	<u>21,385,200</u>	<u>\$ 7,850,787</u>

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

Net change in net assets-total enterprise funds	966,131
The net revenue of certain activities of internal service funds is reported within business-type activities.	<u>527,781</u>
Net change in net assets of business-type activities as reported on the statement of activities (see page 26)	<u>\$ 1,493,912</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, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 7,345,952	\$ 4,866,293	\$ 12,212,245	\$ 1,595,940
Receipts from interfund services provided	1,800	745,133	746,933	18,539,912
Payments to suppliers	(1,935,658)	(3,173,453)	(5,109,111)	(17,612,552)
Payments to employees	(9,614,541)	(6,541,683)	(16,156,224)	-
Payments for interfund services used	(19,401)	(184,557)	(203,958)	-
Payments of patient trust deposits	17,070	-	17,070	-
Net cash flows provided by (used in) operating activities	<u>(4,204,778)</u>	<u>(4,288,267)</u>	<u>(8,493,045)</u>	<u>2,523,300</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out	-	(49,714)	(49,714)	-
General property taxes	3,467,999	3,251,642	6,719,641	-
Intergovernmental grants	1,480,764	2,233,933	3,714,697	-
Insurance recoveries	-	-	-	49,946
Rent, rebates, and donations	42,375	-	42,375	-
Net cash flows provided by non-capital financing activities	<u>4,991,138</u>	<u>5,435,861</u>	<u>10,426,999</u>	<u>49,946</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(28,834)	(871,300)	(900,134)	-
Capital asset insurance recovery	-	34,537	34,537	-
Gain on sale of capital asset	725	97,520	98,245	-
Principal paid on capital debt	(1,286,190)	-	(1,286,190)	-
Interest paid on capital debt	(425,961)	-	(425,961)	-
Net cash flows used in capital and related financing activities	<u>(1,740,260)</u>	<u>(739,243)</u>	<u>(2,479,503)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	7,040	56,691	63,731	286,834
Net cash flows provided by investing activities	<u>7,040</u>	<u>56,691</u>	<u>63,731</u>	<u>286,834</u>
Net increase (decrease) in cash and investments	(946,860)	465,042	(481,818)	2,860,080
Cash and investments - beginning	8,288,942	3,803,100	12,092,042	12,841,645
Cash and investments - ending	<u>\$ 7,342,082</u>	<u>\$ 4,268,142</u>	<u>\$ 11,610,224</u>	<u>\$ 15,701,725</u>

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

Cash and investments	\$ 7,289,649	\$ 4,268,142	\$ 11,557,791	\$ 13,507,628
Restricted cash and investments	52,433	-	52,433	2,194,097
	<u>\$ 7,342,082</u>	<u>\$ 4,268,142</u>	<u>\$ 11,610,224</u>	<u>\$ 15,701,725</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS (concluded)
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2008

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities:				
Operating income (loss)	\$ (4,345,101)	\$ (4,883,769)	\$ (9,228,870)	\$ 2,280,888
Adjustments to reconcile operating income (loss) to net cash provided by (used in) from operating activities				
Noncash items included in operating income (loss)				
Depreciation	301,258	551,714	852,972	-
Change in assets and liabilities:				
Accounts receivable	(738,367)	304,134	(434,233)	33,478
Due from other funds	-	-	-	8,281
Due from other governments	445,270	273,344	718,614	-
Inventories	16,345	(189,411)	(173,066)	-
Prepaid items	-	(4,000)	(4,000)	81,857
Accounts payable	55,610	(31,488)	24,122	(7,640)
Accrued liabilities	13,027	97,595	110,622	-
Due to other funds	(1,854)	4,194	2,340	-
Deferred revenues	(917)	11,486	10,569	-
Claims payable	-	-	-	252,739
Compensated absences	(19,645)	(15,242)	(34,887)	-
Retiree health credits	-	13,090	13,090	(54,398)
Deposits	17,070	-	17,070	(71,905)
Other post employment benefits	52,526	(419,914)	(367,388)	-
Net cash flows provided by (used in) operating activities	<u>\$ (4,204,778)</u>	<u>\$ (4,288,267)</u>	<u>\$ (8,493,045)</u>	<u>\$ 2,523,300</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, 2008

	Other Post Employment Benefits Trust Fund	Private Purpose Trusts	Agency Funds
ASSETS			
Cash and investments	\$ 5,835,776	\$ 40,414	\$ 1,307,947
Accounts receivable	-	-	3,224
Total assets	5,835,776	40,414	1,311,171
LIABILITIES			
Accounts payable	-	-	267,576
Due to other governments	-	-	20,585
Deposits	-	-	1,023,010
Total liabilities	-	-	1,311,171
NET ASSETS			
Held in trust for post employment benefits:			
Children with Disabilities Education Board	3,241,055	-	-
Public Works	644,268	-	-
Lakeland Health Care Center	393,148	-	-
Sworn	437,298	-	-
Other	1,120,007	-	-
Held in trust for private purposes	-	40,414	-
Total net assets	\$ 5,835,776	\$ 40,414	\$ -

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, 2008

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employer	\$ 4,229,262	\$ -
Investment earnings:		
Investment income	75,950	970
Total additions	<u>4,305,212</u>	<u>970</u>
 DEDUCTIONS		
Benefits	262,654	-
Administrative expenses	5,500	-
Educational outreach	-	1,000
Total deductions	<u>268,154</u>	<u>1,000</u>
Change in net assets	4,037,058	(30)
Net assets - beginning	<u>1,798,718</u>	<u>40,444</u>
Net assets - ending	<u>\$ 5,835,776</u>	<u>\$ 40,414</u>

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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 board is governed by 11 supervisors elected every two years from each of 11 supervisory districts beginning with the April, 2008 election. Prior to the 2008 election, the County was governed by 25 supervisors. 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.

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
- 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.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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

- 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.

CHILDREN WITH DISABILITIES EDUCATION BOARD SPECIAL REVENUE FUND

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

DEBT SERVICE FUND

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

The County reports the following major enterprise funds:

LAKELAND HEALTH CARE CENTER FUND

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

PUBLIC WORKS FUND

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

Additionally, the County reports the following:

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

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

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

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are direct charges for services between the County's departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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 \$506,092 for the Health and Human Services fund and \$147,427 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 the 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.

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, 2008 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.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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

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

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.

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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

j. Long-term Obligations (continued)

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.

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 \$98,840,885 difference are as follows:

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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

Land	\$ 1,092,194
Construction in progress	1,765,602
Buildings	65,137,524
Improvements other than buildings	4,494,019
Machinery and equipment	19,633,615
Infrastructure	44,818,859
Less: accumulated depreciation	<u>(38,100,928)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 98,840,885</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 \$45,572,952 difference are as follows:

Bonds and notes payable	\$ 41,623,810
Debt premium	21,261
Issuance costs	(93,391)
Compensated absences	2,632,798
Other post employment benefits	1,083,470
Accrued interest on long-term obligations	<u>305,004</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 45,572,952</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 \$4,172,460 difference are as follows:

Deferred revenues (see note D.8 for detail)	\$ 1,416,142
Interest and penalties for delinquent taxes	1,263,301
Court assessments	<u>1,493,017</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 4,172,460</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 \$2,663,734 difference are as follows:

Capital outlay	\$ 6,535,211
Depreciation expense	<u>(3,871,477)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 2,663,734</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this \$1,894,119 difference are as follows:

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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)

In the statement of activities, only the *gain* 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.

	\$ 312,060
Elimination of proceeds received from the sale of assets and insurance recoveries.	474,719
Donations of capital assets.	(13,037)
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.	1,120,377
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>	\$ 1,894,119

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 \$1,384,269 difference are as follows:

Deferred revenues	\$ 309,555
Interest and penalties for delinquent taxes	257,380
Court assessments	817,334
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>	\$ 1,384,269

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 \$2,456,277 difference are as follows:

Debt issued or incurred	
Issuance of general obligation notes	\$ 11,905,000
Principal repayments	
General obligation debt	(9,403,810)
Debt premium	(3,503)
Issuance costs	(41,410)
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>	\$ 2,456,277

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 \$1,681,746 difference are as follows:

Compensated absences	\$ (188,131)
Other post employment benefits	1,680,197
Accrued interest	189,680
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>	\$ 1,681,746

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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 accounts for current year budgeted projects only. Revised budget reflects remaining budget on all open projects while actuals appropriately reflect only 2008 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 2008 are as follows:

Department/Fund	Adopted Budget	Modified Budget	Increase/(Decrease)
County board	\$ 274,928	\$ 268,842	\$ (6,086)
County clerk	361,656	358,295	(3,361)
Elections	150,886	156,196	5,310
Administration	1,475,036	1,498,395	23,359
Finance	1,407,088	1,423,647	16,559
Treasurer	491,654	521,697	30,043
Coroner	349,918	349,564	(354)
Clerk of courts	3,001,719	2,990,564	(11,155)
District attorney	959,234	958,723	(511)
Register of deeds	655,512	627,900	(27,612)
Information systems	1,590,861	1,794,652	203,791
Central services	1,032,596	1,089,536	56,940
Non-departmental	6,021,283	5,427,696	(593,587)
Sheriff	24,269,903	24,957,182	687,279

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

1. Budgets and Budgetary Accounting (continued)

Department/Fund	Adopted Budget	Modified Budget	Increase/(Decrease)
Veterans services	\$ 179,259	\$ 181,619	\$ 2,360
UW extension	394,246	389,302	(4,944)
Parks	63,897	170,326	106,429
Land use & resource management	2,255,427	2,296,787	41,360
Total General fund	44,935,103	45,460,923	525,820
Health and Human Services fund	33,561,869	35,947,907	2,386,038
Children with Disabilities Education			
Board	19,891,118	20,050,826	159,708
Debt Service fund	9,333,637	11,222,988	1,889,351
Land Information fund	420,673	550,606	129,933

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, 2008.

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, 2008, the parks department actual expenditures exceeded total budgeted appropriations by \$30,524.

NOTE D - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

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

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

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin Local Government Investment Pool.

The carrying amount of the County's cash and investments totaled \$69,521,917 on December 31, 2008 as summarized below:

Petty cash	\$ 5,660
Demand deposits	1,688,015
Certificate of deposits	2,700,000
Deposits with fiscal agents	631,097
Wisconsin Municipal Mutual Insurance Company (WMMIC) Deposit	1,563,000
Investments	62,934,145
	\$69,521,917

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

1. Cash and Investments (continued)

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 59,529,550
Restricted cash and investments	2,808,230
Fiduciary funds	
Other post employment benefits trust fund	5,835,776
Private purpose trust funds	40,414
Agency funds	1,307,947
	\$69,521,917

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's investment policy addresses custodial credit risk by requiring all Financial Institutions acting as a depository for the County to enter a depository agreement, requiring the depository to pledge collateral to secure amounts over and above those guaranteed through a combination of the FDIC and state deposit guarantee fund. The depository agreement requires all securities serving as collateral shall be specifically pledged to the County and placed in a custodial account at a Federal Reserve bank, a trust department of a commercial bank, or through another financial institution.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited coverage for non-interest bearing accounts. The County's deposits had additional FDIC coverage due to the FDIC's Transaction Account Guarantee Program. This program provides full coverage for all non-interest bearing accounts and some other interest bearing accounts with interest rates of .5 percent or less. This coverage has been considered for custodial credit risk.

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, 2008, none of the County's deposits with financial institutions were in excess of federal depository insurance limits and uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name).

Credit Risk

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

1. Cash and Investments (continued)

Investment Type	Amount	Exempt From Disclosure	Rating as of Year End		
			AAA	Aa	Not Rated
U.S. Treasury notes	\$ 3,044,530	\$3,044,530	\$ -	\$ -	\$ -
Federal agency securities	4,855	4,855	-	-	-
Wisconsin Local Government Investment Pool	51,601,047	-	-	-	51,601,047
JP Morgan US Treasury Plus	2,447,937	-	2,447,937	-	-
Dreyfus Treasury Cash Management	5,835,776	-	5,835,776	-	-
	<u>\$ 62,934,145</u>	<u>\$ 3,049,385</u>	<u>\$ 8,283,713</u>	<u>\$ -</u>	<u>\$ 51,601,047</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 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	\$ 3,044,530	\$ 3,044,530	\$ -	\$ -	\$ -
Federal agency securities	4,855	-	-	147	4,708
Wisconsin Local Government Investment Pool	51,601,047	51,601,047	-	-	-
JP Morgan US Treasury Plus	2,447,937	2,447,937	-	-	-
Dreyfus Treasury Cash Management	5,835,776	5,835,776	-	-	-
Totals	<u>\$ 62,934,145</u>	<u>\$ 62,929,290</u>	<u>\$ -</u>	<u>\$ 147</u>	<u>\$ 4,708</u>

Various certificates of deposit for a total of \$2,700,000 are held at December 31, 2008 with a maturity of 12 months or less.

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, 2008 is \$4,855.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

1. Cash and Investments (continued)

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin Local Government Investment Pool of \$51,601,047 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, 2008, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The investments in the LGIP are covered up to \$400,000 by the State Guarantee Fund. Certificates of deposit held in the LGIP are covered by FDIC insurance, which applies to the proportionate public unit share of accounts. Commercial paper and negotiable certificates of deposit are also covered by a surety bond with Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults, reduced by any FDIC and State Guarantee Fund insurance. As of February 15, 2009, the LGIP no longer has this bond.

