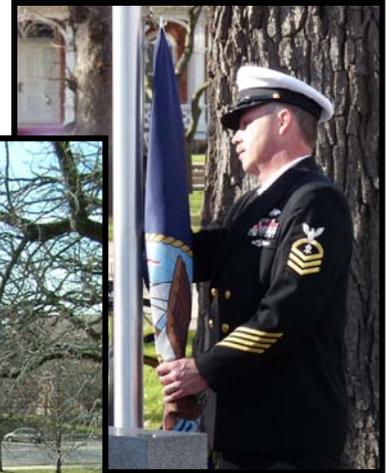


# Walworth County, Wisconsin



## Comprehensive Annual Financial Report

Including Auditor's Report  
for the fiscal year ended December 31, 2010

**Pictures of the Walworth County Veterans' Memorials  
Refurbished and rededicated on November 9, 2009 at 12:15 p.m.**

John Miller, Assistant Superintendent in the public works department, has been a county employee since August, 1992. John is a reservist in the U.S. Navy assigned to Naval Construction Battalion 25 with the current rank of Builder Chief Petty Officer (Seabee Combat Warfare Specialist/Submarine Service) (BUC (SCW/SS)). John was stationed in Pearl Harbor, Hawaii, for his first 6 years in the Submarine Fleet. BUC Miller was most recently deployed in January, 2006 to support Operation Iraqi Freedom and Operation Enduring Freedom to Al Asad, Iraq. John resumed his duties with Walworth County in November, 2006. His 19½ years of service in the military show a deep commitment to his country. John's son, BU3 Richard B. Miller, recently followed in his father's Navy footsteps. BU3 Miller, a veteran of a year and 3 months, is assigned to Naval Mobile Construction Battalion 1 and currently deployed to Okinawa, Japan. John took the lead - as overall coordinator, general contractor, and often, chief laborer - in renovating the memorial in the county's Veterans Park. He developed the design, with the support of a committee of veterans from around the county. The UW-Extension Office, Master Gardeners of Walworth County, the Highway Division of the Department of Public Works and, in John's words, some great Huber inmates also provided support. Much hard work and dedication resulted in a newly refurbished memorial to honor the veterans of Walworth County and show our appreciation for their service and sacrifice.



Robert Webster served as Sergeant First Class with the Army's occupation forces in Japan at the end of World War II and was recalled to duty during the Korean War. A staunch supporter of military personnel both active and retired,



Mr. Webster has served as Chairman of the American Legion's Support the Troops Committee since its inception. The first Support the Troops Rally was held November 29, 2004. Over 250 weekly support rallies have been conducted at the Government Center since then.

Chris Jordan, of Lake Geneva, is the Walworth County Veterans Service Officer. She served in the active Army from 1975-1978 and was stationed at Ft. Hood, Texas. Chris is President of the County Veterans Service Officers Association of Wisconsin in 2004 and has served on the Legislative & Program Review Committees and the Long Term Care Committee of the Wisconsin Board of Veterans Affairs. Since 1986, she has assisted the county's 8,000 veterans and their families with their federal and state benefit entitlements. Chris considers it an honor to assist and advocate for the veterans of WWI to the present wars in Iraq and Afghanistan during her tenure with Walworth County.

Nancy Lehman has volunteered with the Veterans Affairs Volunteer Service since the 1970's and Bugles Across America since that organization's inception in 2000. Her grandfather's cousin, Charles M. Smith, a veteran of the Spanish American War, World War I and II, encouraged her to play Taps at Walworth County Memorial Day services and instilled in her a respect for all veterans. Ms. Lehman has played the bugle at various veterans' functions for 60 years, including at the Support the Troops rallies and, sadly, at countless veterans' funerals.



**WALWORTH COUNTY, WISCONSIN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Prepared by:  
Walworth County Finance Department



**WALWORTH COUNTY, WISCONSIN**  
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# **INTRODUCTORY SECTION**





May 18, 2011

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, 2010. 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.

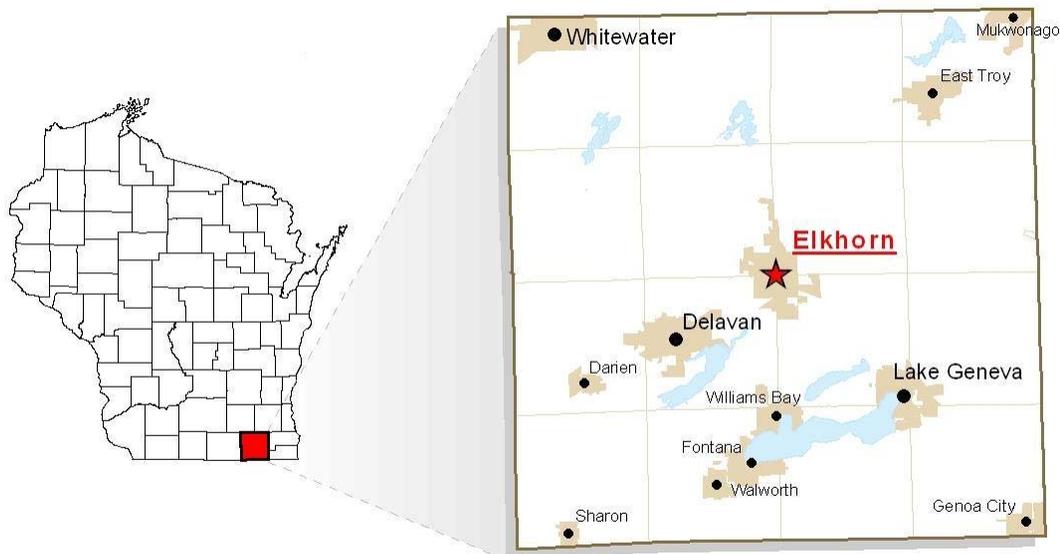
County policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 as amended, 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, 2010, 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, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

100 W. WALWORTH  
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ELKHORN, WI 53121  
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 an 11-member Board of Supervisors. Supervisors serve two-year terms and are elected in April of the even numbered calendar years. The Board of Supervisors appoints the County Administrator. The financial reporting entity includes all of the funds of Walworth County. The government provides a full range of services to meet the needs of its citizens. These services include: general and financial administration, including tax collections; judiciary services and legal counsel; property records; county planning and zoning; public safety, including sheriff, emergency government and correctional facilities; health and human services; public works, including transportation and facilities maintenance; veteran's assistance; coroner; nursing home; election administration; cultural and recreational activities, including parks; special education; University of Wisconsin extension services; and the conservation of natural resources.

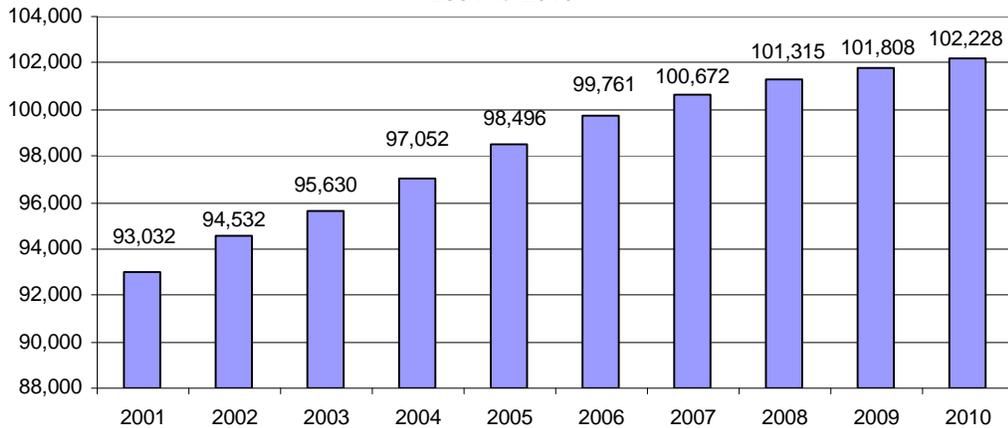
The County maintains budget controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Walworth County Board of Supervisors. All County departments are required to submit their annual budget requests for the ensuing year to the County Administrator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

## ECONOMIC CONDITIONS AND OUTLOOK

### LOCAL ECONOMY

According to the United States 2010 census report, Walworth County has a population of 102,228, adding 10,215 new residents since the 2000 census, which represents a growth rate of 11.1%. This growth rate well surpasses the state rate of 6% during that same period, with Walworth County ranking 9<sup>th</sup> in the state among the 72 counties in its growth percentage. The next graph demonstrates the steady increase in census for the past 10 years.

### Walworth County Population 2001 to 2010

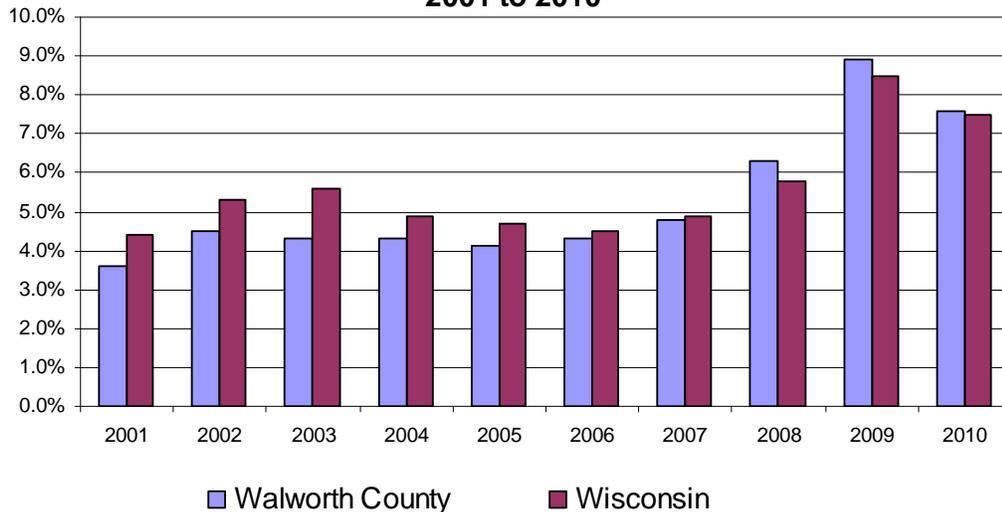


*Source: Wisconsin Department of Administration, Demographic Services Center and US Census Bureau*

Walworth County is strategically located in southeastern Wisconsin, approximately 100 miles northwest of the City of Chicago, 50 miles southwest of the City of Milwaukee and 65 miles southeast of the City of Madison. The County is home to the University of Wisconsin - Whitewater, a four-year institution founded in 1868 with 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. George Williams College of Aurora University is located in Williams Bay, Wisconsin, on the shores of Lake Geneva. Aurora University is a private, independent university offering undergraduate and post-graduate degrees to approximately 4,000 combined students on their Aurora, Illinois, and Williams Bay, Wisconsin campuses.

Historically, Walworth County has had an economy marked by steady growth, diversity and stability. As of December, 2010, the unemployment rate for the County was 7.6% compared to the statewide rate of 7.5%. The unemployment level is reflective of the overall economic conditions nationwide.

### Unemployment Rates 2001 to 2010



■ Walworth County      ■ Wisconsin

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

In addition to the public sector entities of the University of Wisconsin-Whitewater and Walworth County Government, the leisure and hospitality industry is vital to the economic well-being of the County. Without a stadium, regional mall or convention center, Walworth County currently ranks seventh in the state in terms of spending for tourists, according to the Wisconsin Department of Tourism's 2010 report. Two of the County's top ten principal property taxpayers and two of its top ten principal employers are from the hospitality industry. For a list of the County's top ten principal employers, please see the Statistical Section of this report.

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

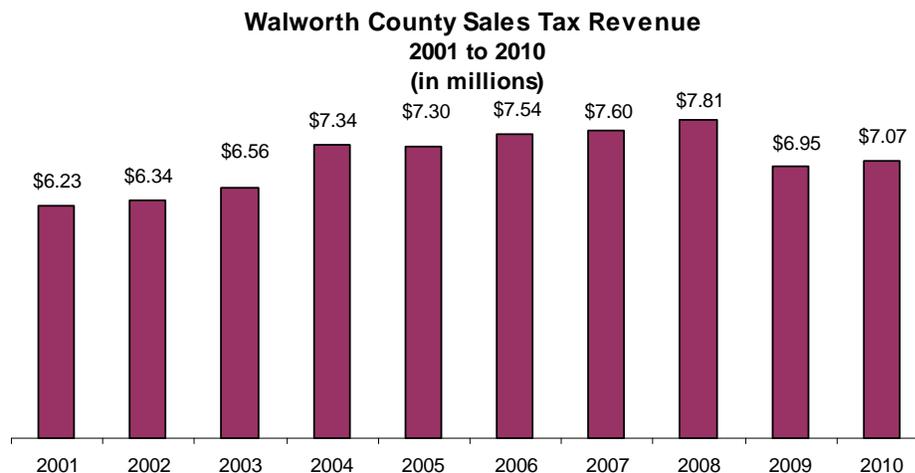
Tourism provides employment as well as sales and property tax revenue. Walworth County assists local tourism efforts by assisting with support of the Walworth County Visitors Bureau. The total estimated economic impact of tourism in 2009 was \$370.5 million based upon 2010 report by the Wisconsin Department of Tourism. The table below outlines the County's top employing industries.

**Top 5 Industries in Walworth County  
2010 Third Quarter**

<u>Industry</u>	<u>Employees</u>
Manufacturing	7,780
Leisure and Hospitality	7,524
Trade, Transportation, Utilities	6,702
Education and Health Services	6,365
Professional and Business Services	2,551
Public Administration	2,277

*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. In 2009, like many other regions, Walworth County experienced a downturn in the economy that was reflected in reduced retail sales. In 2010, actual sales tax collection of \$7.07 million was just short of the adopted budget of \$7.1 million. Actual collections in 2010 were \$116,000 more than the amount collected in 2009 showing the beginning of a recovery to the economic downturn. Peak sales tax occurred in 2008 at \$7.8 million.