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 \$57,426,336 is for financing 2009 operations and will be transferred in 2009 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, 2008, the General fund showed an investment of \$5,945,555 in delinquent taxes as follows:

Tax certificates	\$ 5,651,649
Tax deeds	290,559
Personal property taxes	3,347
Total	\$ 5,945,555

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

3. Delinquent Property Taxes - General Fund (continued)

An aging of the total delinquent taxes of \$5,945,555 on December 31, 2008 follows:

Year Acquired	Total	Tax Certificates	Tax Deeds	Personal Property Taxes
Prior to 2001	\$ 2,441	\$ -	\$ 2,441	\$ -
2001	1,612	-	1,612	-
2004	1,204	1,204	-	-
2005	288,513	288,513	-	-
2006	1,263,780	1,257,024	3,409	3,347
2007	4,104,908	4,104,908	-	-
2008	283,097	-	283,097	-
	<u>\$ 5,945,555</u>	<u>\$ 5,651,649</u>	<u>\$ 290,559</u>	<u>\$ 3,347</u>

Of the total of \$5,651,649 for delinquent real estate taxes, the County collected \$854,735 within 60 days after December 31, 2008. The remaining unpaid balance of \$4,796,914 is reported as reserved fund balance for the General fund for the County purchased portion of \$3,740,060, and reported as a deferred revenue for the County levied portion of \$1,056,854.

4. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,103,694	\$ -	\$ 11,500	\$ 1,092,194
Construction in progress	14,308,081	990,528	13,533,007	1,765,602
Total capital assets, not being depreciated	<u>15,411,775</u>	<u>990,528</u>	<u>13,544,507</u>	<u>2,857,796</u>
Capital assets, being depreciated:				
Buildings	50,539,339	16,717,372	2,119,187	65,137,524
Improvements other than buildings	4,193,270	311,345	10,596	4,494,019
Machinery and equipment	19,553,367	826,126	745,878	19,633,615
Infrastructure – roads	40,694,426	-	-	40,694,426
Infrastructure – bridges	4,124,433	-	-	4,124,433
Subtotals	<u>119,104,835</u>	<u>17,854,843</u>	<u>2,875,661</u>	<u>134,084,017</u>
Less accumulated depreciation for:				
Buildings	9,643,348	1,146,764	1,700,112	9,090,000
Improvements other than buildings	1,564,329	146,248	9,007	1,701,570
Machinery and equipment	7,345,205	1,377,639	506,771	8,216,073
Infrastructure – roads	16,475,011	1,133,485	-	17,608,496
Infrastructure – bridges	1,417,448	67,341	-	1,484,789
Subtotals	<u>36,445,341</u>	<u>3,871,477</u>	<u>2,215,890</u>	<u>38,100,928</u>
Total capital assets, being depreciated, net	<u>82,659,494</u>	<u>13,983,366</u>	<u>659,771</u>	<u>95,983,089</u>
Governmental activities capital assets, net	<u>\$ 98,071,269</u>	<u>\$ 14,973,894</u>	<u>\$ 14,204,278</u>	<u>\$ 98,840,885</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

4. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 98,486	\$ -	\$ -	\$ 98,486
Construction in progress	75,427	4,529	44,027	35,929
Total capital assets, not being depreciated	<u>173,913</u>	<u>4,529</u>	<u>44,027</u>	<u>134,415</u>
Capital assets, being depreciated:				
Buildings	17,485,271	58,100	-	17,543,371
Improvements other than buildings	216,536	22,785	-	239,321
Machinery and equipment	10,646,586	952,607	592,341	11,006,852
Subtotals	<u>28,348,393</u>	<u>1,033,492</u>	<u>592,341</u>	<u>28,789,544</u>
Less accumulated depreciation for:				
Buildings	1,858,347	318,250	-	2,176,597
Improvements other than buildings	106,434	6,580	-	113,014
Machinery and equipment	6,447,139	528,142	498,482	6,476,799
Subtotals	<u>8,411,920</u>	<u>852,972</u>	<u>498,482</u>	<u>8,766,410</u>
Total capital assets, being depreciated, net	<u>19,936,473</u>	<u>180,520</u>	<u>93,859</u>	<u>20,023,134</u>
Business-type activities capital assets, net	<u>\$ 20,110,386</u>	<u>\$ 185,049</u>	<u>\$ 137,886</u>	<u>\$ 20,157,549</u>

In 2008, \$1,120,377 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. The construction in progress deletions were capitalized as depreciable assets totaling \$13,407,338 except for \$125,669 recorded as a loss due to capitalization policies.

The governmental funds report internal reclassifications of capital assets in the amount of \$10,160, 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 \$21,119.

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

Governmental activities

General government	\$ 1,005,185
Public safety	1,135,888
Health and human services	148,125
Culture, recreation and education	184,356
Public works	1,200,826
Conservation and development	197,097
Total depreciation expense – governmental activities	<u>\$ 3,871,477</u>

Business-type activities

Nursing home	\$301,258
Highway/facilities administration	551,714
Total depreciation expense – business-type activities	<u>\$ 852,972</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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, 2008 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal service funds	General fund	\$ 8,417
	Health and Human Services	785
	Children with Disabilities Education Board	2,970
	Lakeland Health Care Center	7,815
	Public Works	8,887
	Nonmajor governmental funds	4
Subtotal – Fund financial statements		<u>28,878</u>
Less: Fund eliminations		(12,176)
Less: interfund receivables created with internal service fund eliminations		(142,607)
Total Internal balances – government-wide statement of net assets		<u>\$ 125,905</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	
Governmental Activities	Business-type Activities	\$ (201,225)
Business-type Activities	Governmental Activities	75,320
		<u>\$ 125,905</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.

Interfund transfers for the year ended December 31, 2008 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General fund	Health and Human Services fund	\$ 1,541,694
	Nonmajor Governmental funds	364,839
	Public Works	49,714
Health and Human Services	General fund	266,500
Children with Disabilities Education Board	General fund	2,546,426
	Nonmajor Governmental funds	1,000,000
Nonmajor Governmental funds	Children with Disabilities Education Board	14,996
Debt Service	General fund	500,000
	Children with Disabilities Education Board	407,215
	Nonmajor Governmental funds	340,720
Subtotal transfers in– Fund financial statements		<u>\$ 7,032,104</u>
Less: Fund eliminations		(6,982,390)
Total transfers – Government-wide statement of activities		<u>\$ 49,714</u>
<u>Transfers To</u>	<u>Transfers From</u>	
Governmental Activities	Business-type Activities	\$ 49,714

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 \$508,232, and capital-related and one-time use of equity projects account for \$4,914,931. Closing projects and lapsing funds account for \$1,608,941 returned to the General fund.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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	\$ 499,017
Children with Disabilities Education Board	School/Student Deposits	62,683
Lakeland Health Care Center	Patient Deposits	52,433
Employee Benefits and Insurance	Held by Fiscal Agent	35,000
Risk Management	Held by Fiscal Agent	596,097
Risk Management	Held with WMMIC	1,563,000
Total Restricted Asset		<u>\$ 2,808,230</u>

7. Leases

Capital Leases

There are no material capital leases as of December 31, 2008.

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.

Remaining annual required future lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
2009	10,200
2010	10,200
2011	2,550
Total	<u>\$ 22,950</u>

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:

	<u>Unavailable</u>	<u>Unearned</u>
Subsequent year tax levy receivable		
General fund	\$ -	\$ 23,813,328
Health and Human Services	-	11,001,334
Children with Disabilities Education Board	-	8,821,321
Debt Service	-	6,642,168
Nonmajor Governmental funds	-	159,125
Delinquent real estate taxes – County share	1,056,854	-
Long-term receivable	282,771	-
Grant draw downs not received meeting all eligibility requirements	76,517	-
Treasurer tax foreclosure sale proceeds	-	437,897
Grant draw downs prior to meeting all eligibility requirements	-	105,010
Donations received not yet meeting all eligibility requirements	-	148,881
Local revenue for services not yet completed	-	200,000
Totals	<u>\$1,416,142</u>	<u>\$51,329,064</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

9. Long-term Obligations

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 during 2008 through 2010.

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2008:

	Outstanding 1/1/08	Issued	Retired	Outstanding 12/31/08	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 10,725,000	\$11,905,000	\$ 745,000	\$ 21,885,000	\$ 2,655,000
Notes	28,397,620	-	8,658,810	19,738,810	3,464,898
Unamortized debt premium	24,763	10,741	14,243	21,261	14,245
Total general obligation debt	39,147,383	11,915,741	9,418,053	41,645,071	6,134,143
Termination Benefits	28,090	-	14,190	13,900	13,900
Other post employment benefits	2,763,667	1,712,530	3,392,727	1,083,470	-
Compensated absences	2,444,667	3,892,824	3,704,693	2,632,798	1,990,292
Governmental activities long-term liabilities	\$ 44,383,807	\$17,521,095	\$ 16,529,663	\$ 45,375,239	\$ 8,138,335

	Outstanding 1/1/08	Issued	Retired	Outstanding 12/31/08	Due Within One Year
Business-type activities:					
General obligation notes	\$12,542,380	\$ -	\$ 1,286,190	\$ 11,256,190	\$ 1,335,102
Unamortized debt discount	(14,456)	-	(1,819)	(12,637)	(1,819)
Total general obligation debt	12,527,924	-	1,284,371	11,243,553	1,333,283
Compensated absences	1,198,014	1,084,625	1,119,512	1,163,127	862,219
Termination Benefits	-	13,090	-	13,090	9,350
Business-type activities long-term liabilities	\$14,043,490	\$ 1,374,658	\$ 2,403,883	\$ 12,419,770	\$ 2,204,852

Total interest paid during the year on long-term debt totaled \$2,241,091.

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%,		\$ 1,480,000
\$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
\$3,305,000 issued 1/4/2008; \$1,605,000 to \$1,700,000 due annually through 2010; interest 3.50%		3,305,000
\$8,600,000 issued 1/18/2008; \$305,000 to \$645,000 due annually through 2027; interest 3.50% to 4.00%		8,600,000
Notes		
\$8,200,000 issued 2/1/01; \$50,000 to \$2,350,000 due annually through 2011; interest 4.30% to 4.875%		3,225,000
\$7,320,000 issued 7/1/02; \$155,000 to \$1,085,000 due annually through 2012; interest 3.00% to 4.10%		4,115,000
\$9,205,000 issued 11/1/03; \$570,000 to \$1,250,000 due annually through 2012; interest 1.00% to 3.40%		4,635,000

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

9. Long Term Obligations (continued)

Notes (continued)

\$6,070,000 issued 9/1/04; \$500,000 to \$725,000 due annually through 2014; interest 3.00% to 3.55%	\$ 3,930,000
\$9,800,000 issued 8/1/05; \$785,000 to \$1,155,000 due annually through 2015; interest 3.38% to 3.50%	7,250,000
\$7,350,000 issued 4/1/06; \$200,000 to \$925,000 due annually through 2016; interest 3.75% to 3.80%	6,470,000
\$1,400,000 issued 8/1/07; \$30,000 to \$200,000 due annually through 2017; interest 4.00% to 4.15%	<u>1,370,000</u>
Total Outstanding General Obligation Debt	<u><u>\$ 52,880,000</u></u>

Annual principal and interest maturities of the outstanding general obligation debt of \$52,880,000 on December 31, 2008 are detailed as follows:

Year Ended December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 6,119,898	\$ 1,485,333	\$ 1,335,102	\$ 379,465
2010	6,039,863	1,349,621	1,380,135	331,302
2011	5,776,599	1,019,069	1,433,401	281,391
2012	4,098,333	829,505	1,486,667	229,585
2013	3,176,190	699,033	1,543,810	175,817
2014-2018	6,407,927	2,524,265	4,077,075	196,060
2019-2023	5,065,000	1,534,153	-	-
2024-2027	4,940,000	416,585	-	-
	<u>\$ 41,623,810</u>	<u>\$ 9,857,564</u>	<u>\$ 11,256,190</u>	<u>\$ 1,593,620</u>

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2008 was \$715,724,947 as follows:

Equalized valuation of the County	\$ 15,466,199,300
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	773,309,965
Total outstanding general obligation debt applicable to debt limitation	\$ 52,880,000
Add: General obligation debt approved and not yet issued	5,300,000
Less: Amounts available for financing general obligation debt Debt Service fund	<u>(594,982)</u>
Net outstanding general obligation debt applicable to debt limitation	<u>57,585,018</u>
Legal Margin for New Debt	<u><u>\$ 715,724,947</u></u>

10. Other Postemployment Benefits

The Governmental Accounting Standards Board (GASB) issued Statement No. 43 – *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans* and the GASB issued Statement No. 45 – *Accounting and Financial Reporting by Employers for PostEmployment Benefits Other Than Pensions*. The County made the decision to implement effective January 1, 2007.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

10. Other Postemployment Benefits (continued)

County-wide Plan Description

Walworth County provides post employment health care benefits in accordance with collective bargaining agreements and the County's ordinance code as amended by the County board. The County 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

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 2008, approximately \$193,364 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, 2008, 12 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 2007-2009 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 were expected to be eliminated by 2010.

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, 2008, 27 retirees were eligible to

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

10. Other Postemployment Benefits (continued)
Deputies Sworn Retirement OPEB Plan Description (continued)

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, 2008, the County's investment held in trust was \$5,835,776, of which \$76,937 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, 2008 is twenty-six years.