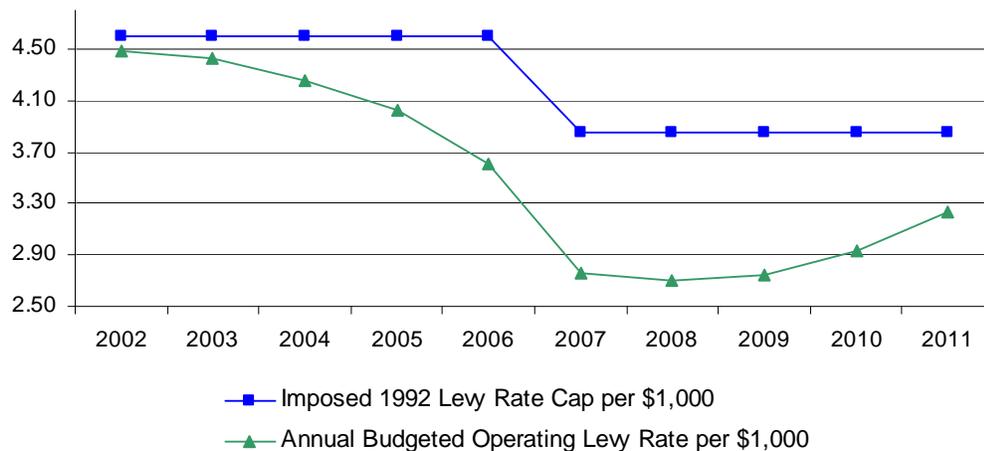
## LONG-TERM FINANCIAL PLANNING

### Flexibility under State Levy Caps

#### 1992 Cap: Operating Mill Rate

A fundamental step in keeping the County in a sound financial position is to maintain flexibility under the state-imposed operating levy rate caps. In 1993, the 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 2009 operating mill rate for 2010 operations was \$2.93 per \$1,000 of equalized value, equating to \$13.7 million under the levy cap. The 2010 levy for the 2011 budget resulted in an operating mill rate of \$3.23 per \$1,000 of equalized value, reducing the room under this cap to \$8.9 million. Less room under the cap resulted from a 2.89% increase in the tax levy rate offset combined with a 3.6% decrease in the tax base. The County anticipates that it will remain significantly under the operating cap for the upcoming 2012 budget.

**Operating Mill Rates  
Fiscal Years 2002 to 2011**



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

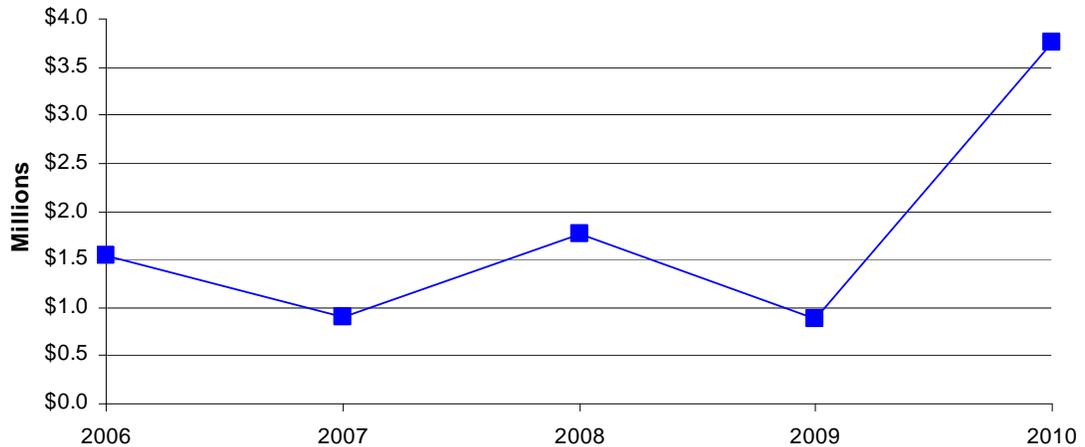
#### State Budget Levy Cap

For the last two state 2-year budget cycles, Wisconsin has placed an additional levy limit on local governments. For the County's 2011 budget cycle, the County was allowed to increase the levy by a percentage equal to the percentage change from its January 1 equalized value due to new construction, or up to 2%, whichever was greater. Children with Disabilities Education Board, library, bridge/culvert aid and increases in certain debt service costs were excluded from the levy limit cap. An allowance for unused levy amount in the prior year's levy cap was also available. Walworth County was under the allowable 2010 levy limit for 2011 by 6.9% or \$3.76 million.

The State of Wisconsin's budget bill for the two-year period beginning June 30, 2011 has not yet been approved, however, the current proposed bill contains major changes which would affect the County. Included in the bill is a 0% levy limit, rather than 2% and a loss of prior

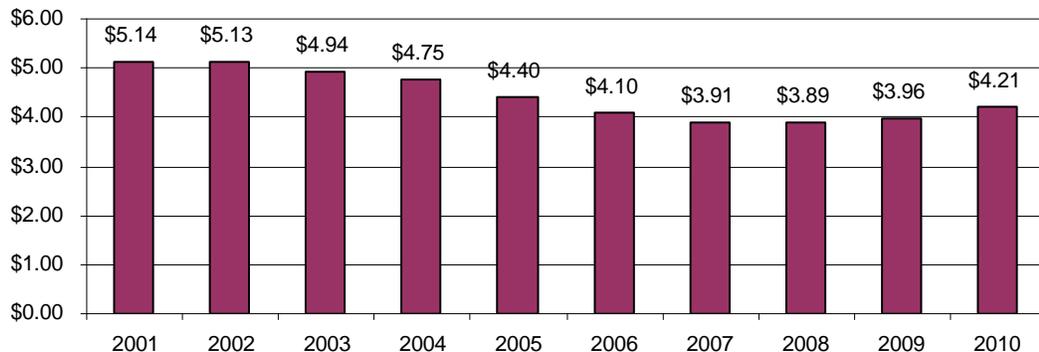
year carryforward adjustments and certain debt allowances. Revenue changes include major cuts in health and human services grants, programs, loss of transportation aids, and reduced state shared revenues. With the exception of represented law enforcement staff, the bill mandates that employees pay approximately 50% of their retirement benefits. These benefits are currently paid by the County. The bill also significantly limits represented employee bargaining rights. These changes were to be utilized to offset the significant loss of proposed state aid. The legality of the current budget bill has been questioned and the issue is currently moving through the court system. The County anticipates that it will be able to meet the state budget requirements as proposed.

**Levy Limit - Room Under (Over) State Budget Cap  
Fiscal Years 2006 to 2011**



In 2010, the County experienced a reduction in its tax base value of 3.6%. This loss in value, combined with the 2.89% increase in the total tax levy needed to balance the budget, resulted in an increase in the County's tax levy rate.

**Levy Rates  
2001 to 2010 Levy Years**



### Transition of CDEB Service to Local Districts

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. In August, 2006 the County Board adopted, and all participating school districts ratified, 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 second component is the county-run school for special education students. The Board completed construction of a new school on a new site in 2008, with the issuance of \$17.1 million in debt. The County sold the existing school facility and its adjoining 8 acres to a private developer.

As of the end of the 2009-10 school year, the County has transferred a total of 68.85 FTEs to district responsibility. As part of the Transfer of Service agreement with the individual school districts, 27.50 teaching FTE positions are left to transfer before the agreement's termination deadline of 2016. A summary of transitioned FTEs is shown below.

<b>Transition of FTEs to District Responsibility</b>				
<b>Year</b>	<b>Teachers</b>	<b>Aides</b>	<b>Programmer</b>	<b>Totals</b>
2006	6.50	4.71		11.21
2007	7.00	4.18	1.00	12.18
2008	12.46	3.79		16.25
2009	10.00	3.39		13.39
2010	4.00	11.82		15.82
<b>Totals</b>	<b>39.96</b>	<b>27.89</b>	<b>1.0</b>	<b>68.85</b>

### **Capital Projects**

The 2014 capital plan includes an estimated \$11.5 million borrowing plan for the expansion of the County jail. The County's intention is to research jail issues and complete a needs assessment regarding additional jail space. The County has initiated an internal study of other comparable county jails. The County's Criminal Justice Coordinating Committee, Sheriff's Office, Health and Human Services Department, Circuit Court, County Board, Public Defender, Probation and Parole, Walworth County Chief of Police Association and a representative from higher education are also working together to research and discuss implementing programs that may postpone the need to expand the jail. These alternatives include electronic monitoring, day reporting, and drug court.

### **Technology**

The County strives to utilize technology that will best serve its citizens. The County will soon be video recording all County Board and committee meetings. These recordings will be available via the internet. To ensure ongoing system support, we will be looking at a new phone and voice mail system in the next year or two. Disaster recovery plans for the server and data environments are being addressed through the installation of redundant SAN storage and a Virtual Server environment. In 2012, we will be looking to bring in a new Tax system in the Treasurer's office.

The most significant software initiative currently in the implementation phase is the coordination of the new Records Management System (RMS), Computer Aided Dispatch (CAD), and Wireless Dispatch Assistant (WDA) systems. All systems are anticipated to be operational by year-end 2011. The RMS allows for the Sheriff's Office to combine all record keeping needs into one software package. This includes Arrest data, Incident Reports, Warrants, Property, Case Management, Traffic citations, and more. The RMS tracks all information that deputies gather and makes it available for the Sheriff's Office in total. The RMS also contains a module that the Jail will use for tracking inmates and associated charges, sentences, work Release and property. The CAD system is used by Dispatch for the purposes of tracking calls and officer assignments. Data inputted to the CAD system is automatically stored in the RMS as well. The WDA software is installed on the laptops in the squad cars. This software allows deputies to receive calls from Dispatch. The calls are then projected onto a map on the laptop and the information associated with that call is also displayed. Deputies can access State and Federal databases to check people for warrants and driving status. Additionally, there are built-in interfaces that allow the deputy to issue traffic and ordinance citations. As with CAD, the information that the deputy enters into WDA is also stored in the RMS.

### **Available Fund Balance/Net Assets**

Walworth County places an emphasis on policies to maintain appropriate fund balance/net asset reserves to assist with making its current and long-term budgetary projections and decisions. County ordinance defines minimum available fund balance/net assets for the General fund, Children with Disabilities Education Board fund, Public Works, Lakeland Health

Care Center, and the internal service funds. Use of the available 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 obligations or other nonrecurring expenditures.

Only the General fund unassigned fund balance may be utilized throughout the County within the above restrictions; all other available fund balance/net assets must remain within the general purpose of the individual fund. The appropriate unassigned General Fund balance is defined to be 15 to 20% of the General Fund revenues without transfers plus the property tax revenue allocated to each fund. As of December 31, 2010, the unassigned fund balance is 28.26%, providing excess available funds in the amount of approximately \$6.7 million to be appropriated as authorized by the County Board of Supervisors. The table below depicts the definition of minimum fund balance/net assets, the calculated minimum, the actual, and the amount available at December 31, 2010 for all other funds with minimums defined in the County ordinance.

<u>Fund</u>	<u>Definition of Minimums</u>	<u>2010 Top of Min. Range</u>	<u>Actual</u>	<u>Available</u>
Children with Disabilities Ed Bd	15 -20% revenues less property tax & transfers	\$ 1,876,443	\$ 2,827,290	\$ 950,847
Public Works	15 -20% revenues less property tax & transfers	\$ 1,240,795	\$1,240,795*	\$ -
Lakeland Health Care Center	15 -20% revenues less property tax & transfers	\$ 2,026,197	\$4,877,424*	\$ 2,851,227
Health Insurance	Average 3 – 4 months of claims	\$ 4,641,507	\$ 9,630,727	\$ 4,989,220
Dental Insurance	Average 3 – 4 months of claims	\$ 241,759	\$ 306,162	\$ 64,403
Workers Compensation	Average 3 – 4 months of claims	\$ 165,915	\$ 549,177	\$ 383,262
Risk Management	\$4,000,000	\$ 4,000,000	\$ 4,634,578	\$ 634,578

\* Actual net asset amounts are after certain internally designated amounts have been deducted

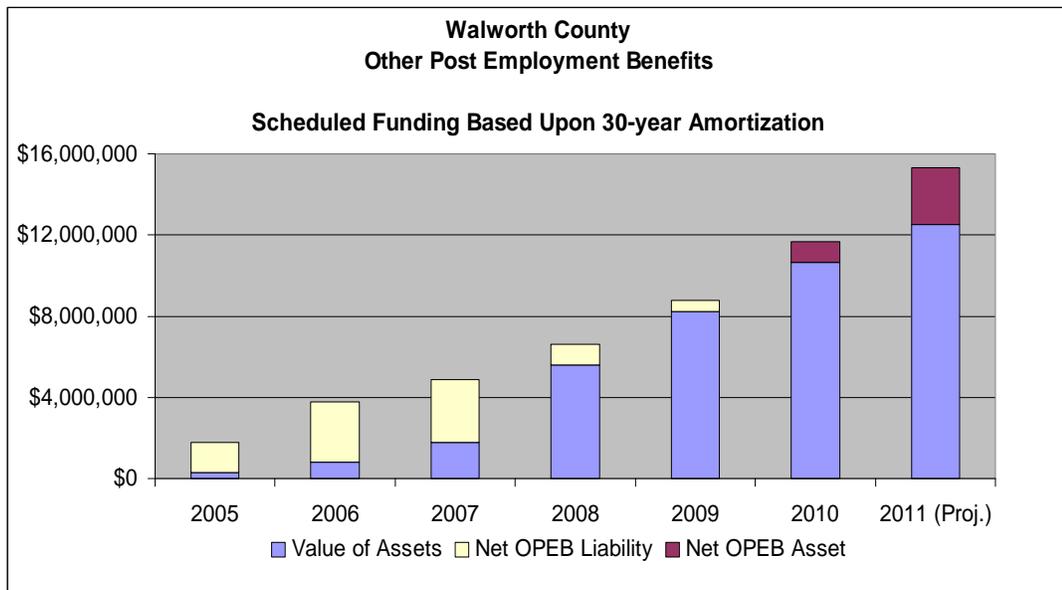
### **Employee Benefits**

The County places a significant focus on its health insurance employee benefits as this is generally a major driver in the County's annual budget. The 2008 budget included a 27.5% increase in health insurance premiums due to a complete drain of health reserves and a substantial increase in health care costs. Over the last 3 years, major changes have been made to the health insurance plan. These changes include new wellness initiatives to slow escalation of health care costs; the establishment of an employee premium contribution of 7-12%; tying the premium contribution to the wellness program, resulting in 94% participation; and negotiation of third party vendor contracts which resulted in additional health fund savings.