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

Annual required contribution	\$ 2,009,422
Interest on annual required contribution	123,249
Adjustment to annual required contribution	<u>(143,198)</u>
Annual OPEB Cost	1,989,473
Contributions made	<u>(4,037,058)</u>
Decrease in net OPEB obligation	(2,047,585)
Net OPEB obligation – beginning of year	<u>3,081,219</u>
Net OPEB obligation – end of year	<u><u>\$ 1,033,634</u></u>
Governmental Activities Net OPEB obligation	\$ 1,083,470
Business-type Activities Net OPEB obligation (asset)	<u>(49,836)</u>
	<u><u>\$ 1,033,634</u></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 2008 and the two preceding years were as follows for each individual reserve account.

<u>Reserve Account</u>	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
CDEB	2006	\$ 279,855	0%	\$ 557,451
	2007	363,785	141%	408,408
	2008	376,738	724%	(1,943,081)
Public Works	2006	71,204	0%	141,834
	2007	92,560	115%	128,843
	2008	95,788	562%	(314,086)

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

10. Other Postemployment Benefits (continued)

<u>Reserve Account</u>	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
LHCC	2006	138,380	0%	275,643
	2007	179,881	145%	195,617
	2008	185,767	72%	248,143
Sworn Deputies	2006	640,447	0%	1,275,726
	2007	832,523	30%	1,860,722
	2008	856,968	22%	2,527,919
Other Departments	2006	352,549	0%	702,253
	2007	458,281	147%	487,629
	2008	474,212	94%	514,739
Total County	2006	1,482,435	0%	2,952,907
	2007	1,927,030	93%	3,081,219
	2008	1,989,473	203%	1,033,634

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2008 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)	\$3,965,011	\$931,493	\$2,272,166	\$9,072,732	\$4,757,754	\$20,999,156
Actuarial value of plan assets	\$3,241,055	\$644,268	\$393,148	\$437,298	\$1,120,007	\$5,835,776
Unfunded actuarial accrued liability (UAAL)	\$723,956	\$287,225	\$1,879,018	\$8,635,434	\$3,637,747	\$15,163,380
Funded ratio (actuarial value of plan assets/AAL)	82%	69%	17%	5%	24%	28%
Covered payroll	\$6,562,805	\$3,719,384	\$5,495,118	\$5,284,944	\$18,427,124	\$39,489,375
UAAL as a percentage of covered payroll	11%	8%	34%	163%	20%	38%

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.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

10. Other Postemployment Benefits (continued)

Actuarial Methods and Assumptions (continued)

In the January 1, 2008 actuarial valuation the projected unit credit actuarial cost method is used as the basis to establish the December 31, 2008 liability. The County uses the projected unit credit actuarial cost method to determine the December 31, 2008 liability. Under this method, the actuarial cost gain (losses), as they occur, generally reduce (increase) the unfunded actuarial accrued liability. The actuarial assumptions used in the original valuation include a 4.5 percent investment rate of return based on the rate of return on A rated municipal bonds with maturities of 30 years, as little history yet exists to determine an actual historical rate of return. A 4% rate is used for the December 31, 2008 liability calculation based on the current market downturn. 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.

11. Net Assets/Fund Balances

Net assets of the governmental activities reported on the government-wide statement of net assets at December 31, 2008 include the following:

Invested in capital assets, net of related debt	
Land	\$ 1,092,194
Construction in progress	1,765,602
Buildings, net of accumulated depreciation	56,047,524
Improvements other than buildings, net of accumulated depreciation	2,792,449
Machinery and equipment, net of accumulated depreciation	11,417,542
Infrastructure, net of accumulated depreciation	25,725,574
Subtotal	98,840,885
Less: related long-term debt outstanding (net of unspent capital related debt proceeds of \$184,776 and debt premium \$21,261)	(41,439,034)
Total Invested in capital assets, net of related debt	57,401,851
Restricted	
Alpine Valley surplus	91,758
Debt service	289,978
Deposit with Wisconsin Municipal Mutual Insurance Company (WMMIC)	1,563,000
Land modernization fees	326,749
Non-metallic mining fees	23,071
Park donations	1,867
Public access fees	221,891
Sheriff donations	67,167
Sheriff trusts	641,727
School donations	92,852
Total Restricted	3,320,060
Unrestricted	42,594,421
Total governmental activities net assets	\$103,316,332

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

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, 2008 was \$39,877,798; the employer's total payroll was \$40,967,504. The total required contribution for the year ended December 31, 2008 was \$4,377,724 or 11.0% of covered payroll financed by the County. Total contributions for the years ending December 31, 2007 and 2006 were \$4,313,715 and \$4,180,258 respectively, equal to the required contributions for each year.

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

The System also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. 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, 2008, the liability is \$13,900. The benefit will continue until October, 2009.

One public works employee accepted an early retirement benefit to retire during 2008. The health insurance liability was recorded in the Public Works fund. At December 31, 2008, the liability is \$13,090. The benefit will continue until April, 2010.

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

3. Risk Management (continued)
Risk Entity (continued)

risk management program for liability, health, dental, and workers compensation insurance utilizing third-party claims administrator. The County completes an annual review of its insurance coverage to ensure an adequate coverage.

Self Insurance of Employee Benefits

Premiums are paid into 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 through December 31, 2007. Beginning January 1, 2008 coverage included claims in excess of \$125,000 up to \$2,000,000. Settled claims for workers compensation and dental insurance have not exceeded reinsurance coverage in any of the last three years. Individual claims exceeding \$125,000 in 2008 and \$200,000 prior to 2008 resulted in reinsurance amounts received in each of the last 3 years in the following amounts:

<u>Year Ended</u>	<u>Reinsurance Amount</u>
2006	\$ 800,056
2007	468,958
2008	2,389,301
Total	<u>\$ 3,658,315</u>

The County has recognized \$4,052,259 of claims liabilities in the employee benefits insurance fund at December 31, 2008. This liability amount was determined from reviewing the 2008 claim settlements recorded during the first three months of 2009 and extrapolating forward. The calculation of the claims liability is below:

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>
January 1, 2008 claims liabilities	3,739,425
2008 claims incurred during the period	19,417,580
2008 discounts, rebates, and refunds	(2,448,554)
2008 claims payments	<u>(16,656,192)</u>
Unpaid claims – end of year	<u>\$ 4,052,259</u>

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 began 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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

3. Risk Management (continued)
Investment in Wisconsin Municipal Mutual Insurance Company (continued)

exposure in its layer of insurance is limited to \$1,000,000 per occurrence in that the company purchases \$4,000,000 per occurrence in reinsurance for losses in excess of its retained layer of coverage.

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

The County's investment in WMMIC is reported on the Risk Management fund balance sheet as a deposit. The amount reported is the original capitalization of \$1,563,000. According to its bylaws, WMMIC allocates equity to members based on the percentage of participation. As of December 31, 2008 this amount is valued at \$1,579,275. 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.

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 \$1,655,998 reported in the fund at December 31, 2008 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, 2008, the County's liability claims reserve is recorded at a 95% confidence level. Changes in the fund's claim liability amount for 2008 and 2007 follow:

January 1, 2007 claims liabilities	\$	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
2008 claims incurred during the period		16,152
2008 change in estimates of prior years		103,959
2008 claims payments		(180,206)
Unpaid claims – December 31, 2008	\$	1,655,998

Commercial Insurance

Surety bonds are purchased for key officials in accordance with statutory requirement chapter 59.21. The County also purchases commercial insurance to provide coverage from losses from theft of, damages to or destruction of assets.

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

4. Contingencies and Commitments (continued)

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. Any proceedings considered probable have been recorded as liabilities where applicable.
- 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, 2008</u>
County road construction (open projects)	\$ 1,131,151	\$ 619,753

- d. At December 31, 2008, the County's governmental funds had commitments under various service agreements which provide for payments in the amount of \$684,787. 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 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.10.
- 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 2008 tax levy collected in 2009 to the greater of 2.0% plus terminated TID applied to the 2007 levy (0%) or the percentage of change in equalized value due to net new construction (1.898%) plus terminated TID applied to the 2007 levy (0%). The limit for the County for the 2009 budget was 2.0%. 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

General Obligation Bond Issuance

The County authorized \$5,300,000 of general obligation debt on March 10, 2009 with an expected issuance of July, 2009. Proceeds will be used to fund road construction.

**REQUIRED
SUPPLEMENTARY
INFORMATION**



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WALWORTH COUNTY, WISCONSIN

REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE OF FUNDING PROGRESS

<u>Reserve</u>	<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL) **</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u> <u>[(b-a)/c]</u>
Children with Disabilities							
Education Board	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%
	12/31/2008	3,241,055	3,965,011	723,956	82%	6,562,805	11%
Public Works							
	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%
	12/31/2008	644,268	931,493	287,225	69%	3,719,384	8%
Lakeland Health Care Center							
	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%
	12/31/2008	393,148	2,272,166	1,879,018	17%	5,495,118	34%
Deputies-Sworn							
	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%
	12/31/2008	437,298	9,072,732	8,635,434	5%	5,284,944	163%
Other County Departments							
	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%
	12/31/2008	1,120,007	4,757,754	3,637,747	24%	18,427,124	20%
Total County							
	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%
	12/31/2008	5,835,776	20,999,156	15,163,380	28%	39,489,375	38%

Valuations based on reports as of 1/1/2008.

*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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
TAXES				
Real and personal property taxes	\$ 22,172,077	\$ 22,621,568	\$ 22,351,034	\$ (270,534)
Retail sales and use taxes	8,100,125	7,850,119	7,807,118	(43,001)
Other taxes	490,000	318,270	327,963	9,693
TOTAL	30,762,202	30,789,957	30,486,115	(303,842)
INTERGOVERNMENTAL				
State shared taxes	304,000	326,307	331,464	5,157
Federal grants	106,536	299,610	195,852	(103,758)
State grants	1,066,375	1,169,114	960,793	(208,321)
TOTAL	1,476,911	1,795,031	1,488,109	(306,922)
LICENSES AND PERMITS				
Licenses	73,060	79,246	71,254	(7,992)
Permits	299,440	258,440	238,512	(19,928)
TOTAL	372,500	337,686	309,766	(27,920)
FINES, FORFEITURES AND PENALTIES				
Law and ordinance violations	701,300	701,620	767,897	66,277
Court fees and costs	751,000	750,200	657,948	(92,252)
TOTAL	1,452,300	1,451,820	1,425,845	(25,975)
PUBLIC CHARGES FOR SERVICES				
Public charges for services	2,469,235	2,508,465	2,382,183	(126,282)
Patient/client revenue	10,000	10,000	9,336	(664)
TOTAL	2,479,235	2,518,465	2,391,519	(126,946)
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State and federal	336,650	373,850	402,045	28,195
Local districts	38,133	55,554	79,370	23,816
Interdepartmental revenues	897,767	843,014	821,575	(21,439)
TOTAL	1,272,550	1,272,418	1,302,990	30,572

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
INVESTMENT INCOME				
Investment income	\$ 1,838,100	\$ 1,602,105	\$ 1,657,535	\$ 55,430
MISCELLANEOUS				
Rental revenue	156,800	156,800	161,027	4,227
Property sales and loss compensation	180,000	54,094	55,255	1,161
Donations and contributions	1,025	1,935	34,821	32,886
Other	34,530	16,735	7,490	(9,245)
TOTAL	372,355	229,564	258,593	29,029
TOTAL REVENUES	40,026,153	39,997,046	39,320,472	(676,574)
OTHER FINANCING SOURCES				
Sale of assets	75,800	63,549	474,719	411,170
Transfers in	297,284	2,110,897	1,956,247	(154,650)
TOTAL	373,084	2,174,446	2,430,966	256,520
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 40,323,437	\$ 42,107,943	\$ 41,276,719	\$ (831,224)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CURRENT:				
GENERAL GOVERNMENT				
County board	\$ 274,928	\$ 268,842	\$ 222,417	\$ 46,425
County clerk	361,656	358,295	318,487	39,808
Elections	150,886	151,596	127,662	23,934
Administration	1,475,036	1,492,395	1,351,794	140,601
Finance	1,407,088	1,405,942	1,306,493	99,449
Treasurer	491,654	521,697	511,331	10,366
Coroner	349,918	349,564	300,001	49,563
Clerk of courts	3,001,719	2,990,564	2,904,041	86,523
District attorney	959,234	958,723	906,522	52,201
Register of deeds	633,782	627,900	600,139	27,761
Information systems	1,590,861	1,622,416	1,486,799	135,617
Central services	1,012,596	1,001,356	960,424	40,932
Non-departmental	1,893,357	1,930,320	1,918,633	11,687
TOTAL	13,602,715	13,679,610	12,914,743	764,867
PUBLIC SAFETY				
Sheriff	23,023,823	23,244,545	22,412,136	832,409
HEALTH AND HUMAN SERVICES				
Veterans services	179,259	181,619	175,290	6,329
CULTURE, RECREATION, AND EDUCATION				
UW extension	394,246	389,302	362,965	26,337
Parks	59,580	62,877	93,401	(30,524)
TOTAL	453,826	452,179	456,366	(4,187)
CONSERVATION AND DEVELOPMENT				
Land use and resource management	2,248,157	2,288,257	1,996,634	291,623
TOTAL CURRENT EXPENDITURES	39,507,780	39,846,210	37,955,169	1,891,041

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CAPITAL OUTLAY:				
GENERAL GOVERNMENT				
Administration	\$ -	\$ 6,000	\$ -	\$ 6,000
Elections	-	4,600	-	4,600
Finance	-	17,705	6,794	10,911
Register of deeds	21,730	-	-	-
Information systems	-	172,236	93,870	78,366
Central services	20,000	88,180	10,589	77,591
TOTAL	<u>41,730</u>	<u>288,721</u>	<u>111,253</u>	<u>177,468</u>
PUBLIC SAFETY				
Sheriff	<u>1,246,080</u>	<u>1,712,637</u>	<u>604,804</u>	<u>1,107,833</u>
CULTURE, RECREATION, AND EDUCATION				
Parks	<u>4,317</u>	<u>107,449</u>	<u>44,437</u>	<u>63,012</u>
CONSERVATION AND DEVELOPMENT				
Land use and resource management	<u>7,270</u>	<u>8,530</u>	<u>8,446</u>	<u>84</u>
TOTAL CAPITAL OUTLAY	<u>1,299,397</u>	<u>2,117,337</u>	<u>768,940</u>	<u>1,348,397</u>
TOTAL EXPENDITURES	<u>40,807,177</u>	<u>41,963,547</u>	<u>38,724,109</u>	<u>3,239,438</u>
OTHER FINANCING USES:				
Transfers out	<u>4,127,926</u>	<u>3,497,376</u>	<u>3,312,926</u>	<u>184,450</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 44,935,103</u>	<u>\$ 45,460,923</u>	<u>\$ 42,037,035</u>	<u>\$ 3,423,888</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,714,271	\$ 6,714,271	\$ 6,714,271	\$ -
Investment income	-	61,445	115,078	53,633
Total revenues	<u>6,714,271</u>	<u>6,775,716</u>	<u>6,829,349</u>	<u>53,633</u>
EXPENDITURES				
Debt service:				
Principal retirement	7,365,000	9,403,810	9,403,810	-
Interest and fiscal charges	1,968,637	1,819,178	1,815,130	4,048
Total expenditures	<u>9,333,637</u>	<u>11,222,988</u>	<u>11,218,940</u>	<u>4,048</u>
Excess (deficiency) of revenues over expenditures	<u>(2,619,366)</u>	<u>(4,447,272)</u>	<u>(4,389,591)</u>	<u>57,681</u>
OTHER FINANCING SOURCES				
Long-term debt issued	-	3,305,000	3,305,000	-
Premium on long-term debt		10,740	10,741	1
Transfers in	2,619,366	1,247,935	1,247,935	-
Total other financing sources	<u>2,619,366</u>	<u>4,563,675</u>	<u>4,563,676</u>	<u>1</u>
Net change in fund balances	-	116,403	174,085	57,682
Fund balances - beginning	420,897	420,897	420,897	-
Fund balances - ending	<u>\$ 420,897</u>	<u>\$ 537,300</u>	<u>\$ 594,982</u>	<u>\$ 57,682</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.
- ◆ **Capital Projects Fund** – to account for the financing and construction of general capital projects. Financing for these projects is provided by general obligation debt proceeds, intergovernmental revenues, and donations.



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WALWORTH COUNTY, WISCONSIN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2008

	Special Revenue Funds			Totals
	Land Information	Sheriff Trusts	Capital Projects	
ASSETS				
Cash and investments	\$ 591,158	\$ 630,478	\$ 1,680,287	\$ 2,901,923
Taxes receivable	159,125	-	-	159,125
Accounts receivable	-	1,193	-	1,193
Due from other governments	238	10,334	148,881	159,453
Total assets	<u>\$ 750,521</u>	<u>\$ 642,005</u>	<u>\$ 1,829,168</u>	<u>\$ 3,221,694</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 23,432	\$ 278	\$ 212,502	\$ 236,212
Accrued liabilities	3,014	-	2,400	5,414
Due to other governments	36	-	-	36
Due to other funds	3	-	1	4
Deferred tax revenues	159,125	-	-	159,125
Other deferred revenues	600	-	148,881	149,481
Total liabilities	<u>186,210</u>	<u>278</u>	<u>363,784</u>	<u>550,272</u>
Fund balances:				
Reserved for:				
Encumbrances	11,979	-	187,505	199,484
Modernization fees	326,749	-	-	326,749
Public access fees	221,891	-	-	221,891
Sheriff trusts	-	641,727	-	641,727
Unspent bond proceeds	-	-	184,776	184,776
Unreserved and designated, for:				
Open project carryforwards	-	-	1,093,103	1,093,103
Unreserved, undesignated	3,692	-	-	3,692
Total fund balance	<u>564,311</u>	<u>641,727</u>	<u>1,465,384</u>	<u>2,671,422</u>
Total liabilities and fund balances	<u>\$ 750,521</u>	<u>\$ 642,005</u>	<u>\$ 1,829,168</u>	<u>\$ 3,221,694</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2008

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Land Information	Sheriff Trusts	Capital Projects	
REVENUES				
Taxes	\$ 162,675	\$ -	\$ -	\$ 162,675
Public charges for services	130,150	-	-	130,150
Investment income	14,596	-	-	14,596
Miscellaneous	-	310,055	285,399	595,454
Total revenues	307,421	310,055	285,399	902,875
EXPENDITURES				
Current:				
Public safety	-	83,637	-	83,637
Conservation and development	220,217	-	-	220,217
Capital outlay:				
General government	-	-	161,387	161,387
Culture, recreation, and education	-	-	4,469,776	4,469,776
Conservation and development	124,926	-	-	124,926
Public works	-	-	654,738	654,738
Total expenditures	345,143	83,637	5,285,901	5,714,681
Excess (deficiency) of revenues over expenditures	(37,722)	226,418	(5,000,502)	(4,811,806)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	8,600,000	8,600,000
Transfers in	-	-	14,996	14,996
Transfers out	(23,575)	(279,881)	(1,402,103)	(1,705,559)
Total other financing sources (uses)	(23,575)	(279,881)	7,212,893	6,909,437
Net change in fund balances	(61,297)	(53,463)	2,212,391	2,097,631
Fund balances - beginning	625,608	695,190	(747,007)	573,791
Fund balances - ending	\$ 564,311	\$ 641,727	\$ 1,465,384	\$ 2,671,422

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 160,613	\$ 162,675	\$ 162,675	\$ -
Intergovernmental	300	300	-	(300)
Public charges for services	154,883	151,778	130,150	(21,628)
Investment income	17,000	17,000	14,596	(2,404)
Total revenues	<u>332,796</u>	<u>331,753</u>	<u>307,421</u>	<u>(24,332)</u>
EXPENDITURES				
Current:				
Conservation and development	275,653	253,755	220,217	33,538
Capital outlay:				
Conservation and development	<u>145,020</u>	<u>273,276</u>	<u>124,926</u>	<u>148,350</u>
Total expenditures	<u>420,673</u>	<u>527,031</u>	<u>345,143</u>	<u>181,888</u>
Excess (deficiency) of revenues over expenditures	<u>(87,877)</u>	<u>(195,278)</u>	<u>(37,722)</u>	<u>157,556</u>
OTHER FINANCING USES				
Transfers out	-	(23,575)	(23,575)	-
Net change in fund balances	(87,877)	(218,853)	(61,297)	157,556
Fund balances - beginning	<u>625,608</u>	<u>625,608</u>	<u>625,608</u>	<u>-</u>
Fund balances - ending	<u>\$ 537,731</u>	<u>\$ 406,755</u>	<u>\$ 564,311</u>	<u>\$ 157,556</u>

WALWORTH COUNTY, WISCONSIN

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental charges for services	\$ -	\$ 409,487	\$ -	\$ (409,487)
Miscellaneous	-	285,399	285,399	-
Total revenues	-	694,886	285,399	(409,487)
EXPENDITURES				
Capital outlay:				
General government	-	1,107,464	161,387	946,077
Culture, recreation, and education	8,600,000	4,483,069	4,469,776	13,293
Public works	462,250	1,415,176	654,738	760,438
Total expenditures	9,062,250	7,005,709	5,285,901	1,719,808
Excess (deficiency) of revenues over expenditures	(9,062,250)	(6,310,823)	(5,000,502)	1,310,321
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	8,600,000	8,600,000	8,600,000	-
Transfers in	462,250	14,996	14,996	-
Transfers out	-	(1,402,103)	(1,402,103)	-
Total other financing sources (uses)	9,062,250	7,212,893	7,212,893	-
Net change in fund balances	-	902,070	2,212,391	1,310,321
Fund balances - beginning	(747,007)	(747,007)	(747,007)	-
Fund balances - ending	\$ (747,007)	\$ 155,063	\$ 1,465,384	\$ 1,310,321

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, 2008

	Employee Benefits & Insurance	Risk Management	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 9,728,826	\$ 3,778,802	\$ 13,507,628
Restricted cash and investments:			
Deposits held with fiscal agents	35,000	596,097	631,097
Accounts receivable	194,135	-	194,135
Due from other funds	28,878	-	28,878
Prepaid items	-	4,356	4,356
Total current assets	<u>9,986,839</u>	<u>4,379,255</u>	<u>14,366,094</u>
Noncurrent assets:			
Restricted cash and investments:			
Deposit held with WMMIC	-	1,563,000	1,563,000
Total assets	<u>9,986,839</u>	<u>5,942,255</u>	<u>15,929,094</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,950	-	4,950
Claims payable	4,052,259	1,655,998	5,708,257
Deposits	1,522,825	-	1,522,825
Retiree health credits - current	120,265	-	120,265
Total current liabilities	<u>5,700,299</u>	<u>1,655,998</u>	<u>7,356,297</u>
Noncurrent liabilities			
Retiree health credits - long term	722,010	-	722,010
Total liabilities	<u>6,422,309</u>	<u>1,655,998</u>	<u>8,078,307</u>
NET ASSETS			
Restricted deposit with WMMIC	-	1,563,000	1,563,000
Unrestricted	3,564,530	2,723,257	6,287,787
Total net assets	<u>\$ 3,564,530</u>	<u>\$ 4,286,257</u>	<u>\$ 7,850,787</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2008

	Employee Benefits & Insurance	Risk Management	Totals
Operating revenues:			
Charges for services	\$ 20,002,500	\$ 217,895	\$ 20,220,395
Operating expenses:			
Insurance services	17,614,743	324,764	17,939,507
Total operating expenses	17,614,743	324,764	17,939,507
Operating income (loss)	2,387,757	(106,869)	2,280,888
Nonoperating revenues:			
Investment income	174,984	111,850	286,834
Miscellaneous	-	49,946	49,946
Total nonoperating revenues	174,984	161,796	336,780
Change in net assets	2,562,741	54,927	2,617,668
Total net assets - beginning	1,001,789	4,231,330	5,233,119
Total net assets - ending	\$ 3,564,530	\$ 4,286,257	\$ 7,850,787

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2008

	Employee Benefits & Insurance	Risk Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,595,940	\$ -	\$ 1,595,940
Receipts from interfund services provided	18,322,017	217,895	18,539,912
Payments to suppliers	<u>(17,222,777)</u>	<u>(389,775)</u>	<u>(17,612,552)</u>
Net cash flows provided by (used in) operating activities	<u>2,695,180</u>	<u>(171,880)</u>	<u>2,523,300</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Insurance recoveries	-	49,946	49,946
Net cash flows provided by non-capital financing activities	<u>-</u>	<u>49,946</u>	<u>49,946</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	174,984	111,850	286,834
Net cash flows provided by investing activities	<u>174,984</u>	<u>111,850</u>	<u>286,834</u>
Net increase (decrease) in cash and investments	2,870,164	(10,084)	2,860,080
Cash and investments - beginning	<u>6,893,662</u>	<u>4,384,983</u>	<u>11,278,645</u>
Cash and investments - ending	<u>\$ 9,763,826</u>	<u>\$ 4,374,899</u>	<u>\$ 14,138,725</u>

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

Cash and investments	\$ 9,728,826	\$ 3,778,802	\$ 13,507,628
Restricted cash and investments	35,000	596,097	631,097
	<u>\$ 9,763,826</u>	<u>\$ 4,374,899</u>	<u>\$ 14,138,725</u>

Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities:

Operating income (loss)	\$ 2,387,757	\$ (106,869)	\$ 2,280,888
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Change in assets and liabilities:			
Accounts receivable	33,478	-	33,478
Due from other funds	8,281	-	8,281
Prepaid items	84,077	(2,220)	81,857
Accounts payable	(4,944)	(2,696)	(7,640)
Claims payable	312,834	(60,095)	252,739
Retiree health credits	(54,398)	-	(54,398)
Deposits	<u>(71,905)</u>	<u>-</u>	<u>(71,905)</u>
Net cash flows provided by (used in) operating activities	<u>\$ 2,695,180</u>	<u>\$ (171,880)</u>	<u>\$ 2,523,300</u>



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FIDUCIARY FUNDS

Private Purpose Trust Fund

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

Agency Funds

- ◆ **Pending Court Cases** – to account for the receipt of forfeitures, fines, and court costs in advance of a trial; held for the court until the disposition of such funds can be determined.
- ◆ **Other Agency Funds:**
 - ◆ **Dog License Fund** – to account for the accumulation of proceeds from the sale of dog licenses. Payments are made to the State, Lakeland Animal Welfare Society, Inc. for various administrative and claims expenses.
 - ◆ **Marriage License Trust** – to account for the accumulation of marriage license fees; payments are made to the State Treasurer, the County, and the Clerk of Courts who provide counseling services.
 - ◆ **Probate Court Trust** – to account for the accumulation of estate filing fees due the County and the State of Wisconsin. 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, 2008

	<u>Private Purpose Trusts</u>		
	<u>G. Charter Harrison Trust</u>	<u>Tricentennial Trust</u>	<u>Fiduciary Funds Total</u>
ASSETS			
Cash and investments	<u>\$ 39,781</u>	<u>\$ 633</u>	<u>\$ 40,414</u>
NET ASSETS			
Held in trust for private purposes	<u>\$ 39,781</u>	<u>\$ 633</u>	<u>\$ 40,414</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2008