As a result of management initiatives and member usage, the fund ended 2010 with an increase to its reserves for its third straight year and has an ending balance equivalent to 8 months of claims. The improved status of the Health Insurance fund has resulted in 0% premium rate increases for 2011 and the County anticipates low, if any, increases for 2012.

### **Other Post Employment Benefits**

The County continues to take proactive steps in regards to its Other Post Employment Benefits (OPEB). The January 1, 2010 actuarial valuation for the County's retiree medical liability is estimated at \$23.4 million. The County has utilized a combination of County reserves and current tax levy to prefund the OPEB Trust. Prefunding the Trust will reduce the operating levy impact in outlying years. As of December 31, 2010, the County has funded \$11,662,120 of the obligation. In addition, an additional \$3.66 million was included in the 2011 budget. The County is currently ahead of its amortization schedule and is reporting an OPEB asset rather than a liability. Steps have already been taken to reduce the OPEB obligation by eliminating the retiree health care insurance for all individuals hired beginning in 2005 and 2006, based upon the various county represented and non-represented labor groups.



Beginning in May, 2010, an investment advisor was contracted to advise the County related to long-term investment of monies in its OPEB Trust with the expectation of increasing investment income and reducing the County's contribution requirements. The County has examined its risk tolerance and developed a long range plan to attain a 4.5% investment return. Interest in 2009 was \$2,547 compared to the 2010 investment earnings of \$626,207.

### **FINANCIAL POLICIES**

There have been no major revisions or additions to the County's financial policies over the last year. The County continues to follow all accounting requirements issued by the Governmental Accounting Standards Board. Management continues to expand and develop internal administrative procedures that support and uphold both County Board approved and externally required financial policies.

### **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 824.90, effective with the 2011 budget. This is a net reduction of 242.63 FTE's.

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. The County continues to support both of these initiatives.

The County initiated the development of an Intergovernmental Cooperation Council on February 26, 2008 to bring local municipalities and school districts together with the County on a quarterly basis to discuss common concerns, consolidation of services, and ways to promote cost savings. To date, this group has discovered joint product and service procurements and cooperated jointly in the sale and disbursement of road salt between the County and the municipalities. The County has provided training to municipalities on a variety of topics in-

cluding purchasing, government operations and retro-reflectivity standards for road signs. Council members have also shared analysis regarding the state budget.

## **AWARDS/RECOGNITION**

### **FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended December 31, 2009. This was the eighth 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, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This is the sixth consecutive year that the County was awarded this noteworthy award.

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

### **HEALTHIEST COMPANIES**

Interactive Health Solutions (IHS) is the County's third party vendor which administers health assessments for County employees and their spouses enrolled in the County's health insurance plan. The vendor recently named the County as one of the "Healthiest Companies in America" for 2010. Individual results obtained are confidential to the employees, however, the County received an aggregate wellness score in the top 5% of the IHS client base.

### **COMMUNITY SUPPORT**

The Wisconsin Bureau of Quality Assurance announced that the Community Support Program, administered by the Department of Health and Human Services, has received recertification of their Program. Initially certified in 2006, this is the fifth consecutive year that the County has met the necessary requirements.

### **MANAGEMENT AWARDS**

The County is very proud of its management staff. Various staff across the County are asked to represent and speak at public service related organizational meetings on various topics that demonstrate leadership and share information related to the County's services and programs. In 2010, the County logged 85 speaking engagements in this community outreach program.

In addition, several staff received awards in 2010 demonstrating their strengths and abilities in County-related business, a few of which are mentioned here.

- Health and Human Services Crisis Intervention Supervisor Liza Drake was awarded the Public Policy Forum's Leader of the Future Award. This award is given for indi-

vidual excellence or innovation in local government by a non-elected official (40 years of age or under) through everyday administration of services or programs. Liza was recognized for her leadership in crisis intervention related to providing more clinically appropriate treatment for clients, resulting in a 54% reduction in hospitalizations over the past two years.

- UW-Extension Family Living Educator Jenny Wehmeier was awarded the 2010 Sigma Phi Alpha Sigma Chapter Diversity / Multicultural Recognition Award by Epsilon Sigma Phi for her work with the deaf community. Ms. Wehmeier was also awarded the 2010 Wisconsin Extension Association of Family and Consumer Sciences Communications Educational Curriculum Package Award for Block Party Curriculum.
- County Administrator David Bretl received the "Friend of Extension" award by Epsilon Sigma Phi for helpful advice, assistance, leadership and support of UW-Extension programs.

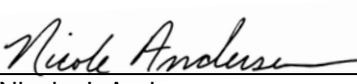
### ACKNOWLEDGMENTS

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

Appreciation is also expressed for the assistance received from our independent auditors, 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, 2009

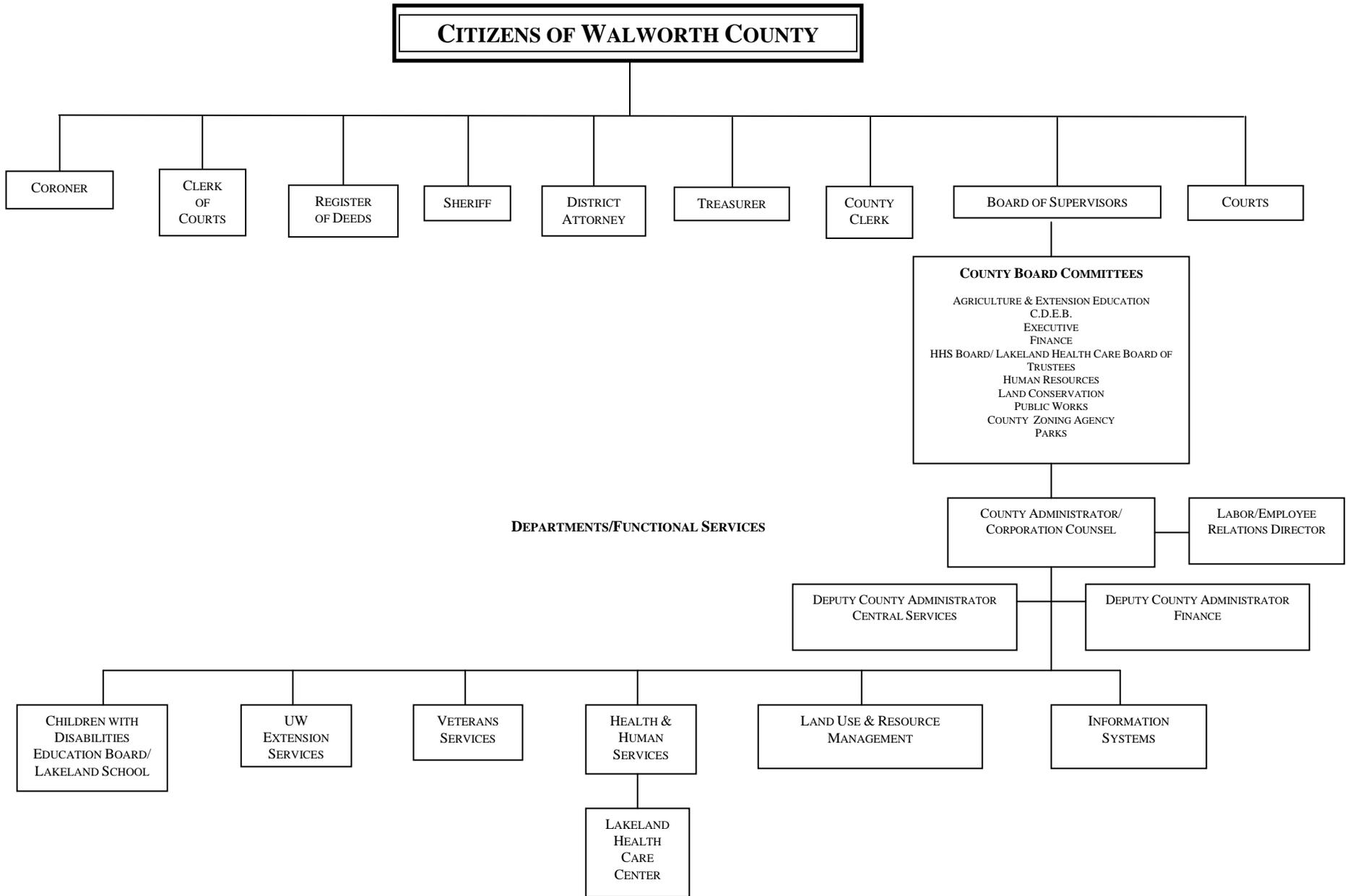
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# WALWORTH COUNTY ORGANIZATION STRUCTURE



**WALWORTH COUNTY, WISCONSIN**  
**LIST OF PRINCIPAL OFFICIALS**  
As of December 31, 2009

**ELECTED OFFICIALS**

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

**COUNTY BOARD SUPERVISORS**

Supervisory District	Name
1 .....	Rick Stacey
2 .....	Joe Schaefer
3 .....	Russ Wardle
4 .....	Jerry Grant
5 .....	Carl Redenius
6 .....	Kathy Ingersoll
7 .....	David A. Weber
8 .....	Daniel G. Kilkenny
9 .....	Richard Brandl
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.....	Bernadette Janiszewski
Special Education Director .....	Tracy Moate
Land Use and Resource Management Director .....	Michael Cotter
University of Wisconsin Extension Department Head .....	Christine Regester
Veterans Service Officer.....	Christine Jordan

**FINANCIAL  
SECTION**



## 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, 2010 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, and the aggregate remaining fund information of Walworth County, Wisconsin as of December 31, 2010, 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 18, 2011 on our consideration of Walworth County, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 17 through 27 and the required supplementary information on page 74 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 18, 2011

**MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS**

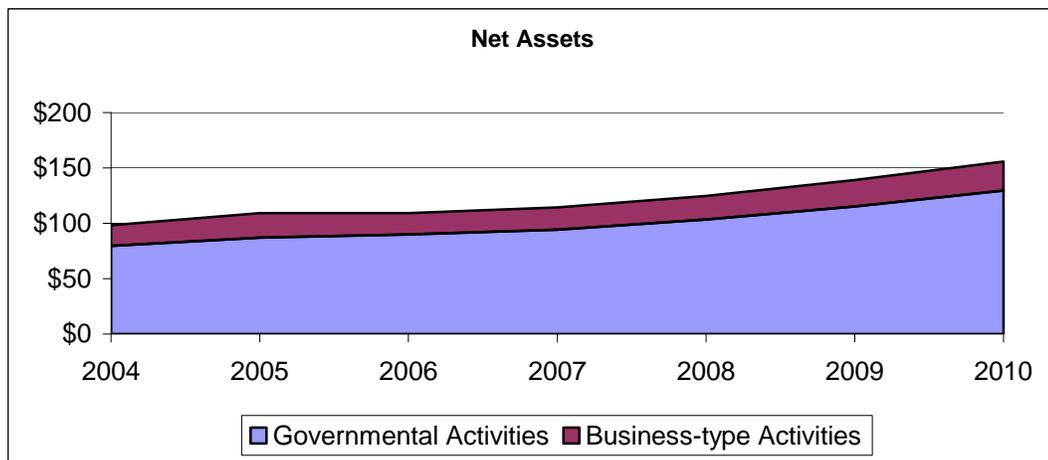


**WALWORTH COUNTY, WISCONSIN**  
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 December 31, 2010

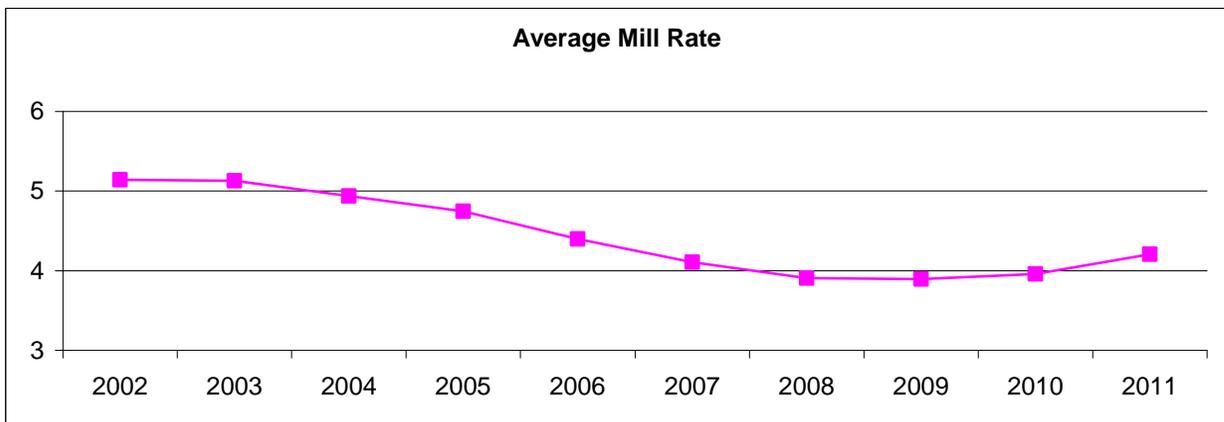
As management of Walworth County, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2010. Efforts have been made to provide comparison to prior year data when such data is available.

**Financial Highlights**

- The assets of the County exceeded its liabilities as of December 31, 2010 by \$155.8 million (*net assets*), \$129.6 million in governmental activities and \$26.2 million in business-type activities. Of this amount, \$68.1 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 \$16.9 million. Governmental activities increased net assets by \$14.5 million; business-type activities increased net assets by \$2.4 million. This chart shows the history of net assets increasing over the last 7 years.



- As of December 31, 2010, the County's governmental funds reported combined ending fund balances of \$43.5 million. Approximately 53% of this total amount, \$23.1 million, is available for spending at the County's discretion (*unassigned fund balance*).
- The average mill rate increased 6.3% to 4.207 per \$1,000 of property value for the year ended December 31, 2010. The following graph depicts the history of the average mill rate over the last 10 years. Total tax levy increased by 2.89%.