	Private Purpose Trusts		Fiduciary Funds Total
	G. Charter Harrison Trust	Tricentennial Trust	
ADDITIONS			
Investment income	\$ 969	\$ 1	\$ 970
DEDUCTIONS			
Educational outreach	1,000	-	1,000
Change in net assets	(31)	1	(30)
Net assets - beginning	39,812	632	40,444
Net assets - ending	\$ 39,781	\$ 633	\$ 40,414

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Year Ended December 31, 2008

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
<u>PENDING COURT CASES</u>				
ASSETS				
Cash and investments	\$ 1,041,794	\$ 3,332,024	\$ 3,235,987	\$ 1,137,831
Total assets	<u>\$ 1,041,794</u>	<u>\$ 3,332,024</u>	<u>\$ 3,235,987</u>	<u>\$ 1,137,831</u>
LIABILITIES				
Accounts payable	\$ 145,096	\$ 2,218,667	\$ 2,208,078	\$ 155,685
Deposits	896,698	856,732	771,284	982,146
Total liabilities	<u>\$ 1,041,794</u>	<u>\$ 3,075,399</u>	<u>\$ 2,979,362</u>	<u>\$ 1,137,831</u>
<u>OTHER</u>				
ASSETS				
Cash and investments	\$ 226,289	\$ 3,362,492	\$ 3,418,665	\$ 170,116
Accounts receivable	-	3,224	-	3,224
Total assets	<u>\$ 226,289</u>	<u>\$ 3,365,716</u>	<u>\$ 3,418,665</u>	<u>\$ 173,340</u>
LIABILITIES				
Accounts payable	\$ 142,042	\$ 1,449,295	\$ 1,479,446	\$ 111,891
Due to other governments	17,753	1,446,838	1,444,006	20,585
Deposits	66,494	753,156	778,786	40,864
Total liabilities	<u>\$ 226,289</u>	<u>\$ 3,649,289</u>	<u>\$ 3,702,238</u>	<u>\$ 173,340</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 1,268,083	\$ 6,721,464	\$ 6,681,600	\$ 1,307,947
Accounts receivable	-	3,224	-	3,224
Total assets	<u>\$ 1,268,083</u>	<u>\$ 6,724,688</u>	<u>\$ 6,681,600</u>	<u>\$ 1,311,171</u>
LIABILITIES				
Accounts payable	\$ 287,138	\$ 3,667,962	\$ 3,687,524	\$ 267,576
Due to other governments	17,753	1,446,838	1,444,006	20,585
Deposits	963,192	1,609,888	1,550,070	1,023,010
Total liabilities	<u>\$ 1,268,083</u>	<u>\$ 6,724,688</u>	<u>\$ 6,681,600</u>	<u>\$ 1,311,171</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, 2008 AND 2007

	2008	2007
Capital assets:		
Land	\$ 1,092,194	\$ 1,103,694
Buildings	65,137,524	50,539,339
Improvements other than buildings	4,494,019	4,193,270
Infrastructure	44,818,859	44,818,859
Machinery and equipment	19,633,615	19,553,367
Construction in progress	1,765,602	14,308,081
TOTAL CAPITAL ASSETS	\$ 136,941,813	\$ 134,516,610
Investment in capital assets by source:		
Bonds	\$ 71,919,904	\$ 55,272,666
Donations	1,551,641	1,020,493
Grants	959,007	914,949
Tax levy	23,310,819	38,108,060
Capital projects **	39,200,442	39,200,442
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 136,941,813	\$ 134,516,610

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, 2008

<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	-	-	-	-	670,395	-	670,395
Clerk of courts	-	-	-	-	513,509	-	513,509
District attorney	-	-	-	-	54,812	-	54,812
Register of deeds	-	-	-	-	23,389	-	23,389
Information systems	-	-	-	-	3,277,569	28,800	3,306,369
Central services	-	20,534,956	2,235,954	-	1,993,545	10,589	24,775,044
Non-departmental	708,930	90,530	405,278	-	27,500	-	1,232,238
TOTAL GENERAL GOVERNMENT	708,930	20,625,486	2,641,232	-	6,591,355	39,389	30,606,392
Public Safety							
Sheriff	-	21,857,887	1,321,345	-	6,969,068	369,705	30,518,005
TOTAL PUBLIC SAFETY	-	21,857,887	1,321,345	-	6,969,068	369,705	30,518,005
Health and Human Services							
Veterans	-	-	-	-	13,117	-	13,117
Human services	-	5,528,231	30,285	-	211,085	191,082	5,960,683
TOTAL HEALTH AND HUMAN SERVICES	-	5,528,231	30,285	-	224,202	191,082	5,973,800
Culture, Recreation, and Education							
Children with Disabilities Education Board	-	16,717,372	-	-	34,963	-	16,752,335
UW extension	-	-	-	-	5,118	-	5,118
Parks	383,264	408,548	501,157	-	-	-	1,292,969
TOTAL CULTURE, RECREATION AND EDUCATION	383,264	17,125,920	501,157	-	40,081	-	18,050,422
Public Works							
Capital projects	-	-	-	-	-	1,165,426	1,165,426
Infrastructure	-	-	-	44,818,859	-	-	44,818,859
TOTAL PUBLIC WORKS	-	-	-	44,818,859	-	1,165,426	45,984,285
Conservation and Development							
Land use and resource management	-	-	-	-	105,988	-	105,988
County land information	-	-	-	-	5,702,921	-	5,702,921
TOTAL CONSERVATION AND DEVELOPMENT	-	-	-	-	5,808,909	-	5,808,909
TOTAL CAPITAL ASSETS	\$ 1,092,194	\$ 65,137,524	\$ 4,494,019	\$ 44,818,859	\$ 19,633,615	\$ 1,765,602	\$ 136,941,813

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, 2008

<u>FUNCTION AND ACTIVITY</u>	CAPITAL ASSETS			CAPITAL ASSETS
	JANUARY 1, 2008	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2008
General Government				
County clerk	\$ 11,886	\$ -	\$ -	\$ 11,886
Elections	18,750	-	-	18,750
Finance	693,184	13,709	36,498	670,395
Clerk of courts	485,505	28,004	-	513,509
District attorney	54,812	-	-	54,812
Register of deeds	23,389	-	-	23,389
Information systems	3,228,130	177,851	99,612	3,306,369
Central services	24,777,922	10,590	13,468	24,775,044
Non-departmental	1,232,238	-	-	1,232,238
TOTAL GENERAL GOVERNMENT	30,525,816	230,154	149,578	30,606,392
Public Safety				
Sheriff	30,254,381	587,591	323,967	30,518,005
TOTAL PUBLIC SAFETY	30,254,381	587,591	323,967	30,518,005
Health and Human Services				
Veterans	13,117	-	-	13,117
Human services	5,734,842	225,841	-	5,960,683
TOTAL HEALTH AND HUMAN SERVICES	5,747,959	225,841	-	5,973,800
Culture, Recreation, and Education				
Children with Disabilities Education Board	2,457,610	16,752,336	2,457,611	16,752,335
UW extension	5,118	-	-	5,118
Parks	1,240,679	311,345	259,055	1,292,969
TOTAL CULTURE, RECREATION AND EDUCATION	3,703,407	17,063,681	2,716,666	18,050,422
Public Works				
Capital projects	13,658,224	686,881	13,179,679	1,165,426
Infrastructure	44,818,859	-	-	44,818,859
TOTAL PUBLIC WORKS	58,477,083	686,881	13,179,679	45,984,285
Conservation and Development				
Land use and resource management	150,916	5,350	50,278	105,988
County land information	5,657,048	45,873	-	5,702,921
TOTAL CONSERVATION AND DEVELOPMENT	5,807,964	51,223	50,278	5,808,909
TOTAL CAPITAL ASSETS	\$ 134,516,610	\$ 18,845,371	\$ 16,420,168	\$ 136,941,813

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 2008, these transfers total \$21,119.



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**STATISTICAL
SECTION**



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Statistical Section (Unaudited)

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

	<u>Page</u>
FINANCIAL TRENDS	88 – 94
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
REVENUE CAPACITY	95 – 99
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
DEBT CAPACITY	100 – 103
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	104 – 105
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
OPERATING INFORMATION	106 – 110
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 Six Fiscal Years

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
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	\$ 57,423,112
Restricted	2,717,020	1,772,359	1,913,155	1,510,947	3,102,544	3,320,060
Unrestricted	<u>31,516,690</u>	<u>32,626,923</u>	<u>35,583,545</u>	<u>35,535,211</u>	<u>31,835,196</u>	<u>42,573,160</u>
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>	<u>\$ 103,316,332</u>
Business-type activities						
Invested in capital assets, net of related debt	8,439,267	8,214,914	7,674,254	20,108,504	7,582,462	8,910,256
Restricted	-	-	250,998	121,838	128,927	144,269
Unrestricted	<u>8,650,148</u>	<u>10,583,255</u>	<u>14,129,494</u>	<u>13,066,408</u>	<u>12,322,506</u>	<u>12,473,282</u>
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>	<u>\$ 21,527,807</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	\$ 66,333,368
Restricted	2,717,020	1,772,359	2,164,153	1,632,785	3,231,471	3,464,329
Unrestricted	<u>40,166,838</u>	<u>43,210,178</u>	<u>49,713,039</u>	<u>48,601,619</u>	<u>44,157,702</u>	<u>55,046,442</u>
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>	<u>\$ 124,844,139</u>

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

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Expenses						
Governmental activities:						
General government	\$ 11,680,604	\$ 13,384,447	\$ 13,034,915	\$ 15,159,984	\$ 15,308,444	\$ 13,813,464
Public safety	18,706,689	19,747,239	20,694,984	21,841,262	23,062,787	23,803,711
Health and human services	29,577,094	29,940,303	29,228,166	29,316,500	30,870,763	29,975,541
Culture, recreation and education	11,181,802	11,602,673	12,511,033	14,182,158	14,193,460	16,011,838
Public works	1,322,027	1,286,584	1,612,019	3,616,627	3,726,158	2,175,607
Conservation and development	2,433,761	2,292,313	2,345,557	2,409,888	2,479,686	2,439,853
Interest on long-term debt	1,448,636	1,648,922	1,750,429	1,914,265	1,412,336	1,569,796
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>	<u>89,789,810</u>
Business-type activities:						
Nursing home	16,177,451	13,587,405	12,210,404	14,022,169	11,914,949	12,145,036
Highway/facilities administration	5,989,487	5,079,508	7,369,426	6,950,699	8,809,086	9,693,282
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>	<u>21,838,318</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>	<u>\$ 111,628,128</u>
Program Revenues						
Governmental activities:						
Charges for services						
General government	\$ 2,508,176	\$ 2,928,960	\$ 2,654,039	\$ 3,509,042	\$ 2,788,985	\$ 3,455,029
Public safety	1,399,600	1,377,735	1,389,687	1,537,802	1,630,593	1,708,157
Health and human services	3,510,181	3,614,429	3,602,941	3,702,426	4,224,649	4,075,661
Culture, recreation and education	381,141	314,965	173,618	154,992	160,090	174,430
Public works	-	-	26,180	137,782	-	-
Conservation and development	1,097,225	1,055,950	1,029,192	988,825	856,256	724,190
Operating grants and contributions						-
General government	512,487	603,549	542,107	557,570	652,215	574,195
Public safety	743,317	815,674	803,228	953,121	851,120	852,400
Health and human services	15,773,806	16,077,659	16,640,899	16,590,140	17,498,245	18,129,418
Culture, recreation and education	6,117,502	6,031,338	6,201,662	6,693,544	7,071,866	8,346,676
Conservation and development	338,588	426,495	363,915	290,133	293,649	323,639
Capital grants and contributions						
General government	-	-	-	640,305	6,979	-
Public safety	152,553	317,136	542,469	86,275	93,555	70,674
Health and human services	-	-	-	-	-	3,732
Culture, recreation and education	-	14,395	-	14,702	421,773	282,352
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>	<u>38,720,553</u>

(continued)

TABLE 2
WALWORTH COUNTY, WISCONSIN
 Changes in Net Assets (continued)
 Last Six Fiscal Years

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Program Revenues (continued)						
Business-type activities						
Charges for services						
Nursing home	11,233,355	9,447,784	10,452,940	6,159,046	7,362,680	7,690,184
Highway/facilities administration	3,113,119	2,877,118	3,407,112	2,718,861	4,236,620	5,009,372
Operating grants and contributions						
Nursing home	4,145,900	1,933,348	16,196	1,017,463	919,389	1,520,883
Highway/facilities administration	2,106,245	2,081,204	67,891	2,024,358	2,000,835	2,110,893
Capital grants and contributions						
Nursing home	-	-	-	-	-	-
Highway/facilities administration	-	-	2,740	-	37,738	123,040
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>	<u>16,454,372</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>	<u>\$ 55,174,925</u>
Net (Expense) Revenue by Function:						
Governmental activities:						
General government	\$ (8,659,941)	\$ (9,851,938)	\$ (9,838,769)	\$ (10,453,067)	\$ (11,860,265)	\$ (9,784,240)
Public safety	(16,411,219)	(17,236,694)	(17,959,600)	(19,264,064)	(20,487,519)	(21,172,480)
Health and human services	(10,293,107)	(10,248,215)	(8,984,326)	(9,023,934)	(9,147,869)	(7,766,730)
Culture, recreation and education	(4,683,159)	(5,241,975)	(6,135,753)	(7,318,920)	(6,539,731)	(7,208,380)
Public works	(931,600)	(1,281,500)	(663,078)	(2,722,032)	(3,575,446)	(2,175,607)
Conservation and development	(904,898)	(757,650)	(726,341)	(1,130,930)	(1,329,781)	(1,392,024)
Interest on long-term debt	(1,448,636)	(1,648,922)	(1,750,429)	(1,914,265)	(1,412,336)	(1,569,796)
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>	<u>(51,069,257)</u>
Business-type activities:						
Nursing home	(798,196)	(2,206,273)	(1,741,268)	(6,845,660)	(3,632,880)	(2,933,969)
Highway/facilities administration	(770,123)	(121,186)	(3,891,683)	(2,207,480)	(2,533,893)	(2,449,977)
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>	<u>(5,383,946)</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>	<u>\$ (56,453,203)</u>

(continued)

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

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
General property taxes	\$ 35,453,371	\$ 37,150,309	\$ 38,031,659	\$ 36,352,921	\$ 39,470,341	\$ 42,011,107
Property taxes for debt service	4,690,152	5,242,764	6,051,593	7,716,392	7,875,781	6,714,271
County share of sales taxes	6,556,865	7,336,138	7,303,638	7,535,343	7,597,303	7,807,117
Real estate transfer fees	455,045	573,046	648,518	-	-	-
Other taxes	89,923	81,920	90,475	77,710	82,751	76,789
Grants and contributions not restricted to specific programs						
	776,327	367,357	325,169	341,622	341,038	331,464
Unrestricted investment earnings	853,927	839,240	2,873,982	4,480,264	4,642,076	2,992,572
Miscellaneous	190,113	30,360	7,225	13,925	124,731	46,561
Transfers	23,528	(1,554)	(1,688,014)	(14,643,794)	(1,290,254)	49,714
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>	<u>60,029,595</u>
Business-type activities:						
Property taxes	3,890,008	3,989,468	3,349,396	5,517,249	5,424,014	6,719,641
Grants and contributions not restricted to specific programs	-	-	3,750,920	-	-	-
Unrestricted investment earnings	4,768	31,223	75,608	134,101	129,806	63,731
Gain/(Loss) on sale of capital assets	6,109	-	-	-	-	98,145
Miscellaneous	47,135	13,968	25,590	-	36,247	46,055
Transfers	380,895	1,554	1,688,014	14,643,794	1,290,254	(49,714)
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>	<u>6,877,858</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>	<u>\$ 66,907,453</u>
Change in Net Assets						
Governmental activities	\$ 5,756,691	\$ 5,352,686	\$ 7,585,949	\$ (9,952,829)	\$ 4,490,820	\$ 8,960,338
Business-type activities	2,760,596	1,708,754	3,256,577	11,242,004	713,548	1,493,912
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>	<u>\$ 10,454,250</u>

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 3,898,114	\$ 4,913,451	\$ 4,957,073	\$ 5,048,481	\$ 3,180,879	\$ 2,506,336	\$ 2,995,254	\$ 3,649,929	\$ 8,898,910	\$ 4,189,902
Unreserved	14,074,537	15,793,662	17,559,634	21,570,984	25,410,679	21,241,187	23,849,264	22,798,437	19,260,283	23,683,694
Total general fund	<u>\$ 17,972,651</u>	<u>\$ 20,707,113</u>	<u>\$ 22,516,707</u>	<u>\$ 26,619,465</u>	<u>\$ 28,591,558</u>	<u>\$ 23,747,523</u>	<u>\$ 26,844,518</u>	<u>\$ 26,448,366</u>	<u>\$ 28,159,193</u>	<u>\$ 27,873,596</u>
All other governmental funds										
Reserved	\$ 1,200,585	\$ 5,039,716	\$ 5,465,055	\$ 3,686,966	\$ 5,627,188	\$ 7,526,442	\$ 7,418,986	\$ 3,389,038	\$ 4,896,463	\$ 3,990,290
Unreserved										
Special revenue funds	1,265,413	1,120,727	1,706,707	3,430,833	1,558,663	524,073	199,376	1,901,176	2,562,710	5,461,598
Capital projects fund	-	-	-	-	1,599,101	2,107,355	2,659,242	1,923,875	(3,838,378)	-
Total all other governmental funds	<u>\$ 2,465,998</u>	<u>\$ 6,160,443</u>	<u>\$ 7,171,762</u>	<u>\$ 7,117,799</u>	<u>\$ 8,784,952</u>	<u>\$ 10,157,870</u>	<u>\$ 10,277,604</u>	<u>\$ 7,214,089</u>	<u>\$ 3,620,795</u>	<u>\$ 9,451,888</u>
Total governmental funds, fund balances	<u>\$ 20,438,649</u>	<u>\$ 26,867,556</u>	<u>\$ 29,688,469</u>	<u>\$ 33,737,264</u>	<u>\$ 37,376,510</u>	<u>\$ 33,905,393</u>	<u>\$ 37,122,122</u>	<u>\$ 33,662,455</u>	<u>\$ 31,779,988</u>	<u>\$ 37,325,484</u>

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

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues										
Taxes	\$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	\$57,300,471
Intergovernmental	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	27,748,565
Licenses and permits	209,985	242,590	375,293	324,951	387,352	399,561	359,380	351,552	376,192	309,766
Fines, forfeitures and penalties	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	1,425,845
Charges for services	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	8,034,880
Miscellaneous	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	2,827,721
Total revenues	<u>60,183,301</u>	<u>67,615,343</u>	<u>72,106,287</u>	<u>80,093,858</u>	<u>82,018,661</u>	<u>85,468,008</u>	<u>89,313,895</u>	<u>92,014,568</u>	<u>96,784,980</u>	<u>97,647,248</u>
Expenditures										
General government	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	12,914,743
Public safety	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	22,495,773
Health and human services	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	30,096,850
Culture, recreation and education	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	19,063,558
Conservation and development	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	2,216,851
Capital outlay	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	6,535,211
Debt service										
Interest and fiscal charges	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	1,815,130
Principal	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	9,403,810
Total expenditures	<u>60,570,981</u>	<u>67,097,190</u>	<u>77,349,233</u>	<u>85,000,367</u>	<u>87,353,315</u>	<u>90,359,574</u>	<u>94,221,080</u>	<u>102,737,302</u>	<u>107,133,712</u>	<u>104,541,926</u>
Excess (deficiency) of revenues over expenditures	(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)	(6,894,678)
Other financing sources (uses)										
Proceeds from borrowing, net	-	6,952,011	7,912,951	7,538,749	9,318,413	6,122,999	9,787,053	7,340,642	9,857,652	8,596,300
Proceeds from refunding, net	-	-	7,035,670	3,875,000	-	-	-	-	-	3,319,441
Payments to escrow agent	-	-	(7,035,670)	(3,850,000)	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-	-	474,719
Transfers in	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	7,032,104
Transfers out	(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)	(6,982,390)
Total other financing sources (uses)	<u>(277,958)</u>	<u>5,910,754</u>	<u>8,063,859</u>	<u>8,955,304</u>	<u>8,973,900</u>	<u>1,420,449</u>	<u>8,123,914</u>	<u>7,263,067</u>	<u>8,466,265</u>	<u>12,440,174</u>
Net change in fund balances^(a)	<u>\$ (665,638)</u>	<u>\$ 6,428,907</u>	<u>\$ 2,820,913</u>	<u>\$ 4,048,795</u>	<u>\$ 3,639,246</u>	<u>\$ (3,471,117)</u>	<u>\$ 3,216,729</u>	<u>\$ (3,459,667)</u>	<u>\$ (1,882,467)</u>	<u>\$ 5,545,496</u>
Debt service as a percentage of non-capital expenditures	3.50%	3.36%	5.00%	5.33%	6.74%	6.55%	7.82%	9.50%	8.28%	11.45%

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 & Fiscal Charges	
1999	\$ 8,154,384	\$15,209,978	\$ 23,947,111	\$ 8,538,138	\$ 2,300,992	\$ 314,390	\$ 1,270,000	\$ 835,988	\$ 60,570,981
% of Total	13.5%	25.1%	39.5%	14.1%	3.8%	0.5%	2.1%	1.4%	100.0%
2000	\$ 8,877,903	\$16,159,278	\$ 24,711,698	\$ 9,136,350	\$ 3,188,084	\$ 2,867,096	\$ 1,300,000	\$ 856,781	\$ 67,097,190
% of Total	13.2%	24.1%	36.8%	13.6%	4.8%	4.3%	1.9%	1.3%	100.0%
2001	\$ 9,688,190	\$16,606,214	\$ 26,208,884	\$ 10,430,412	\$ 3,126,138	\$ 7,810,957	\$ 1,885,159	\$ 1,593,279	\$ 77,349,233
% of Total	12.5%	21.5%	33.9%	13.5%	4.0%	10.1%	2.4%	2.1%	100.0%
2002	\$ 10,066,733	\$17,333,121	\$ 27,646,305	\$ 10,886,520	\$ 4,131,680	\$ 10,989,667	\$ 2,572,415	\$ 1,373,926	\$ 85,000,367
% of Total	11.8%	20.4%	32.5%	12.8%	4.9%	12.9%	3.0%	1.7%	100.0%
2003	\$ 9,710,912	\$18,384,651	\$ 29,434,868	\$ 11,264,203	\$ 2,365,568	\$ 11,051,109	\$ 3,619,483	\$ 1,522,521	\$ 87,353,315
% of Total	11.1%	21.0%	33.7%	12.9%	2.7%	12.7%	4.1%	1.8%	100.0%
2004	\$ 12,410,128	\$19,030,720	\$ 29,992,775	\$ 11,726,546	\$ 2,254,858	\$ 9,659,829	\$ 3,695,000	\$ 1,589,718	\$ 90,359,574
% of Total	13.7%	21.1%	33.2%	13.0%	2.5%	10.7%	4.1%	1.7%	100.0%
2005	\$ 11,594,328	\$19,740,148	\$ 28,981,077	\$ 12,261,159	\$ 2,148,494	\$ 13,155,446	\$ 4,625,000	\$ 1,715,428	\$ 94,221,080
% of Total	12.3%	21.0%	30.8%	13.0%	2.3%	14.0%	4.9%	1.7%	100.0%
2006	\$ 11,780,358	\$20,137,931	\$ 28,903,629	\$ 13,333,312	\$ 2,059,547	\$ 18,525,611	\$ 6,145,000	\$ 1,851,914	\$ 102,737,302
% of Total	11.5%	19.6%	28.1%	13.0%	2.0%	18.0%	6.0%	1.8%	100.0%
2007	\$ 12,590,192	\$22,015,542	\$ 30,961,410	\$ 15,345,841	\$ 2,178,892	\$ 16,537,505	\$ 6,126,156	\$ 1,378,174	\$ 107,133,712
% of Total	11.8%	20.5%	29.0%	14.3%	2.0%	15.4%	5.7%	1.3%	100.0%
2008	\$ 12,914,743	\$22,495,773	\$ 30,096,850	\$ 19,063,558	\$ 2,216,851	\$ 6,535,211	\$ 9,403,810	\$ 1,815,130	\$ 104,541,926
% of Total	12.4%	21.5%	28.9%	18.2%	2.1%	6.3%	9.0%	1.7%	100.1%

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	Fines Forfeits & Penalties	Charges for Services	Miscellaneous	Total
1999	\$ 32,694,445	\$ 17,604,151	\$ 209,985	\$ 1,040,903	\$ 6,119,295	\$ 2,514,522	\$ 60,183,301
% of Total	54.3%	29.3%	0.3%	1.7%	10.2%	4.2%	100.0%
2000	\$ 38,053,570	\$ 18,656,032	\$ 242,590	\$ 1,063,562	\$ 6,466,598	\$ 3,132,991	\$ 67,615,343
% of Total	56.3%	27.6%	0.4%	1.6%	9.6%	4.5%	100.0%
2001	\$ 40,584,929	\$ 21,017,279	\$ 375,293	\$ 1,043,360	\$ 6,281,891	\$ 2,803,535	\$ 72,106,287
% of Total	56.3%	29.1%	0.5%	1.4%	8.7%	4.0%	100.0%
2002	\$ 45,010,223	\$ 24,352,928	\$ 324,951	\$ 1,111,757	\$ 7,503,810	\$ 1,790,189	\$ 80,093,858
% of Total	56.2%	30.4%	0.4%	1.4%	9.4%	2.2%	100.0%
2003	\$ 47,333,317	\$ 24,290,647	\$ 387,352	\$ 1,437,647	\$ 6,410,038	\$ 2,159,660	\$ 82,018,661
% of Total	57.7%	29.6%	0.5%	1.8%	7.8%	2.6%	100.0%
2004	\$ 50,615,811	\$ 24,092,046	\$ 399,561	\$ 1,357,723	\$ 6,712,146	\$ 2,290,721	\$ 85,468,008
% of Total	59.2%	28.2%	0.5%	1.6%	7.9%	2.6%	100.0%
2005	\$ 53,048,694	\$ 24,962,700	\$ 359,380	\$ 1,233,647	\$ 6,738,175	\$ 2,971,299	\$ 89,313,895
% of Total	59.4%	27.9%	0.4%	1.4%	7.5%	3.4%	100.0%
2006	\$ 53,109,631	\$ 25,579,590	\$ 351,552	\$ 1,379,320	\$ 7,509,204	\$ 4,085,271	\$ 92,014,568
% of Total	57.7%	27.8%	0.4%	1.5%	8.2%	4.4%	100.0%
2007	\$ 56,064,682	\$ 26,146,651	\$ 376,192	\$ 1,315,006	\$ 8,191,723	\$ 4,690,726	\$ 96,784,980
% of Total	57.9%	27.0%	0.4%	1.4%	8.5%	4.8%	100.0%
2008	\$ 57,300,471	\$ 27,748,565	\$ 309,766	\$ 1,425,845	\$ 8,034,880	\$ 2,827,721	\$ 97,647,248
% of Total	58.7%	28.4%	0.3%	1.5%	8.2%	2.9%	100.0%