**WALWORTH COUNTY, WISCONSIN**  
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**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 28-29 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

**WALWORTH COUNTY, WISCONSIN**  
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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 30-38 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 39-43 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 44-45 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 46-73 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 74 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 75-89. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 90-92.

### **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 \$155,824,517 at the close of 2010.

**WALWORTH COUNTY, WISCONSIN**  
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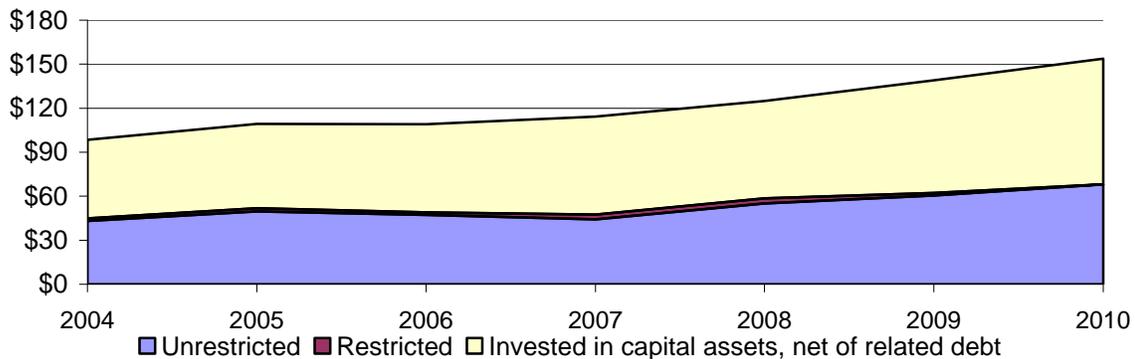
**Walworth County's Net Assets**  
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	\$ 126,417	\$ 119,540	\$ 21,479	\$ 20,720	\$ 147,896	\$ 140,260
Capital assets	101,433	100,895	22,722	21,972	124,155	122,867
Other noncurrent assets	2,670	1,964	294	146	2,964	2,110
<b>Total assets</b>	<b>230,520</b>	<b>222,399</b>	<b>44,495</b>	<b>42,838</b>	<b>275,015</b>	<b>265,237</b>
Current liabilities	66,526	54,510	8,476	7,871	75,002	73,381
Noncurrent liabilities	34,354	41,756	9,835	11,139	44,189	52,895
<b>Total liabilities</b>	<b>100,880</b>	<b>107,266</b>	<b>18,311</b>	<b>19,010</b>	<b>119,191</b>	<b>126,276</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	71,633	64,609	14,190	12,061	85,823	76,670
Restricted	1,733	1,345	267	433	2,000	1,778
Unrestricted	56,274	49,179	11,727	11,334	68,001	60,513
<b>Total net assets</b>	<b>\$ 129,640</b>	<b>\$ 115,133</b>	<b>\$ 26,184</b>	<b>\$ 23,828</b>	<b>\$ 155,824</b>	<b>\$ 138,961</b>

The largest portion of the County's net assets (55.0%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (1.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$68,001,422) may be used to meet the County's ongoing obligations to citizens and creditors. Below is a graph of the net asset classifications over the last 7 years.

**Net Asset Classifications (in millions)**



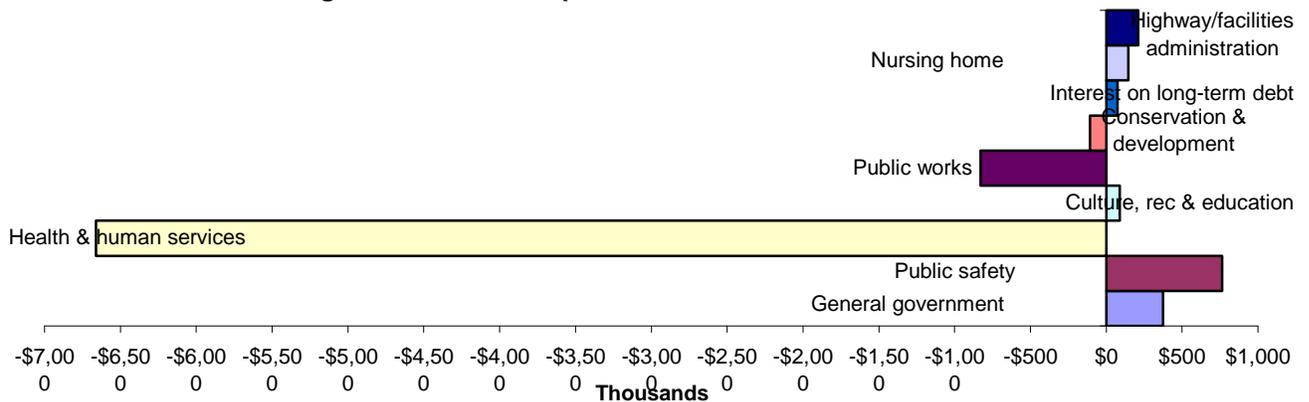
**Change in net assets.** At the end of the fiscal year, the County reported total revenues of \$119,972,382 and total expenses of \$103,109,144, resulting in an increase in net assets of \$16,863,238 (after considering transfers). The table below and the narrative that follows consider the key elements of this increase broken down by governmental activities and business-type activities. The graph focuses on the change in expenses.

**WALWORTH COUNTY, WISCONSIN**  
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**Walworth County's Change in Net Assets**  
 (In thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 8,633	\$ 10,075	\$ 12,787	\$ 12,388	\$ 21,420	\$ 22,463
Operating grants and contributions	22,126	28,605	3,340	3,423	25,466	32,028
Capital grants and contributions	2,814	500	8	108	2,822	608
<b>General revenues:</b>						
Property taxes	54,586	52,841	6,945	6,970	61,531	59,811
Other taxes	7,155	7,017	-	-	7,155	7,017
Grants and contributions not restricted to specific programs	381	347	-	-	381	347
Other	929	846	268	48	1,197	894
<b>Total revenues</b>	<b>96,624</b>	<b>100,231</b>	<b>23,348</b>	<b>22,937</b>	<b>119,972</b>	<b>123,168</b>
<b>Expenses:</b>						
General government	14,391	14,016	-	-	14,391	14,016
Public safety	24,851	24,088	-	-	24,851	24,088
Health and human services	23,277	29,938	-	-	23,277	29,938
Culture, recreation and education	14,584	14,495	-	-	14,584	14,495
Public works	1,440	2,269	-	-	1,440	2,269
Conservation and development	2,187	2,296	-	-	2,187	2,296
Interest on long-term debt	1,417	1,343	-	-	1,417	1,343
Nursing home	-	-	12,138	11,992	12,138	11,992
Highway/facilities administration	-	-	8,824	8,614	8,824	8,614
<b>Total expenses</b>	<b>82,147</b>	<b>88,445</b>	<b>20,962</b>	<b>20,606</b>	<b>103,109</b>	<b>109,051</b>
<b>Increase (decrease) in net assets before transfers</b>	<b>14,477</b>	<b>11,786</b>	<b>2,386</b>	<b>2,331</b>	<b>16,863</b>	<b>14,117</b>
Transfers	30	31	(30)	(31)	-	-
<b>Increase in net assets</b>	<b>14,507</b>	<b>11,817</b>	<b>2,356</b>	<b>2,300</b>	<b>16,863</b>	<b>14,117</b>
Net assets - January 1	115,133	103,316	23,828	21,528	138,961	124,844
<b>Net assets - December 31</b>	<b>\$ 129,640</b>	<b>\$ 115,133</b>	<b>\$ 26,184</b>	<b>\$ 23,828</b>	<b>\$ 155,824</b>	<b>\$ 138,961</b>

**Dollar Change in Functional Expenses between 2009 and 2010**



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**Explanation of Functional Changes.**

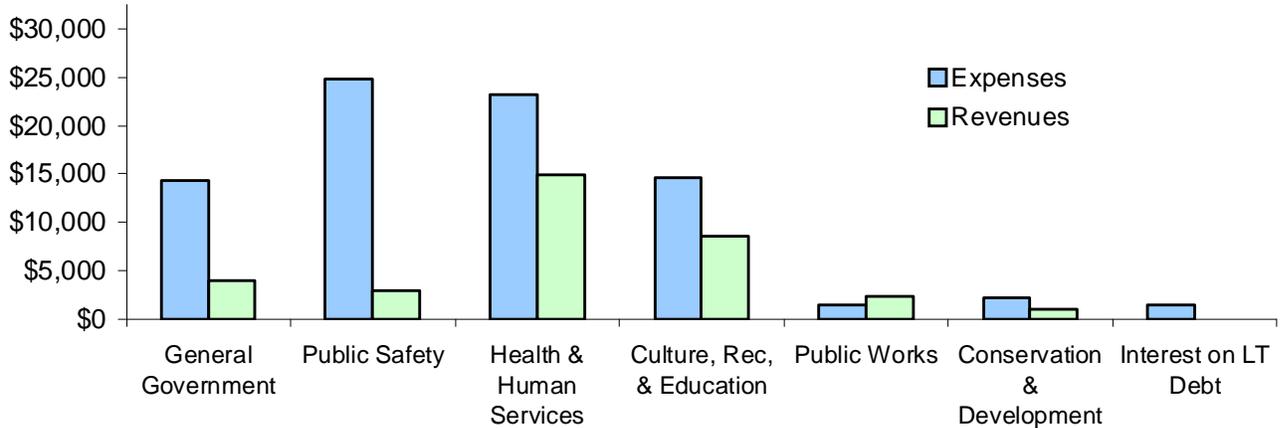
Major functional changes include the change in Health and Human Services payment of services for the new Family Care program which reduces state revenue and expenditures by \$5.5 million. The Family Care Organization now handles payment of these providers directly. Public works decrease in expenditures is the result of major road work being completed every other year. The major expenditure increase change in public safety includes an increase in other post employment benefit contributions by \$800,000.

**Governmental Activities.** Governmental activities increased the County's net assets by \$14,507,499, thereby accounting for 86% of the total growth in net assets of the County. This growth is due to increased revenues and decreased expenses. Revenues for the County's governmental activities total \$96,654,396, with property taxes accounting for 56.5% of the total revenue, followed by operating grants and contributions at 22.9%. Expenses cover a range of services, with the majority in four areas: 30.3% for public safety, 28.3% for health and human services, 17.8% for culture, recreation and education, and 17.5% for general government.

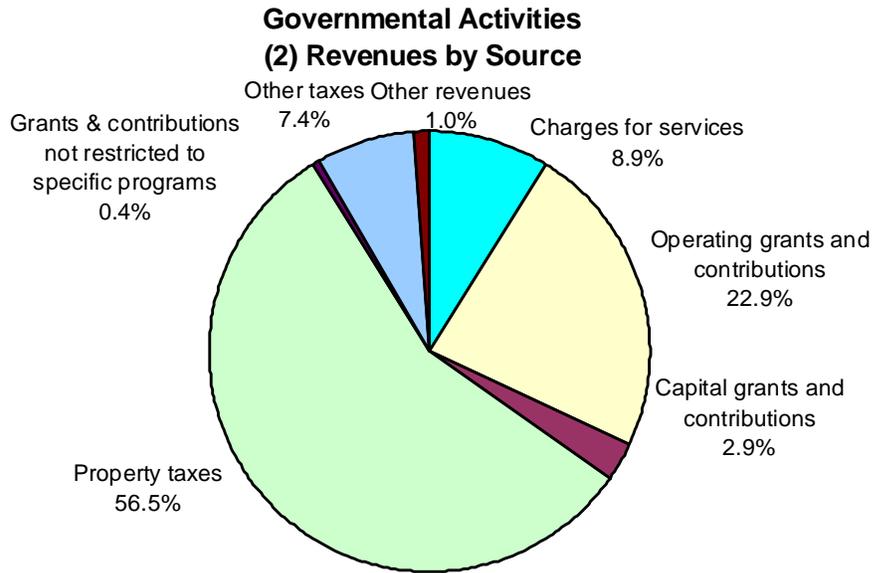
Debt service principal remaining decreased \$6.8 million as no new debt was incurred. The internal service funds resulted in a \$2.5 million increase in net assets due primarily to less claims than historical averages and greater stop loss recoveries. An increase of \$1.4 million due to excess contributions for other post employment benefits resulted in a net ending asset rather than a liability.

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)**



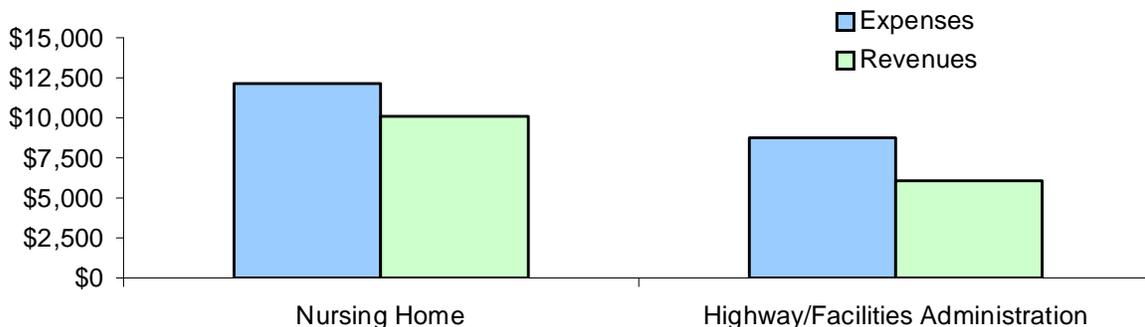
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**Business-type Activities.** Business-type activities increased net assets by \$2,355,739, thereby accounting for 14% of the total growth in net assets of the County. This growth is due primarily to increased revenues. Lakeland Health Care Center has shifted its primary revenue sources by working with more residents in private pay areas allowing for better collection results in revenue. \$487,000 is due to a grant received by Lakeland Health Care Center in 2010 that had not been expected until 2011. Public Works department attained cost savings in costs such as fuel, road salt, and other road maintenance. \$590,000 of the net assets increase is due to health insurance savings discussed above in the governmental activities. \$750,000 relates to an increase in capital assets.