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

TABLE 7
WALWORTH COUNTY, WISCONSIN
 Equalized Value of Taxable Property (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				
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
2008	13,008,079,500	1,662,831,300	239,045,700	55,092,900	23,182,800	32,439,800	288,645,400	156,881,900	658,530,300	14,807,669,000	3.88

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	2008 TOTAL EQUALIZED VALUE	NET TAX RATE - YEAR LEVIED										
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	
County Direct Rates (per \$1,000 of equalized value)												
Children with Disabilities Education Board		0.60	0.64	0.63	n/a	n/a						
County (All Other)		<u>3.28</u>	<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>	
Total County Direct Rates		3.88	3.91	4.10	4.40	4.75	4.94	5.13	5.14	5.08	4.84	
CITY												
Burlington	\$ 171,700	\$ 19.95	\$ 16.51	\$ 19.43	\$ 20.28	\$ 21.36	\$ 22.36	\$ 22.99	\$ 23.62	\$ 23.49	\$ 22.77	
Delavan	760,057,900	19.28	19.90	19.43	20.28	21.36	22.36	22.99	23.62	23.49	22.77	
Elkhorn	754,798,100	17.83	16.72	16.96	18.15	20.43	21.38	21.70	21.09	21.44	21.08	
Lake Geneva	1,322,470,200	17.17	17.35	18.00	19.60	21.62	21.43	22.79	23.91	23.53	23.51	
Whitewater	<u>561,224,600</u>	17.49	17.39	17.24	19.16	20.06	20.57	20.81	21.84	22.26	21.07	
CITY TOTAL	<u>\$ 3,398,722,500</u>											
TOWN												
Bloomfield	\$ 551,930,900	\$ 15.48	\$ 15.21	\$ 15.28	\$ 17.26	\$ 19.30	\$ 18.84	\$ 19.91	\$ 22.68	\$ 23.17	\$ 21.68	
Darien	173,819,300	11.91	11.64	11.55	12.46	12.92	13.23	13.50	14.09	14.42	14.63	
Delavan	1,173,199,600	12.89	13.04	13.66	15.14	16.47	16.79	18.17	18.85	18.80	18.56	
East Troy	831,453,900	13.14	13.16	12.69	13.84	15.23	15.77	16.45	21.98	19.11	16.82	
Geneva	976,478,900	13.35	13.39	13.88	15.32	16.93	17.06	19.06	19.53	18.49	18.35	
La Fayette	265,477,300	13.66	13.76	13.43	14.46	16.11	16.04	18.10	19.12	18.28	17.61	
La Grange	804,821,300	12.65	12.44	13.17	13.81	15.12	15.70	16.26	17.21	17.47	16.84	
Linn	1,764,641,500	12.54	12.88	13.37	14.99	16.38	17.10	19.12	19.08	19.68	18.48	
Lyons	500,156,500	13.05	13.08	13.01	13.70	15.16	16.51	16.87	18.40	17.27	17.21	
Richmond	272,591,200	13.20	13.03	12.84	13.98	14.93	15.25	16.77	17.44	18.14	17.56	
Sharon	76,798,000	15.72	16.30	16.80	18.12	19.31	19.80	22.09	22.09	22.29	22.03	
Spring Prairie	244,561,000	14.68	14.74	14.89	15.87	17.66	17.87	20.64	20.98	22.91	18.24	
Sugar Creek	409,231,200	13.13	12.73	12.64	13.79	15.15	15.45	16.70	17.40	18.54	17.72	
Troy	295,011,200	14.17	13.76	13.86	15.09	16.73	16.51	17.23	16.82	17.09	16.83	
Walworth	244,350,500	12.07	12.28	13.22	14.68	15.32	15.77	18.15	18.73	18.32	17.28	
Whitewater	<u>324,378,200</u>	13.44	13.14	12.93	14.45	15.61	15.80	16.13	16.90	17.54	16.96	
TOWN TOTAL	<u>\$ 8,908,900,500</u>											
VILLAGE												
Darien	\$ 114,449,900	\$ 22.95	\$ 22.89	\$ 22.37	\$ 23.87	\$ 24.87	\$ 25.71	\$ 25.50	\$ 25.81	\$ 26.42	\$ 26.78	
East Troy	362,669,000	17.46	17.30	16.84	18.21	19.82	20.13	20.53	20.78	20.44	20.23	
Fontana	1,359,065,700	12.52	12.57	13.71	15.35	16.58	17.54	19.52	19.29	19.65	19.64	
Genoa City	205,851,700	22.75	20.31	21.69	22.44	27.57	23.62	25.51	27.52	27.29	26.82	
Mukwonago	13,387,500	17.83	17.54	18.41	18.73	20.16	21.59	18.59	22.58	26.20	19.57	
Sharon	87,290,600	20.87	21.98	22.43	25.36	26.47	27.24	27.90	27.36	29.36	28.76	
Walworth	230,717,100	16.68	16.55	17.67	18.79	20.32	21.24	21.79	21.94	22.07	21.52	
Williams Bay	<u>785,144,800</u>	12.70	12.97	14.07	15.43	16.77	18.02	18.23	23.62	20.10	20.04	
VILLAGE TOTAL	<u>\$ 3,158,576,300</u>											
COUNTY TOTAL	<u>\$ 15,466,199,300</u>											

Source: Walworth County Treasurer's Office

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

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

TABLE 9
WALWORTH COUNTY, WISCONSIN
Principal Property Tax Payers
For December 31, 2008 and Nine Years Prior

Taxpayer	2008			1999		
	Equalized Value	Rank	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
DLK Enterprises, Inc.	\$ 47,756,743	1	0.31%	\$ 20,578,380	1	0.29%
Grand Geneva (Marcus Hotels & Resorts - 1998)	41,265,597	2	0.27%	18,809,472	2	0.27%
Delevan Resort (Lake Lawn Lodge/Airport - 1998)	37,331,745	3	0.24%	14,784,352	4	0.21%
Wal-Mart Associates	33,365,902	4	0.22%			
Versacold-Larsen (Geneva Lakes Cold Storage - 1998)	23,046,109	5	0.15%	10,513,399	7	0.15%
Kikkoman Foods, Inc.	21,549,719	6	0.14%	14,280,288	5	0.20%
Paloma Geneva National, LLC	15,175,693	7	0.10%	16,704,716	3	0.24%
Lake Geneva Investors, LLC	14,515,342	8	0.09%			
Geneva Project	13,992,702	9	0.09%			
Home Depot	12,526,642	10	0.08%			
ABKA (The Abbey)				12,945,931	6	0.18%
Midwest Track Associates				9,339,264	8	0.13%
Anvan Company				8,282,852	9	0.12%
Wrigley, William				7,793,869	10	0.11%
Total	\$ 260,526,194		1.68%	\$ 134,032,523		1.91%

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
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%	\$ 638,146	\$ 35,908,456	99.99%	\$ -	0.00%
2001	2002	\$ 39,588,237	\$38,987,517	98.5%	\$ 600,720	\$ 39,577,768	99.97%	\$ -	0.00%
2002	2003	\$ 42,594,222	\$40,035,888	94.0%	\$ 2,558,334	\$ 42,578,181	99.96%	\$ -	0.00%
2003	2004	\$ 45,014,093	\$43,342,996	96.3%	\$ 1,671,097	\$ 45,009,661	99.99%	\$ -	0.00%
2004	2005	\$ 47,082,255	\$45,216,101	96.0%	\$ 1,864,950	\$ 47,076,688	99.99%	\$ 1,204	0.00%
2005	2006	\$ 49,199,366	\$47,210,455	96.0%	\$ 1,700,397	\$ 48,906,556	99.40%	\$ 288,514	0.59%
2006	2007	\$ 52,238,866	\$49,481,298	94.7%	\$ 1,500,544	\$ 50,981,842	97.59%	\$ 1,257,024	2.41%
2007	2008	\$ 54,753,860	\$50,648,952	92.5%	\$ -	\$ 50,648,952	92.50%	\$ 4,104,908	7.50%

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, 2008		<u>\$ 15,466,199,300</u>
Legal debt margin:		
Debt limitation, 5% of total equalized value (Wisconsin Statutory Limitation)		773,309,965
Debt applicable to limitation:		
General obligation bonds	21,885,000	
General obligation notes	30,995,000	
Authorized general obligation debt, not yet issued	<u>5,300,000</u>	
Total debt applicable to limitation at December 31, 2008	58,180,000	
Less amount available in debt service fund	<u>(594,982)</u>	<u>(57,585,018)</u>
Legal debt margin for year ending December 31, 2008		<u>\$ 715,724,947</u>

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total equalized value - 12/31	\$ 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	\$ 15,466,199,300
Legal debt margin (5% of equalized value)	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	773,309,965
Debt applicable to limitation										
State Trust Funds	-	650,000	609,980	879,601	-	-	-	-	-	-
General Obligation Bonds	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	21,885,000
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	30,995,000
Authorized debt, not yet issued	-	-	-	-	-	-	-	-	-	5,300,000
Total debt applicable to limitation - 12/31	16,505,000	23,146,000	29,384,980	34,584,601	39,985,000	42,360,000	47,535,000	48,740,000	51,665,000	58,180,000
Less amount available in debt service fund	(340,622)	(342,962)	(361,866)	(474,729)	(468,389)	(503,487)	(453,929)	(413,600)	(420,897)	(594,982)
Total debt applicable to limitation - 12/31	16,164,378	22,803,038	29,023,114	34,109,872	39,516,611	41,856,513	47,081,071	48,326,400	51,244,103	57,585,018
Legal debt margin - 12/31	\$ 335,102,672	\$ 341,880,912	\$ 367,950,106	\$ 395,377,368	\$ 434,414,159	\$ 470,261,882	\$ 523,773,729	\$ 612,044,855	\$ 678,749,507	\$ 715,724,947
Total net debt applicable to the limit as a percentage of debt limit	5%	6%	7%	8%	8%	8%	8%	7%	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 ^(a)	Equalized Value ^(b)	Governmental Gross Bonded Debt	Business-Type Gross Bonded Debt	Total Gross Bonded Debt	Less Debt Service Fund ^(c)	Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Value	Percentage of Personal Income ^(a)	Net Bonded Debt per Capita
1999	85,493	\$ 7,025,341,000	\$ 16,505,000	\$ -	\$ 16,505,000	\$ 340,622	\$ 16,164,378	0.23%	0.70%	\$ 189
2000	91,996	\$ 7,293,679,000	\$ 23,146,000	\$ -	\$ 23,146,000	\$ 342,962	\$ 22,803,038	0.31%	0.90%	\$ 248
2001	93,032	\$ 7,939,464,400	\$ 29,384,980	\$ -	\$ 29,384,980	\$ 361,866	\$ 29,023,114	0.37%	1.14%	\$ 312
2002	94,532	\$ 8,589,744,800	\$ 34,584,602	\$ -	\$ 34,584,602	\$ 474,729	\$ 34,109,873	0.40%	1.32%	\$ 361
2003	95,630	\$ 9,478,615,400	\$ 39,985,000	\$ -	\$ 39,985,000	\$ 468,389	\$ 39,516,612	0.42%	1.48%	\$ 413
2004	97,052	\$ 10,242,367,900	\$ 42,360,000	\$ -	\$ 42,360,000	\$ 503,487	\$ 41,856,513	0.41%	1.48%	\$ 431
2005	98,496	\$ 11,565,232,700	\$ 39,935,000	\$ 7,600,000	\$ 47,535,000	\$ 453,929	\$ 47,081,071	0.41%	1.60%	\$ 478
2006	99,761	\$ 13,207,425,100	\$ 34,740,000	\$ 14,000,000	\$ 48,740,000	\$ 413,600	\$ 48,326,400	0.37%	1.57%	\$ 484
2007	100,672	\$ 14,599,872,200	\$ 38,373,776	\$ 13,391,224	\$ 51,765,000	\$ 420,897	\$ 51,344,103	0.35%	n/a	\$ 510
2008	101,315	\$ 15,466,199,300	\$ 40,337,620	\$ 12,542,380	\$ 52,880,000	\$ 594,892	\$ 52,285,108	0.34%	n/a	\$ 516

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 ^(a)	Total Debt Service ^(a)	Total Governmental Expenditures ^(b)	Ratio of Debt Service to Governmental Expenditures
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%
2008	\$ 9,403,810	\$ 1,757,296	\$ 11,161,106	\$ 104,541,926	10.7%

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

(a) Excludes bond issuance and other costs

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

TABLE 14
WALWORTH COUNTY, WISCONSIN
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2008