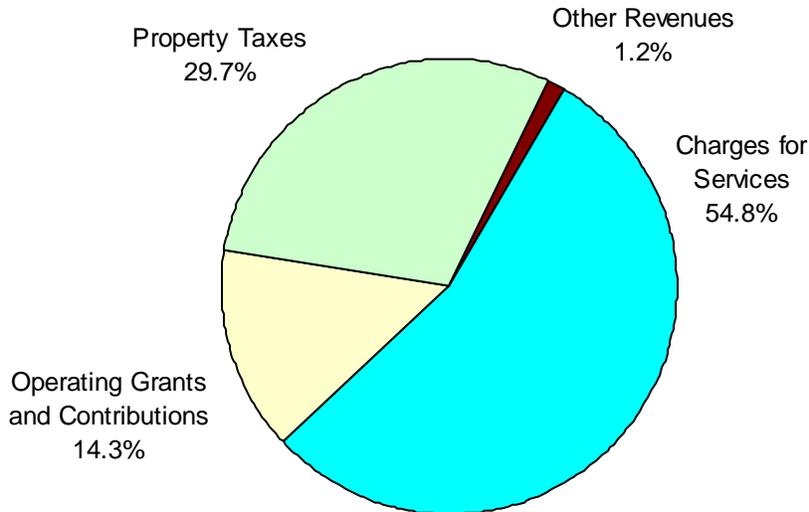
The graphs below compare (1) total business-type activity expenses to program revenue, which does not include general revenues of property and other taxes, or grants and contributions not related to specific programs and (2) all revenue sources for business-type activities.

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



**WALWORTH COUNTY, WISCONSIN**  
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**Business-type Activities**  
**(2) Revenues by Source**



**Financial Analysis of the County's Funds**

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

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

As of December 31, 2010, the County's governmental funds reported combined ending fund balances of \$43,510,598, an increase of \$4,096,338 from the prior year. Approximately 53% of this amount (\$23,113,817) constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The following fund balance amounts have been assigned by County Board or management: subsequent year budget items (\$3,484,800), open projects carried forward into the next year (\$742,769), and non-specific Children with Disabilities Education Board purposes (\$2,827,290). Committed fund balance indicates that it is not available for new spending because it has already been committed by the County Board. Commitments include funds set aside for parks (\$122,782), open encumbrances (\$1,286,138), general donations (\$84,803), transfers to be made to the General fund (\$2,444,650), anticipated retirement severance payments (\$248,488), future debt service payments (\$1,100,009), and future building and equipment purchases (\$350,000). Restricted fund balance accounts for funds with a funding source specifically restricted by a third party. Restricted amounts include carryforward projects (\$5,739), encumbrances (\$10,816), Sheriff Trusts (\$655,624), land information projects (\$599,096), donations for school, sheriff, health and human services, and parks (\$317,871), unspent bond proceeds (\$1,565,029), Alpine Valley (\$94,140), redaction fees (\$27,812), and non-metallic mining fees collected and held by statute (\$21,128). Nonspendable fund balance are portions of fund balance that cannot be spent because of their non-cash form including inventory that benefits periods beyond the end of the current year (\$19,161), and delinquent taxes, not yet collected (\$4,388,636).

The General fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General fund was \$23,113,817, while total fund balance reached \$32,511,366. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund

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balance to total fund expenditures and transfers. Unassigned fund balance represents 51% of total General fund expenditures and transfers, while total fund balance represents 72% of that same amount.

The fund balance of the County's General fund increased by \$4,342,220. The fund was budgeted to increase by \$191,107. Many of the capital outlay expenditures and related grants have been carried forward into 2011. Lapsing individual General fund department savings of \$3,207,564 existed at yearend. The largest excess revenue contributions were due to interest and penalties on delinquent taxes of \$764,000. The largest excess expenditure savings was in the sheriff department of \$813,000.

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

The Health and Human Services special revenue fund has a total fund balance of \$2,809,811. Of this total, \$197,100 is restricted for donations, \$106,860 is committed/restricted to encumbrances, and \$66,250 is assigned to fund projects carried forward to future years. The fund balance decreased by \$521,300, which is \$2,715,388 better than budgeted net change in fund balance 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 2011 transfer to the General fund in the amount of \$2,439,601 which has been committed in the fund balance.

The Children with Disabilities Education Board special revenue fund has a total fund balance of \$3,950,452. Of this fund balance, \$44,207 is committed/restricted for encumbrances, \$20,000 is assigned for subsequent year budgets, \$9,752 is assigned to fund projects carried forward to future years, \$350,000 is committed for building/equipment purchases, \$500,000 is committed for future debt service payments, and \$136,203 is committed/restricted for donations. The fund balance increased by \$910,397 over budgeted expectations, primarily due to the early implementation of school district transfers of teachers and student aides to the local districts, resulting in savings of payroll costs.

The Debt Service fund has a total fund balance of \$600,009, which is assigned to future debt service payments. The fund balance decrease of \$38,835 was due to budgeted use of fund balance for debt service payments.

**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 \$6,947,294. The total growth in net assets was \$1,219,410.

Unrestricted net assets of the Public Works fund at the end of the year amounted to \$3,070,187. The total growth in net assets was \$547,156.

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

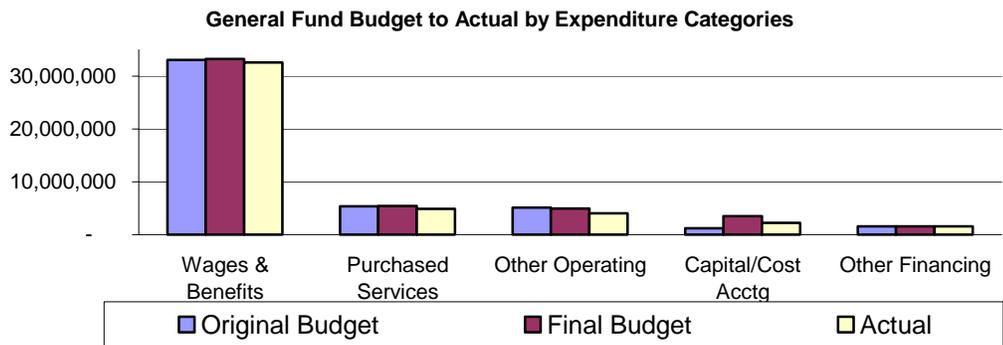
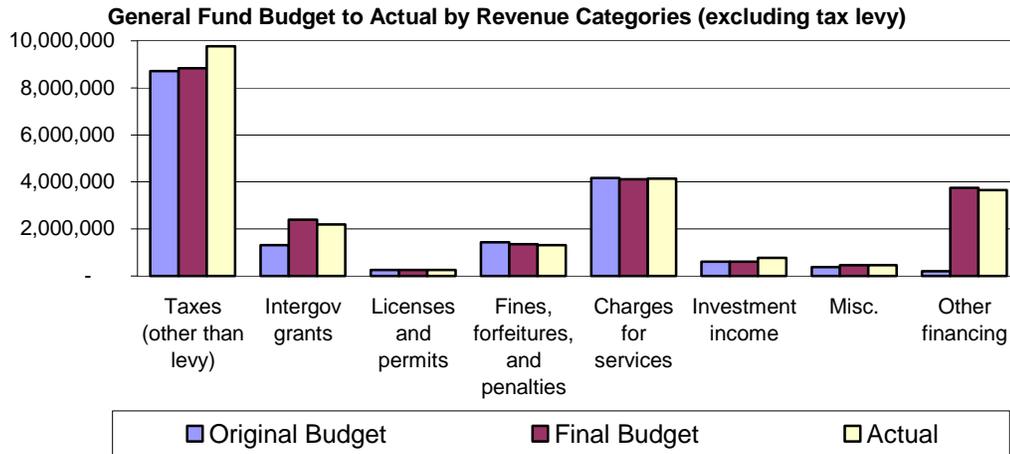
**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget resulted in an increase of \$2,276,107 in appropriations; the majority consists of a transfer from health and human services 2009 net income.

During the year, actual revenues exceeded budgeted revenues by \$807,101 due primarily to excess interest and penalties on delinquent taxes and excess sales tax collections. Actual expenditures were less than budgeted expenditures by \$3,344,012, primarily due to operational efficiencies from each department, and capital outlay projects carried forward and open encumbrances for expenditures not completed at yearend. The public safety area accounts for \$1.4 million of this savings of which \$1 million in outlay projects expense

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budgets will be carried forward to 2011. The following graph depicts actual revenue and expenditure categories compared to original and final budget.



**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, 2010 amounts to \$124,155,514 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 1%.

The County completes road construction every other year. 2010 is not considered a construction year, however some road and bridge construction was completed during 2010 after several years of work.

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

- Completed road and bridge construction of \$4,050,607
- Replacement of various police vehicles, at a cost of \$308,227
- Replacement of 6 public works patrol trucks, at a cost of \$1,163,359
- Replacement of Government Center windows at a cost of \$509,047

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 60-61.

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**Long-term debt.** At the end of the current fiscal year, the County had total general obligation debt outstanding of \$39,935,000. The County has been upgraded under the new standardized rating system from Moody's Investors Service for its general obligation debt to an Aa1. Under current state statutes, the County's general obligation debt is subject to a legal limitation, based on 5% of the total equalized value of taxable property in the County. The current debt limitation for the County is \$703,168,524, which is significantly in excess of the County's \$47,675,000 in authorized general obligation debt.

The County's total general obligation debt decreased by \$8,185,000 (17%) during the current fiscal year for debt principal retirements, including a called portion of debt for outstanding 2002 general obligation notes in the amount of \$1,065,000.

Further details of the County's long-term debt activity can be found in the notes to the financial statements on pages 61-64.

**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 2010 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 2010, 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**



**WALWORTH COUNTY, WISCONSIN**

STATEMENT OF NET ASSETS  
December 31, 2010

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 56,164,553	\$ 8,808,482	\$ 64,973,035
Restricted cash and investments	1,796,908	24,484	1,821,392
Receivables (net of allowance for uncollectibles):			
Taxes	53,430,975	7,362,450	60,793,425
Delinquent taxes	9,756,143	-	9,756,143
Accounts	3,141,112	1,482,539	4,623,651
Internal balances	(1,700,552)	1,700,552	-
Due from other governments	3,680,904	693,844	4,374,748
Inventories	19,161	1,392,893	1,412,054
Prepaid items	127,795	7,899	135,694
Unamortized debt issuance costs	-	5,371	5,371
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	722,492	272,638	995,130
Unamortized debt issuance costs	101,544	21,476	123,020
Capital assets:			
Land and construction in progress	2,950,726	464,411	3,415,137
Other capital assets (net of accumulated depreciation)	98,482,355	22,258,022	120,740,377
Total assets	<u>230,519,887</u>	<u>44,495,061</u>	<u>275,014,948</u>
<b>LIABILITIES</b>			
Accounts payable	3,192,319	718,297	3,910,616
Accrued interest payable	276,833	82,987	359,820
Accrued liabilities	1,788,725	281,549	2,070,274
Claims payable	5,159,821	-	5,159,821
Deposits	1,989,538	24,484	2,014,022
Due to other governments	510,172	-	510,172
Unearned revenue	53,607,864	7,368,897	60,976,761
Noncurrent liabilities:			
Due within one year	6,640,926	2,389,353	9,030,279
Due in more than one year	27,713,445	7,445,221	35,158,666
Total liabilities	<u>100,879,643</u>	<u>18,310,788</u>	<u>119,190,431</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	71,632,627	14,190,480	85,823,107
Restricted for:			
General government	31,127	-	31,127
Public safety	815,584	-	815,584
Health and human services	203,574	-	203,574
Culture, recreation and education	62,596	-	62,596
Conservation and development	620,224	-	620,224
Nursing home	-	84,595	84,595
Solid Waste	-	182,288	182,288
Unrestricted	56,274,512	11,726,910	68,001,422
Total net assets	<u>\$ 129,640,244</u>	<u>\$ 26,184,273</u>	<u>\$ 155,824,517</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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 14,390,338	\$ 2,882,433	\$ 683,474	\$ 423,388	\$ (10,401,043)	\$ -	\$ (10,401,043)
Public safety	24,851,250	1,695,367	1,022,525	142,399	(21,990,959)	-	(21,990,959)
Health and human services	23,277,180	3,083,892	11,795,721	3,563	(8,394,004)	-	(8,394,004)
Culture, recreation and education	14,583,667	337,201	8,159,198	22,500	(6,064,768)	-	(6,064,768)
Public works	1,440,280	4,259	151,548	2,222,380	937,907	-	937,907
Conservation and development	2,187,377	629,506	313,749	-	(1,244,122)	-	(1,244,122)
Interest on long-term debt	1,416,805	-	-	-	(1,416,805)	-	(1,416,805)
Total governmental activities	<u>82,146,897</u>	<u>8,632,658</u>	<u>22,126,215</u>	<u>2,814,230</u>	<u>(48,573,794)</u>	<u>-</u>	<u>(48,573,794)</u>
<b>Business-type activities:</b>							
Nursing home	12,138,005	8,735,483	1,347,952	-	-	(2,054,570)	(2,054,570)
Highway/facilities administration	8,824,242	4,051,876	1,991,976	8,069	-	(2,772,321)	(2,772,321)
Total business-type activities	<u>20,962,247</u>	<u>12,787,359</u>	<u>3,339,928</u>	<u>8,069</u>	<u>-</u>	<u>(4,826,891)</u>	<u>(4,826,891)</u>
Total primary government	<u>\$ 103,109,144</u>	<u>\$ 21,420,017</u>	<u>\$ 25,466,143</u>	<u>\$ 2,822,299</u>	<u>(48,573,794)</u>	<u>(4,826,891)</u>	<u>(53,400,685)</u>
<b>General revenues:</b>							
General property taxes					49,395,052	6,944,963	56,340,015
Property taxes for debt service					5,190,603	-	5,190,603
County share of sales taxes					7,067,728	-	7,067,728
Other taxes					87,930	-	87,930
Grants and contributions not restricted to specific programs					381,382	-	381,382
Unrestricted investment earnings					849,200	5,486	854,686
Gain on sale of assets					4,804	6,128	10,932
Miscellaneous					74,594	256,053	330,647
Transfers					30,000	(30,000)	-
Total general revenues and transfers					<u>63,081,293</u>	<u>7,182,630</u>	<u>70,263,923</u>
Change in net assets					14,507,499	2,355,739	16,863,238
Net assets - beginning					<u>115,132,745</u>	<u>23,828,534</u>	<u>138,961,279</u>
Net assets - ending					<u>\$ 129,640,244</u>	<u>\$ 26,184,273</u>	<u>\$ 155,824,517</u>

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

**WALWORTH COUNTY, WISCONSIN**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010

	Special Revenue Funds					Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service	Nonmajor Governmental Funds	
<b>ASSETS</b>						
Cash and investments	\$ 26,927,439	\$ 2,737,115	\$ 3,244,435	\$ 600,009	\$ 3,110,305	\$ 36,619,303
Receivables (net of allowance for uncollectibles):						
Taxes	28,645,080	11,582,003	8,500,312	4,177,192	526,388	53,430,975
Delinquent taxes	7,832,612	-	-	-	-	7,832,612
Accounts	913,508	1,393,703	74,275	-	25,000	2,406,486
Due from other governments	1,314,587	750,312	1,601,905	-	14,100	3,680,904
Inventories	19,161	-	-	-	-	19,161
Long-term receivables	282,771	-	-	-	-	282,771
Restricted cash and investments						
Patient and school deposits	-	231,244	15,705	-	-	246,949
Sheriff trusts	-	-	-	-	837,988	837,988
<b>Total assets</b>	<b>\$ 65,935,158</b>	<b>\$ 16,694,377</b>	<b>\$ 13,436,632</b>	<b>\$ 4,777,201</b>	<b>\$ 4,513,781</b>	<b>\$ 105,357,149</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 919,735	\$ 1,142,282	\$ 697,416	\$ -	\$ 317,934	\$ 3,077,367
Accrued liabilities	1,319,706	340,884	126,912	-	1,223	1,788,725
Due to other funds	5,318	2,702	971	-	2	8,993
Due to other governments	164,529	274,503	71,126	-	14	510,172
Deposits	34,724	190,114	-	-	-	224,838
Deferred tax revenues	29,847,950	11,582,003	8,500,312	4,177,192	526,388	54,633,845
Other deferred revenues	1,131,830	120,834	73,738	-	29,260	1,355,662
Liabilities payable from restricted assets						
Patient and school deposits	-	231,244	15,705	-	-	246,949
<b>Total liabilities</b>	<b>33,423,792</b>	<b>13,884,566</b>	<b>9,486,180</b>	<b>4,177,192</b>	<b>874,821</b>	<b>61,846,551</b>

(Continued)

**WALWORTH COUNTY, WISCONSIN**

BALANCE SHEET (concluded)  
GOVERNMENTAL FUNDS  
December 31, 2010

	Special Revenue Funds					Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service	Nonmajor Governmental Funds	
Fund balances:						
Nonspendable:						
Delinquent taxes	\$ 4,388,636	\$ -	\$ -	\$ -	\$ -	\$ 4,388,636
Inventory	19,161	-	-	-	-	19,161
Restricted for:						
Alpine Valley	94,140	-	-	-	-	94,140
Carryforward projects	5,739	-	-	-	-	5,739
Donations	69,371	197,100	51,400	-	-	317,871
Encumbrances	2,435	6,449	1,932	-	-	10,816
Modernization fees	-	-	-	-	386,366	386,366
Public access fees	-	-	-	-	212,730	212,730
Non-metallic mining fees	21,128	-	-	-	-	21,128
Redaction fees	27,812	-	-	-	-	27,812
Sheriff trusts	-	-	-	-	655,624	655,624
Unspent bond proceeds	-	-	-	-	1,565,029	1,565,029
Committed for:						
Building/equipment	-	-	350,000	-	-	350,000
Debt service	-	-	500,000	600,009	-	1,100,009
Donations	-	-	84,803	-	-	84,803
Encumbrances	747,564	100,411	42,275	-	395,888	1,286,138
Transfer to General fund	-	2,439,601	-	-	5,049	2,444,650
Parks	122,782	-	-	-	-	122,782
Severance	185,488	-	63,000	-	-	248,488
Assigned for:						
Subsequent year budget items	3,464,800	-	20,000	-	-	3,484,800
Carryforward projects	248,493	66,250	9,752	-	418,274	742,769
Children with Disabilities Education Board	-	-	2,827,290	-	-	2,827,290
Unassigned	23,113,817	-	-	-	-	23,113,817
Total fund balances	<u>32,511,366</u>	<u>2,809,811</u>	<u>3,950,452</u>	<u>600,009</u>	<u>3,638,960</u>	<u>43,510,598</u>
Total liabilities and fund balances	<u>\$ 65,935,158</u>	<u>\$ 16,694,377</u>	<u>\$ 13,436,632</u>	<u>\$ 4,777,201</u>	<u>\$ 4,513,781</u>	<u>\$ 105,357,149</u>

**WALWORTH COUNTY, WISCONSIN**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
December 31, 2010

Total fund balances-governmental funds (page 31) \$ 43,510,598

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. In the statement of net assets, the cost of these assets are capitalized and expensed over their estimated lives.

Land	\$	1,092,194	
Construction in progress		1,858,532	
Buildings		65,784,984	
Improvements other than buildings		4,847,164	
Machinery and equipment		20,672,208	
Infrastructure		50,921,260	
Less: Accumulated depreciation		<u>(43,743,261)</u>	
			101,433,081

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

Interest and penalties for delinquent taxes		1,923,531	
Court assessments		446,697	
Delinquent real estate taxes - county share		1,202,870	
Long term receivable		282,771	
Sheriff – Huber/jail inmate receivables		147,134	
Local charges for services		4,259	
Insurance recovery		25,000	
Grant revenue		<u>272,912</u>	
			4,305,174

Internal service funds are used by management to charge the costs of health insurance, dental insurance, workers compensation, and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 15,120,644

Due from business-type activities related to internal service funds (1,709,429)

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.

Bonds and notes payable		(31,394,048)	
Debt discount/(premium)		28,565	
Compensated absences		(2,988,888)	
Other post employment benefits		722,492	
Health insurance retiree sick leave credits		787,344	
Issuance costs		101,544	
Accrued interest on long-term obligations		<u>(276,833)</u>	
			<u>(33,019,824)</u>

Net assets of governmental activities as reported on the statement of net assets (see page 28) \$ 129,640,244

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

## WALWORTH COUNTY, WISCONSIN

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the Year Ended December 31, 2010

	General	Special Revenue Funds	
		Health & Human Services	Children With Disabilities Education Board
<b>REVENUES</b>			
Taxes	\$ 36,753,232	\$ 11,249,833	\$ 8,557,432
Intergovernmental	2,194,814	11,462,629	8,914,038
Licenses and permits	257,319	-	-
Fines, forfeitures and penalties	1,318,351	-	-
Public charges for services	2,298,909	2,991,986	54,981
Intergovernmental charges for services	1,839,984	66,702	244,230
Investment income	777,973	27	14,158
Miscellaneous	461,203	348,458	154,807
Total revenues	<u>45,901,785</u>	<u>26,119,635</u>	<u>17,939,646</u>
<b>EXPENDITURES</b>			
Current:			
General government	13,346,810	-	-
Public safety	25,542,464	-	-
Health and human services	185,806	23,324,726	-
Culture, recreation, and education	640,804	-	15,450,512
Conservation and development	1,828,123	-	-
Capital outlay	2,210,129	300,921	233,991
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>43,754,136</u>	<u>23,625,647</u>	<u>15,684,503</u>
Excess (deficiency) of revenues over expenditures	<u>2,147,649</u>	<u>2,493,988</u>	<u>2,255,143</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,652,416	-	-
Transfers out	(1,575,000)	(3,015,288)	(1,281,069)
Capital leases	10,200	-	-
Sale of assets	106,955	-	-
Total other financing sources (uses)	<u>2,194,571</u>	<u>(3,015,288)</u>	<u>(1,281,069)</u>
Net change in fund balances	4,342,220	(521,300)	974,074
Fund balances - beginning	28,169,146	3,331,111	2,976,378
Fund balances - ending	<u>\$ 32,511,366</u>	<u>\$ 2,809,811</u>	<u>\$ 3,950,452</u>

(Continued)

## WALWORTH COUNTY, WISCONSIN

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (concluded) GOVERNMENTAL FUNDS For the Year Ended December 31, 2010

	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 5,190,603	\$ 165,389	\$ 61,916,489
Intergovernmental	75,651	152,748	22,799,880
Licenses and permits	-	-	257,319
Fines, forfeitures and penalties	-	-	1,318,351
Public charges for services	-	174,890	5,520,766
Intergovernmental charges for services	-	21,349	2,172,265
Investment income	4,014	1,162	797,334
Miscellaneous	-	301,514	1,265,982
Total revenues	5,270,268	817,052	96,048,386
<b>EXPENDITURES</b>			
Current:			
General government	-	-	13,346,810
Public safety	-	60,846	25,603,310
Health and human services	-	-	23,510,532
Culture, recreation, and education	-	-	16,091,316
Conservation and development	-	242,606	2,070,729
Capital outlay	-	576,710	3,321,751
Debt service:			
Principal retirement	6,804,864	-	6,804,864
Interest and fiscal charges	1,349,891	-	1,349,891
Total expenditures	8,154,755	880,162	92,099,203
Excess (deficiency) of revenues over expenditures	(2,884,487)	(63,110)	3,949,183
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,845,652	10,000	6,508,068
Transfers out	-	(606,711)	(6,478,068)
Capital leases	-	-	10,200
Sale of assets	-	-	106,955
Total other financing sources (uses)	2,845,652	(596,711)	147,155
Net change in fund balances	(38,835)	(659,821)	4,096,338
Fund balances - beginning	638,844	4,298,781	39,414,260
Fund balances - ending	\$ 600,009	\$ 3,638,960	\$ 43,510,598

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, 2010

Net change in fund balances-total governmental funds (page 34)		\$ 4,096,338
Amounts reported for governmental activities in the statement of activities (page 29) are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays exceeded depreciation in the current period.		
	Depreciation expense	\$ (3,948,105)
	Capital outlay	<u>3,321,751</u>
		(626,354)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		
	Disposal of assets	(368,079)
	Proceeds from the sale of assets/insurance recoveries	(102,150)
	Repair and maintenance projects not capitalized	(588,587)
	Donation of assets	<u>2,223,064</u>
		1,164,248
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in revenue from the prior year is reported here.		
	Interest and penalties for delinquent taxes	203,609
	Delinquent real estate taxes-county share	(190,581)
	Grant revenues not yet received	110,580
	Long term receivables	<u>(30,183)</u>
		(662,688)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, has any effect on net assets.		
	Repayment of general obligation debt	<u>6,804,864</u>
		6,804,864
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.		
	Net issuance costs	(17,196)
	Net premiums/discounts	<u>11,735</u>
		(5,461)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Accrued interest expense	(61,453)
	Compensated absences	(107,242)
	Other post employment benefits	<u>1,408,013</u>
		1,239,318
The net effect of certain activities of internal service funds is reported with governmental activities.		
		<u>2,497,234</u>
Change in net assets of governmental activities as reported on the statement of activities (page 29)		<u>\$ 14,507,499</u>