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Walworth County	Amount Applicable to Government
Direct:			
Walworth County	\$ 52,880,000	100.00%	\$ 52,880,000
Overlapping:			
City:			
Delavan	25,817,731	100.00%	25,817,731
Elkhorn	21,750,000	100.00%	21,750,000
Lake Geneva	6,550,000	100.00%	6,550,000
Whitewater	17,915,897	87.90%	15,748,073
CITY TOTAL	72,033,628		69,865,804
Town:			
Delavan	2,244,500	100.00%	2,244,500
East Troy	388,333	100.00%	388,333
Linn	430,663	100.00%	430,663
Lyons	142,857	100.00%	142,857
Spring Prairie	1,910,000	100.00%	1,910,000
Troy	425,000	100.00%	425,000
TOWN TOTAL	5,541,353		5,541,353
Village:			
Darien	4,260,000	100.00%	4,260,000
East Troy	2,250,000	100.00%	2,250,000
Fontana-on-Geneva Lake	15,676,814	100.00%	15,676,814
Genoa City	3,245,000	100.00%	3,245,000
Mukwonago	18,935,883	1.80%	340,846
Sharon	689,202	100.00%	689,202
Walworth	272,446	100.00%	272,446
Williams Bay	3,506,732	100.00%	3,506,732
VILLAGE TOTAL	48,836,077		30,241,040
School Districts:			
Big Foot	7,678,012	100.00%	7,678,012
Clinton	14,870,000	0.38%	55,765
Delavan-Darien	11,840,000	99.74%	11,808,642
East Troy	8,840,999	99.47%	8,794,285
Elkhorn	30,860,000	100.00%	30,860,000
Fontana	2,100,000	100.00%	2,100,000
Lake Geneva Jt 4	1,785,000	100.00%	1,785,000
Genoa City Jt 2	10,810,000	100.00%	10,810,000
Lake Geneva Jt 1	17,795,000	100.00%	17,795,000
Lake Geneva-Genoa City Unified High School	23,365,000	100.00%	23,365,000
Linn Jt 4	2,110,000	100.00%	2,110,000
Linn Jt 6	207,426	100.00%	207,426
Mukwonago	15,090,000	0.03%	4,522
Palmyra-Eagle	15,530,243	3.43%	532,051
Sharon	205,000	100.00%	205,000
Walworth	855,000	100.00%	855,000
Whitewater	16,930,016	84.09%	14,237,143
Williams Bay	5,270,485	100.00%	5,270,485
SCHOOL DISTRICT TOTAL	186,142,181		138,473,331
Technical College:			
Gateway	32,960,000	32.90%	11,107,520
Special Districts:			
Country Estates	243,279	100.00%	243,279
Delavan Lake Sanitary	525,000	100.00%	525,000
East Troy	35,000	100.00%	35,000
Lake Beulah	210,000	100.00%	210,000
Lake Como Sanitary	3,005,000	100.00%	3,005,000
Lauderdale Lakes Lake Management	1,109,200	100.00%	1,109,200
Troy Sanitary District	1,432	100.00%	1,432
WALCOMET	15,451,028	100.00%	15,451,028
SPECIAL DISTRICT TOTAL	20,579,939		20,579,939
TOTAL DEBT APPLICABLE TO WALWORTH COUNTY	\$ 418,973,178		\$ 328,688,987

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

Source: Robert W. Baird & Company

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

Fiscal Year	Population ^(a)	Personal Income ^(a) <i>thousands of dollars</i>	Per Capita Personal Income ^(a)	School Enrollment ^(b)	Unemployment Rate ^(c)	Total Residential Housing Units ^(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%	46,535
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%	48,575
2006	99,761	3,081,015	30,688	17,710	4.3%	49,560
2007	100,672	n/a	n/a	17,868	4.8%	50,174
2008	101,315	n/a	n/a	17,819	6.3%	50,666

Source:

- (a) Wisconsin Department of Administration, Demographic Services Center
- (b) Wisconsin Department of Public Instruction - 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, 2008 and Nine Years Prior

Taxpayer	Type of Business	2008			1999		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
University of Wisconsin - Whitewater	College	1000+	1	1.87%	1000+	2	1.91%
County of Walworth	Governmental Agency	500-999	2	1.87%	1000+	1	1.91%
Grand Geneva (Pfister Corp - 1999)	Resort	500-999	3	1.87%	500-999	4	1.91%
Wal-Mart Associates	Discount Department Store	500-999	4	1.87%			
Pentair Water Group (Sta-Rite Industries - 1999)	Manufacturer - Pumps	500-999	5	1.87%	500-999	3	1.91%
Miniature Precision Components Inc.	Manufacturer - Plastics	500-999	6	1.87%	250-499	6	0.95%
Aurora Health Care of Southern Lakes	Medical/Surgical Hospital	500-999	7	1.87%	250-499	5	0.95%
Elkhorn Area School District	Elementary/Secondary School	250-499	8	0.93%	250-499	10	0.95%
School District of Delavan-Darien	Elementary/Secondary School	250-499	9	0.93%			
The Abbey	Resort	250-499	10	0.93%	250-499	8	0.95%
Southern Wisconsin Foods LLC	Eating and Drinking Places				250-499	7	0.95%
United Dominion Industries Inc	Fluid Power Valves & Hose Fittings				250-499	9	0.95%
Total							
		15.91%			13.34%		

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
County board	-	-	-	-	-	-	0.50	0.50	0.50	0.75
County clerk	4.00	4.00	4.00	4.16	4.16	4.00	4.00	4.20	4.20	4.20
Administration	2.47	2.00	8.50	8.50	7.50	18.50	15.00	15.00	10.50	10.50
Corp counsel	6.00	6.00	-	-	-	-	-	-	-	-
Human resources	9.00	9.00	11.00	11.00	10.00	-	-	-	-	-
Finance	9.80	13.00	13.00	13.00	12.00	12.00	16.00	16.00	14.00	14.00
Treasurer	4.91	5.16	5.30	5.30	4.98	4.99	4.99	4.99	5.99	5.88
Coroner	1.24	1.24	1.30	1.34	1.34	1.32	1.32	1.44	1.44	1.44
Clerk of courts	32.05	30.05	30.05	30.05	30.05	29.49	30.30	30.30	29.86	29.61
District attorney	9.29	11.15	11.15	11.05	11.05	11.55	11.55	11.55	11.55	11.50
Register of deeds	6.08	6.58	6.08	6.08	6.50	6.50	6.50	8.00	8.00	8.00
Information systems	11.00	13.00	13.00	13.00	11.00	17.00	17.00	14.00	13.00	13.00
Land information	-	-	5.00	5.00	4.00	-	-	-	-	-
Surveyor	5.00	4.00	-	-	-	-	-	-	-	-
	<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>	<u>98.88</u>
Public safety										
Sheriff	216.25	219.27	219.27	222.69	222.69	225.93	224.92	221.40	220.40	213.90
	<u>216.25</u>	<u>219.27</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>	<u>213.90</u>
Health and human services										
Health and human services	156.71	158.04	156.09	156.09	156.59	158.21	158.34	156.32	162.12	162.62
Veterans	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	<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>	<u>164.62</u>
Culture, recreation, and education										
UW extension	4.24	5.00	5.00	5.00	3.00	3.00	3.00	3.00	3.00	2.75
Lakeland school	152.13	164.88	177.29	182.85	182.81	183.16	188.89	196.90	180.72	167.51
	<u>156.37</u>	<u>169.88</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>	<u>170.26</u>

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Conservation and development										
Planning/zoning/sanitation/solid waste	19.49	19.00	-	-	-	-	-	-	-	-
Land conservation	7.00	7.50	-	-	-	-	-	-	-	-
Land use and resource management	-	-	26.50	26.50	27.00	23.00	23.00	22.00	21.00	21.00
	<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>	<u>21.00</u>
Lakeland health care center										
Lakeland health care center	304.75	303.15	268.11	267.61	260.66	251.10	197.76	163.77	146.69	142.29
	<u>304.75</u>	<u>303.15</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>	<u>142.29</u>
Highway/facilities administration										
Public works	-	-	83.67	83.68	75.48	68.49	66.49	65.49	73.25	77.25
Highway	53.97	54.35	-	-	-	-	-	-	-	-
Facilities	25.34	29.28	-	-	-	-	-	-	-	-
Lakeland agricultural complex	3.44	2.00	1.00	-	-	-	-	-	-	-
	<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>	<u>77.25</u>
Total Full-time Equivalents	<u>1,046.16</u>	<u>1,069.65</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>	<u>888.20</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

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Register of deeds										
Real estate documents processed	31,066	24,512	35,693	43,061	51,110	38,136	36,987	32,937	29,225	25,513
Birth records processed	1,259	1,324	1,397	1,423	1,496	1,447	1,548	1,646	1,649	1,668
Death records processed	908	880	861	901	838	911	925	897	851	860
Marriage records processed	761	799	772	794	798	793	825	841	811	809
County clerk										
Marriage licenses issued	691	783	765	768	761	714	788	755	739	745
Single dog tags issued	4,628	4,733	4,776	4,798	4,711	4,917	4,962	5,085	5,065	5,038
Kennel tags (12 each) issued	15	13	12	13	12	10	8	6	6	12
Single kennel tags issued	19	17	21	27	25	33	17	19	13	13
Clerk of courts										
Case filings	21,345	21,621	22,265	24,008	21,814	24,758	22,492	22,458	17,971	19,058
District Attorney										
Felony cases	436	561	542	578	629	593	691	642	551	566
Misdemeanor cases	679	800	770	693	744	653	764	820	777	756
Juvenile delinquency cases	156	207	168	121	126	134	120	157	94	124
Criminal traffic cases	695	695	664	835	1,047	1,067	1,080	1,131	1,028	1,124
Victim/witness contacts	n/a	1,007	1,066	1,087	1,107	1,185	1,270	1,698	1,505	1,097
Coroner										
Death investigations	n/a	n/a	n/a	n/a	n/a	644	868	887	891	879
Autopsies performed	n/a	n/a	n/a	n/a	n/a	76	106	75	88	86
Cremation permit issues	n/a	n/a	n/a	n/a	n/a	303	333	345	318	337
Treasurer										
Tax parcels	n/a	n/a	n/a	59,331	59,745	60,545	61,250	62,312	63,764	64,945
Public safety										
Traffic citations	4,762	4,870	6,662	7,613	6,964	4,545	3,649	5,035	3,605	3,370
Ordinance citations	1,696	1,802	1,380	1,959	1,846	1,862	1,029	1,322	1,093	1,025
Traffic accidents reported	767	682	585	725	811	811	833	704	783	801
Jail admissions	3,884	3,944	4,007	4,136	4,018	4,067	4,325	4,332	4,168	4,244
Huber admissions	1,216	1,342	1,484	1,446	1,387	1,252	1,434	1,330	1,410	1,475
Average daily population - Jail	141	131	145	152	162	146	163	163	170	176
Average daily population - Huber	145	142	146	164	162	160	178	181	181	208
Electronic monitoring participants	n/a	5	11	19						

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Health and human services										
Veterans office										
Phone calls received	5,412	6,027	6,577	6,909	7,134	8,175	8,369	9,205	9,311	10,293
Office visits	2,680	3,122	3,433	3,775	3,820	3,940	4,020	4,438	4,824	5,116
New clients	n/a	139								
Culture, recreation, and education										
School										
Students (onsite)	221	226	239	241	239	240	258	270	251	231
Students (outlying districts)	1,335	1,485	1,561	1,616	1,651	1,714	1,785	1,786	943	779
Parks										
Trail: yearly passes sold	n/a	n/a	n/a	n/a	502	559	703	750	754	619
Trail: daily passes sold	n/a	n/a	n/a	n/a	33	545	1,187	1,614	1,344	1,732
Conservation and development										
Land use and resource management										
Zoning permits issued	1,227	1,220	1,258	1,340	1,359	1,471	1,352	1,141	1,016	804
Sanitation permits issued	502	413	446	469	501	536	458	348	292	203
Certified survey maps reviewed	90	4	100	159	95	103	107	83	45	48
Separation of farm structures from farmland	16	22	16	22	23	19	14	20	15	9
Highway/facilities administration										
Hazardous waste collected-agricultural (lbs)	n/a	n/a	n/a	28,435	n/a	n/a	14,812	n/a	3,411	n/a
Hazardous waste collected-household (lbs)	19,215	23,345	n/a	23,253	27,512	35,151	26,513	28,531	25,927	28,153
Hazardous waste collected-computer equip (lbs)	n/a	n/a	28,258	n/a	23,474	29,178	38,346	55,727	62,304	80,286
State lane miles maintained	n/a	n/a	n/a	n/a	n/a	n/a	656	689	689	689
County lane miles maintained	n/a	200	200	200	200	199	200	199	192	199
Nursing Home										
Licensed beds	295	295	245	245	235	235	235	120	120	120
Payor mix:										
Medicaid	82.75%	81.55%	82.73%	82.73%	83.38%	87.94%	89.69%	87.91%	83.37%	76.75%
Private pay	13.27%	12.17%	11.35%	12.17%	12.56%	10.10%	8.35%	7.92%	10.90%	16.15%
Medicare	3.56%	5.65%	5.80%	5.07%	3.96%	1.38%	1.57%	4.17%	5.73%	7.10%
Hospice	0.42%	0.63%	0.12%	0.03%	0.10%	0.58%	0.39%	0.02%	n/a	n/a

n/a = not readily available

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Information Technology										
Desktop systems	n/a	720	755	769						
Computer servers	n/a	23	27	36						
Multi-user applications	n/a	n/a	n/a	95						
Public safety										
Vehicles insured	61	61	64	69	64	74	61	57	51	54
Boats/trailers/ATV/snowmobiles	n/a	n/a	n/a	12						
Culture, recreation, and education										
Acreage (park)	237	237	237	237	237	237	237	237	237	237
Highway/facilities administration										
County lane miles	n/a	200	200	200	200	199	200	199	192	199
County bridges	26	26	26	26	26	26	26	26	26	26
Vehicles insured	91	87	95	99	82	85	86	94	125	124
County facility buildings (sq ft)	686,658	686,658	686,658	686,658	686,658	686,658	1,033,450	861,450	861,450	867,780

n/a - information not available



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