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

**WALWORTH COUNTY, WISCONSIN**

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

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 35,712,072	\$ 35,809,585	\$ 36,753,232	\$ 943,647
Intergovernmental	1,312,444	2,397,186	2,194,814	(202,372)
Licenses and permits	260,175	260,175	257,319	(2,856)
Fines, forfeitures and penalties	1,439,976	1,359,160	1,318,351	(40,809)
Public charges for services	2,442,913	2,233,907	2,298,909	65,002
Intergovernmental charges for services	1,726,760	1,873,094	1,839,984	(33,110)
Investment income	603,800	607,800	777,973	170,173
Miscellaneous	381,405	453,939	461,203	7,264
Total revenues	<u>43,879,545</u>	<u>44,994,846</u>	<u>45,901,785</u>	<u>906,939</u>
<b>EXPENDITURES</b>				
Current:				
General government	14,871,384	14,415,701	13,346,810	1,068,891
Public safety	25,887,892	26,355,071	25,542,464	812,607
Health and human services	182,340	197,568	185,806	11,762
Culture, recreation, and education	806,800	817,792	640,804	176,988
Conservation and development	1,921,051	1,959,972	1,828,123	131,849
Capital outlay:				
General government	506,955	1,973,475	1,428,320	545,155
Public safety	497,016	1,297,981	707,589	590,392
Culture, recreation, and education	34,050	80,588	74,220	6,368
Total expenditures	<u>44,707,488</u>	<u>47,098,148</u>	<u>43,754,136</u>	<u>3,344,012</u>
Excess (deficiency) of revenues over expenditures	<u>(827,943)</u>	<u>(2,103,302)</u>	<u>2,147,649</u>	<u>4,250,951</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	196,868	3,754,979	3,652,416	(102,563)
Transfers out	(1,565,000)	(1,575,000)	(1,575,000)	-
Capital leases	10,200	10,200	10,200	-
Sale of capital assets	100,875	104,230	106,955	2,725
Total other financing sources (uses)	<u>(1,257,057)</u>	<u>2,294,409</u>	<u>2,194,571</u>	<u>(99,838)</u>
Net change in fund balances	(2,085,000)	191,107	4,342,220	4,151,113
Fund balances - beginning	28,169,146	28,169,146	28,169,146	-
Fund balances - ending	<u>\$ 26,084,146</u>	<u>\$ 28,360,253</u>	<u>\$ 32,511,366</u>	<u>\$ 4,151,113</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 11,255,863	\$ 11,249,833	\$ 11,249,833	\$ -
Intergovernmental	11,737,692	11,273,690	11,462,629	188,939
Public charges for services	3,590,823	2,548,662	2,991,986	443,324
Intergovernmental charges for services	74,660	78,083	66,702	(11,381)
Investment income	-	27	27	-
Miscellaneous	114,515	356,196	348,458	(7,738)
Total revenues	<u>26,773,553</u>	<u>25,506,491</u>	<u>26,119,635</u>	<u>613,144</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	26,617,268	25,257,406	23,324,726	1,932,680
Capital outlay:				
Health and human services	<u>156,285</u>	<u>470,485</u>	<u>300,921</u>	<u>169,564</u>
Total expenditures	<u>26,773,553</u>	<u>25,727,891</u>	<u>23,625,647</u>	<u>2,102,244</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(221,400)</u>	<u>2,493,988</u>	<u>2,715,388</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>(3,015,288)</u>	<u>(3,015,288)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(3,015,288)</u>	<u>(3,015,288)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(3,236,688)</u>	<u>(521,300)</u>	<u>2,715,388</u>
Fund balances - beginning	3,331,111	3,331,111	3,331,111	-
Fund balances - ending	<u>\$ 3,331,111</u>	<u>\$ 94,423</u>	<u>\$ 2,809,811</u>	<u>\$ 2,715,388</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 8,557,432	\$ 8,557,432	\$ 8,557,432	\$ -
Intergovernmental	7,964,281	8,970,386	8,914,038	(56,348)
Public charges for services	139,150	68,024	54,981	(13,043)
Intergovernmental charges for services	165,000	311,960	244,230	(67,730)
Investment income	-	-	14,158	14,158
Miscellaneous	56,000	140,667	154,807	14,140
Total revenues	<u>16,881,863</u>	<u>18,048,469</u>	<u>17,939,646</u>	<u>(108,823)</u>
<b>EXPENDITURES</b>				
Current:				
Culture, recreation, and education	15,786,211	16,408,311	15,450,512	957,799
Capital outlay:				
Culture, recreation, and education	<u>62,000</u>	<u>295,412</u>	<u>233,991</u>	<u>61,421</u>
Total expenditures	<u>15,848,211</u>	<u>16,703,723</u>	<u>15,684,503</u>	<u>1,019,220</u>
Excess of revenues over expenditures	<u>1,033,652</u>	<u>1,344,746</u>	<u>2,255,143</u>	<u>910,397</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,280,652)</u>	<u>(1,281,069)</u>	<u>(1,281,069)</u>	<u>-</u>
Total other financing uses	<u>(1,280,652)</u>	<u>(1,281,069)</u>	<u>(1,281,069)</u>	<u>-</u>
Net change in fund balances	(247,000)	63,677	974,074	910,397
Fund balances - beginning	2,976,378	2,976,378	2,976,378	-
Fund balances - ending	<u>\$ 2,729,378</u>	<u>\$ 3,040,055</u>	<u>\$ 3,950,452</u>	<u>\$ 910,397</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, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 6,857,522	\$ 1,950,960	\$ 8,808,482	\$ 19,545,250
Restricted cash and investments:				
Patient deposits	24,484	-	24,484	-
Deposits held with fiscal agents	-	-	-	711,971
Taxes receivable	3,698,888	3,663,562	7,362,450	-
Accounts receivable (net of allowance for uncollectibles)	1,310,047	172,492	1,482,539	734,626
Due from other funds	-	-	-	17,870
Due from other governments	480	693,364	693,844	-
Inventories	19,896	1,372,997	1,392,893	-
Prepaid items	-	7,899	7,899	127,795
Unamortized debt issuance costs	5,371	-	5,371	-
Total current assets	<u>11,916,688</u>	<u>7,861,274</u>	<u>19,777,962</u>	<u>21,137,512</u>
Noncurrent assets:				
Restricted cash and investments:				
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	-	-	-	1,563,000
Other post employment benefits	-	322,739	322,739	-
Unamortized debt issuance costs	21,476	-	21,476	-
Capital assets:				
Land	36,260	62,226	98,486	-
Construction in progress	7,357	358,568	365,925	-
Other capital assets	15,405,170	15,992,106	31,397,276	-
Less: Accumulated depreciation	(1,670,465)	(7,468,789)	(9,139,254)	-
Net capital assets	<u>13,778,322</u>	<u>8,944,111</u>	<u>22,722,433</u>	<u>-</u>
Total noncurrent assets	<u>13,799,798</u>	<u>9,266,850</u>	<u>23,066,648</u>	<u>1,563,000</u>
Total assets	<u>25,716,486</u>	<u>17,128,124</u>	<u>42,844,610</u>	<u>22,700,512</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	255,793	462,504	718,297	114,952
Accrued interest payable	82,987	-	82,987	-
Accrued liabilities	123,232	158,317	281,549	-
Claims payable	-	-	-	5,159,821
Due to other funds	2,905	5,972	8,877	-
Deposits	24,484	-	24,484	1,517,751
Deferred tax revenues	3,698,888	3,663,562	7,362,450	-
Other deferred revenues	40	6,407	6,447	-
Compensated absences - current	474,497	483,274	957,771	-
General obligation notes payable - current	1,431,582	-	1,431,582	-
Retiree health credits - current	-	-	-	102,117
Total current liabilities	<u>6,094,408</u>	<u>4,780,036</u>	<u>10,874,444</u>	<u>6,894,641</u>

(Continued)

## WALWORTH COUNTY, WISCONSIN

### STATEMENT OF NET ASSETS (concluded) PROPRIETARY FUNDS December 31, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
<b>LIABILITIES (concluded)</b>				
Noncurrent liabilities:				
Compensated absences	\$ 193,348	\$ 151,502	\$ 344,850	\$ -
General obligation notes payable (net of unamortized discounts)	7,100,371	-	7,100,371	-
Other post employment benefits	50,101	-	50,101	-
Retiree health credits	-	-	-	685,227
Total noncurrent liabilities	7,343,820	151,502	7,495,322	685,227
Total liabilities	13,438,228	4,931,538	18,369,766	7,579,868
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	5,246,369	8,944,111	14,190,480	-
Restricted for donations	84,595	-	84,595	880
Restricted for solid waste	-	182,288	182,288	-
Unrestricted	6,947,294	3,070,187	10,017,481	15,119,764
Total net assets	\$ 12,278,258	\$ 12,196,586	\$ 24,474,844	\$ 15,120,644

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.

1,709,429

Net assets of business-type activities as reported on the statement of net assets (see page 28)

\$ 26,184,273

## WALWORTH COUNTY, WISCONSIN

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUNDS For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
	Operating revenues:			
Interdepartmental	\$ -	\$ -	\$ -	\$ 17,325,716
Charges for services	8,735,483	3,686,065	12,421,548	2,877,282
Total operating revenues	\$ 8,735,483	\$ 3,686,065	\$ 12,421,548	\$ 20,202,998
Operating expenses:				
Operation and maintenance	11,883,977	8,147,764	20,031,741	-
Insurance services	-	-	-	17,272,460
Depreciation	314,007	768,996	1,083,003	-
Total operating expenses	12,197,984	8,916,760	21,114,744	17,272,460
Operating income (loss)	(3,462,501)	(5,230,695)	(8,693,196)	2,930,538
Nonoperating revenues (expenses):				
Property taxes	3,628,755	3,316,208	6,944,963	-
Intergovernmental grants	1,347,952	1,991,976	3,339,928	24,539
Investment income	2,518	2,968	5,486	51,866
Interest expense	(325,343)	-	(325,343)	-
Debt issuance costs and discounts	(7,190)	-	(7,190)	-
Gain (loss) on disposal of assets	6,128	(104,143)	(98,015)	-
Sale of salvage and inventory	-	373,880	373,880	-
Insurance recovery	-	222,204	222,204	71,898
Legal claim settlement	-	3,166	3,166	21,513
Rent, rebates, and donations	29,091	1,592	30,683	2,880
Total nonoperating revenues (expenses)	4,681,911	5,807,851	10,489,762	172,696
Income before contributions and transfers	1,219,410	577,156	1,796,566	3,103,234
Transfers out	-	(30,000)	(30,000)	-
Change in net assets	1,219,410	547,156	1,766,566	3,103,234
Total net assets - beginning	11,058,848	11,649,430	22,708,278	12,017,410
Total net assets - ending	\$ 12,278,258	\$ 12,196,586	24,474,844	\$ 15,120,644

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

Net change in net assets-total enterprise funds	1,766,566
The net revenue of certain activities of internal service funds is reported within business-type activities.	589,173

Net change in net assets of business-type activities as reported on the statement of activities (see page 29) \$ 2,355,739

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, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 8,665,502	\$ 3,027,239	\$ 11,692,741	\$ 1,953,973
Receipts from interfund services provided	1,755	625,741	627,496	17,941,822
Payments to suppliers	(2,360,088)	(2,632,410)	(4,992,498)	(17,105,522)
Payments to employees	(9,553,329)	(5,426,786)	(14,980,115)	-
Payments for interfund services used	(14,745)	(148,784)	(163,529)	-
Payments of patient trust deposits	(7,110)	-	(7,110)	-
Net cash provided by (used in) operating activities	<u>(3,268,015)</u>	<u>(4,555,000)</u>	<u>(7,823,015)</u>	<u>2,790,273</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
General property taxes	3,628,755	3,316,208	6,944,963	-
Intergovernmental grants	1,347,952	1,991,976	3,339,928	24,539
Sale of salvage and inventory	-	373,880	373,880	-
Insurance recovery	-	-	-	71,898
Legal claim settlements	-	3,166	3,166	21,513
Rent, rebates, and donations	29,091	1,592	30,683	2,880
Transfer to other funds	-	(30,000)	(30,000)	-
Net cash provided by non-capital financing activities	<u>5,005,798</u>	<u>5,656,822</u>	<u>10,662,620</u>	<u>120,830</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(91,053)	(1,840,536)	(1,931,589)	-
Capital asset insurance recovery	-	222,204	222,204	-
Principal paid on capital debt	(1,380,136)	-	(1,380,136)	-
Interest paid on capital debt	(331,302)	-	(331,302)	-
Net cash used in capital and related financing activities	<u>(1,802,491)</u>	<u>(1,618,332)</u>	<u>(3,420,823)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	2,518	2,968	5,486	51,866
Net cash provided by investing activities	<u>2,518</u>	<u>2,968</u>	<u>5,486</u>	<u>51,866</u>
Net increase (decrease) in cash and investments	(62,190)	(513,542)	(575,732)	2,962,969
Cash and investments - beginning	6,944,196	2,464,502	9,408,698	17,294,252
Cash and investments - ending	<u>\$ 6,882,006</u>	<u>\$ 1,950,960</u>	<u>\$ 8,832,966</u>	<u>\$ 20,257,221</u>

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

Cash and investments	\$ 6,857,522	\$ 1,950,960	\$ 8,808,482	\$ 19,545,250
Restricted cash and investments	24,484	-	24,484	711,971
	<u>\$ 6,882,006</u>	<u>\$ 1,950,960</u>	<u>\$ 8,832,966</u>	<u>\$ 20,257,221</u>

(Continued)

**WALWORTH COUNTY, WISCONSIN**

STATEMENT OF CASH FLOWS (concluded)  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2010

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (3,462,501)	\$ (5,230,695)	\$ (8,693,196)	\$ 2,930,538
Adjustments to reconcile operating income (loss) to net cash provided by (used in) from operating activities				
Noncash items included in operating income (loss)				
Depreciation	314,008	768,997	1,083,005	-
Change in assets and liabilities:				
Accounts receivable	(48,320)	(131,271)	(179,591)	(285,476)
Due from other funds	-	-	-	(2,660)
Due from other governments	(120)	101,787	101,667	-
Inventories	1,673	(217,827)	(216,154)	-
Prepaid items	-	(6,293)	(6,293)	(124,986)
Accounts payable	40,045	135,379	175,424	88,019
Accrued liabilities	(9,765)	7,556	(2,209)	-
Due to other funds	650	689	1,339	-
Deferred revenues	(266)	-	(266)	-
Claims payable	-	-	-	203,905
Compensated absences	35,036	42,878	77,914	-
Retiree health credits	-	(3,600)	(3,600)	(16,827)
Deposits	(7,110)	-	(7,110)	(2,240)
Other post employment benefits	(131,345)	(22,600)	(153,945)	-
Net cash provided by (used in) operating activities	<u>\$ (3,268,015)</u>	<u>\$ (4,555,000)</u>	<u>\$ (7,823,015)</u>	<u>\$ 2,790,273</u>
<b>Noncash investing, capital, and financing activities:</b>				
Capital asset trade-ins	\$ -	\$ 138,815	\$ 138,815	\$ -
Transfers between funds	(41,462)	41,462	-	-
Net noncash activities	<u>\$ (41,462)</u>	<u>\$ 180,277</u>	<u>\$ 138,815</u>	<u>\$ -</u>

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

# WALWORTH COUNTY, WISCONSIN

## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2010

	Other Post Employment Benefits Trust Fund	Private Purpose Trusts	Agency Funds
<b>ASSETS</b>			
Cash and investments	\$ 11,547,120	\$ 40,690	\$ 1,166,170
Accounts receivable	115,000	-	-
Total assets	11,662,120	40,690	1,166,170
<b>LIABILITIES</b>			
Accounts payable	-	-	239,723
Accrued liabilities	115,000	-	-
Due to other governments	-	-	1,028
Deposits	-	-	925,419
Total liabilities	115,000	-	1,166,170
<b>NET ASSETS</b>			
Held in trust for post employment benefits:			
Children with Disabilities Education Board	3,919,098	-	-
Public Works	815,195	-	-
Lakeland Health Care Center	835,208	-	-
Sworn	3,312,985	-	-
Other	2,779,634	-	-
Held in trust for private purposes	-	40,690	-
Total net assets	\$ 11,662,120	\$ 40,690	\$ -

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, 2010

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 3,099,390	\$ -
Investment earnings:		
Interest and dividends	157,031	84
Net increase in the fair value of investments	477,846	-
Total investment earnings	634,877	84
Less investment expense	8,670	-
Net investment earnings	626,207	84
Total additions	3,725,597	84
<b>DEDUCTIONS</b>		
Benefits	273,827	-
Administrative expenses	2,500	-
Total deductions	276,327	-
Change in net assets	3,449,270	84
Net assets - beginning	8,212,850	40,606
Net assets - ending	\$ 11,662,120	\$ 40,690

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

**WALWORTH COUNTY, WISCONSIN**  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

**NOTE A - REPORTING ENTITY**

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

Reporting Entity

The County board is governed by 11 supervisors elected every two years from each of 11 supervisory districts. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statements No. 14 and No. 39.

Related Organization

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

Government-wide and Fund Financial Statements

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

1. 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
2. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

**WALWORTH COUNTY, WISCONSIN**  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

**NOTE A - REPORTING ENTITY (continued)**

The County reports the following major governmental funds:

**GENERAL FUND**

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

**HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND**

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

**CHILDREN WITH DISABILITIES EDUCATION BOARD SPECIAL REVENUE FUND**

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

**DEBT SERVICE FUND**

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

The County reports the following major enterprise funds:

**LAKELAND HEALTH CARE CENTER FUND**

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

**PUBLIC WORKS FUND**

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

Additionally, the County reports the following:

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

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

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

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

**WALWORTH COUNTY, WISCONSIN**  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

**NOTE A - REPORTING ENTITY (continued)**

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and private purpose trust financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

New Accounting Standards

The County has early implemented Statement No. 62 of the Governmental Accounting Standards Board, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* as of December 31, 2010. This statement relates to the reporting and disclosures related to the proprietary funds. The implementation of this statement had no effect on the financial statements.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash and Investments

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

Receivables

Accounts receivable have been shown net of allowance for uncollectible accounts. 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 below, since it is believed that the amount of such allowance would not be material.

Governmental activities

General fund	
Clerk of courts	\$ 115,494
Health and Human Services fund	<u>1,770,748</u>
Total	\$ 1,886,242

Business-type activities

Lakeland Health Care Center fund	\$ 187,676
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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 of the County and taxes receivable include unpaid taxes levied for all taxing entities within the County. The County makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1.

Restricted assets/Deposits

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

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet. Noncurrent portions of the interfund receivables described as "advances to" and "advances from" governmental funds are offset by a reservation of fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased. Inventory quantities are confirmed by physical counts once annually, on December 31, 2010 for Lakeland Health Care Center and October for Public Works.

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

Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items in the proprietary funds and the government-wide statements. Prepaid items of governmental funds are recorded as expenditures when paid in the fund statements.

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

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory time and holiday banked benefits in accordance with bargaining unit agreements. Unused sick leave is accumulated and reported in the governmental and proprietary fund financial statements for those employees who will not convert their banks to other post employment benefits. A liability for the sick leave amount is reported in the fiduciary other post employment benefits fund in the fund financial statements only if the sick leave banks have matured and converted to health credits, for example, as a result of employee resignations and retirements. Vacation, sick, compensatory and holiday banks are accrued when incurred in the government-wide and proprietary fund financial statements.

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Equity

The County follows GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as described below.

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

1. 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 and related borrowing discounts/premiums.
2. 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.
3. 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 and displayed in five components.

1. Nonspendable fund balance – Amounts that cannot be spent because they are 1) not in spendable form, or 2) legally or contractually required to be maintained intact. The County reports nonspendable inventories and delinquent personal property taxes.
2. Restricted fund balance – Amount constraints requiring use for a specific purpose and are either: 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. Fund balance restrictions are legally enforceable when a third party can enforce the resources to be used appropriately.
3. Committed fund balance – Amounts used for specific purposes based on constraints imposed by formal action of the County Board. The commitment purposes must be made during the County's fiscal year ended December 31, 2010 and can only be amended by the same formal legal action creating the original commitments such as resolution or ordinance.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Equity (continued)

4. Assigned fund balance - Funds that are constrained by the county administrator as established by county ordinance with the intent for the amount to be used for specific purposes, but it is neither restricted nor committed.
5. Unassigned fund balance – The balance of General fund's fund balance available for appropriation.

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

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

**NOTE C - STEWARDSHIP AND COMPLIANCE**

Use of Estimates

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

Budgets and Budgetary Accounting

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

1. During November, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue and debt service funds, with the exception of the Sheriff Trusts special revenue fund. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the next year's budget.

The Capital Projects fund is considered a multi-year fund. The original budget accounts for current year budgeted projects only. Revised budget reflects remaining budget on all open projects while actual amounts appropriately reflect only 2010 related activity.

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE C - STEWARDSHIP AND COMPLIANCE (continued)**

Supplemental Appropriations

Supplemental appropriations for expenditures that were necessary for 2010 are as follows:

<b>Department/Fund</b>	<b>Adopted Budget</b>	<b>Modified Budget</b>	<b>Increase/ (Decrease)</b>
County board	\$ 224,792	\$ 224,451	\$ (341)
County clerk	369,396	397,252	27,856
Administration	1,630,913	1,655,073	24,160
Finance	1,478,480	1,506,969	28,489
Treasurer	464,197	473,314	9,117
Coroner	374,728	374,814	86
Clerk of courts	3,077,959	3,025,769	(52,190)
District attorney	971,535	990,328	18,793
Register of deeds	610,711	666,268	55,557
Information systems	1,679,430	1,778,825	99,395
Central services	1,443,077	2,785,293	1,342,216
Non-departmental	4,436,869	3,898,568	(538,301)
Community initiative	52,700	58,700	6,000
Sheriff	26,384,908	27,653,051	1,268,143
Veterans services	182,340	197,568	15,228
UW extension	628,679	646,441	17,762
Parks	212,171	251,939	39,768
Land use & resource management	1,921,051	1,959,972	38,921
Total General fund	46,272,488	48,673,147	2,400,659
Health and Human Services fund	26,773,553	28,743,179	1,969,626
Children with Disabilities Education			
Board fund	17,128,863	17,984,792	855,929
Land Information fund	242,831	340,955	98,124

Encumbrances

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

Excess of Expenditures Over Budget Appropriations

The County did not have any major violation of legal or contractual provisions for the fiscal year ended December 31, 2010.

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, 2010, no department total actual expenditures exceeded total budgeted appropriations.

**NOTE D – CASH AND INVESTMENTS**

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE D – CASH AND INVESTMENTS (continued)**

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

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

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

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

The carrying amount of the County's cash and investments totaled \$81,111,407 on December 31, 2010 as summarized below:

Petty cash	\$ 5,660
Demand deposits	1,060,672
Certificates of deposit	8,026,805
Deposits with fiscal agents	711,971
Wisconsin Municipal Mutual Insurance Company (WMMIC) Deposit	1,563,000
Investments	<u>69,743,299</u>
	<u>\$ 81,111,407</u>
Reconciliation to the basic financial statements:	
Basic financial statements	
Cash and investments	\$ 64,973,035
Restricted cash and investments	1,821,392
Restricted investment – deposit with WMMIC	1,563,000
Fiduciary funds	
Other post employment benefits trust fund	11,547,120
Private purpose trust funds	40,690
Agency funds	<u>1,166,170</u>
	<u>\$ 81,111,407</u>

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

Custodial Credit Risk

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE D – CASH AND INVESTMENTS (continued)**

Custodial Credit Risk (continued)

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 for banks or NCUA for credit unions. The depository agreement requires all securities serving as collateral shall be specifically pledged to the County and placed in a custodial account at a Federal Reserve bank, a trust department of a commercial bank, or through another financial institution.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. The County's operating bank 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. Deposits in each local and area credit union are insured by the NCUA in the amount of \$250,000.

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

On December 31, 2010, none of the County's deposits with financial institutions were in excess of federal depository insurance limits or uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name) for its governmental or business-type funds. The OPEB trust does not require collateralization per the County's OPEB investment policy.

Credit Risk

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

Investment Type	Amount	Rating as of Year End		
		AAA	Aa	Not Rated
Federal agency securities	\$ 23,017,586	\$ 23,017,586	\$ -	\$ -
U.S. Treasury Notes	426,155	426,155	-	-
Wisconsin Municipal Bonds	8,917,832	6,094,911	2,822,921	-
Wisconsin Local Government Investment Pool	7,682,432	-	-	7,682,432
JP Morgan Repurchase	2,771,738	-	-	2,771,738
JP Morgan Money Market fund	5,029,215	-	-	5,029,215
M&I Bank Money Market fund	265,536	-	-	265,536
Mid America Money Market fund	10,085,685	-	-	10,085,685
	<u>\$ 58,196,179</u>	<u>\$ 29,538,652</u>	<u>\$2,822,921</u>	<u>\$25,834,606</u>

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE D – CASH AND INVESTMENTS (continued)**

Credit Risk (continued)

The OPEB trust has various fixed income mutual funds totaling \$8,046,496. The funds are made up of fixed income bonds and securities with the following average ratings: 59.1% with an AAA average rating, 6.4% with an AA average rating, 9.9% with an A average rating, 11.7% with a BBB average rating, 4.6% with a BB average rating, 7.1% with a B average rating, 1.0% with below a B average rating, and 0.1% not rated. The remaining OPEB trust mutual funds are equity investment funds of \$3,500,624 of which are unrated.

Concentration of Credit Risk

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

The County's investment officer as appointed by the County Board, develops and adheres to the following administrative policy limits for the amount that can be invested in any one issuer. For securities or specific financial institution investments, a single agency shall be limited to 50% of the core portfolio, currently \$22,430,000. For Wisconsin debt instruments, a single district/government shall be limited to \$3 million. The governing body is provided a report on a quarterly basis, detailing the County's investments and their adherence to County and administrative investment policies. For 2010, no policy limits were exceeded.

At year end, the following issuers (over five percent of total investments) in the County's portfolio (other than U.S. Treasury securities, money market funds, and external investment pools) were:

Issuer Type	Percent of Total Investments	Amount
Federal National Mortgage Association (FNMA)	11.71%	\$ 8,022,963
Federal Farm Credit Bank (FFCB)	5.32%	3,646,255
Federal Home Loan Bank (FHLB)	10.97%	7,518,110
Federal Home Loan Mortgage Corporation (FHLMC)	5.59%	3,830,258

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County's investment policy limits security purchases to securities that mature or may be tendered for purchase at the option of the holder for a term not to exceed five years from the date the security is acquired. Individual investments in certificates of deposit are restricted to maturities of 3 years or less. Additionally, total investments with a maturity between 3 and 12 months shall not exceed 95% of total cash and investment portfolio. Total investments with a maturity of greater than 12 months and less than 60 months shall not exceed 50% of total cash and investment portfolio.

The OPEB trust shows mutual funds of \$11,169,469 with a maturity greater than 60 months due to the long-term nature of the trust fund. The remaining OPEB trust in the Dreyfus Treasury Cash Management money market of \$377,651 has a maturity of 3 months or less for the immediate withdrawal needs of the trust.

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 not related to the OPEB trust by maturity:

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE D – CASH AND INVESTMENTS (continued)**

Investment Type	Amount	Remaining Maturity (in Months)		
		3 Months Or Less	3 to 12 Months	13 to 60 Months
Federal agency securities	\$23,017,586	\$ 852,347	\$1,825,708	\$20,339,531
U.S. Treasury Notes	426,155	-	-	426,155
Wisconsin Municipal Bonds	8,917,832	45,017	2,494,807	6,378,008
JP Morgan Repurchase	2,771,738	2,771,738	-	-
Wisconsin Local Government Investment Pool	7,682,432	7,682,432	-	-
JP Morgan Money Market	5,029,215	5,029,215	-	-
M&I Trust Money Market	265,536	265,536	-	-
Mid America Money Market	10,085,685	10,085,685	-	-
<b>Totals</b>	<b>\$58,196,179</b>	<b>\$26,731,970</b>	<b>\$4,320,515</b>	<b>\$27,143,694</b>
Percent of total investments	100.0%	45.9%	7.4%	46.7%

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County's investments include US government and agency securities 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, 2010 is \$32,361,573. The OPEB trust fund fair value of \$11,169,469 invested in mutual funds are also highly sensitive to interest rate fluctuations.

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin Local Government Investment Pool of \$7,682,432 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, 2010, the fair value of the County'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 account share.

**NOTE E – PROPERTY TAXES**

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 acquired by the County's General fund in accordance with state statutes, providing the County with a statutory lien. The County apportionment of \$60,793,425 is for financing 2011 operations and will be transferred in 2011 from deferred revenue to current revenues of the County's governmental and proprietary funds.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE E – PROPERTY TAXES (continued)**

Delinquent Property Taxes - General Fund

General fund delinquent property taxes represent unpaid property taxes on real estate and unpaid taxes on commercial personal property, including state and local government equities therein. In regards to real estate taxes, under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax-deeded properties. In regards to personal property taxes, delinquent taxes remain recorded for one year. If collection efforts remain unsuccessful, the amounts are then submitted to the County Board for write-off approval.

On December 31, 2010 the General fund showed an investment of \$7,832,612 in delinquent taxes as follows:

Tax certificates	\$ 7,820,529
Tax deeds	7,074
Personal property taxes	5,009
<b>Total</b>	<b>\$ 7,832,612</b>

An aging of the total delinquent taxes of \$7,832,612 on December 31, 2010 follows:

<u>Year Acquired</u>	<u>Total</u>	<u>Tax Certificates</u>	<u>Tax Deeds</u>	<u>Personal Property Taxes</u>
Prior to 2001	\$ 107	\$ -	\$ 107	\$ -
2005	4,948	4,948	-	-
2006	18,871	18,871	-	-
2007	683,632	683,632	-	-
2008	2,080,994	2,073,794	2,191	5,009
2009	5,039,284	5,039,284	-	-
2010	4,776	-	4,776	-
	<b>\$ 7,832,612</b>	<b>\$ 7,820,529</b>	<b>\$ 7,074</b>	<b>\$ 5,009</b>

Of the total of \$7,820,529 for tax certificates, the County collected \$2,229,023 within 60 days after December 31, 2010. The remaining unpaid balance of \$5,591,506 is reported as nonspendable fund balance in the General fund for the County purchased portion of \$4,388,636 and reported as deferred revenue for the County levied portion of \$1,202,870.

**NOTE F – RESTRICTED ASSETS/DEPOSITS**

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	\$ 231,244
Children with Disabilities Education Board	School/Student Deposits	15,705
Nonmajor Governmental	Sheriff Trusts	837,988
Lakeland Health Care Center	Patient Deposits	24,484
Health Insurance	Held by Fiscal Agent	337,600
Workers Compensation	Held by Fiscal Agent	35,000
Risk Management	Held by Fiscal Agent	339,371
Risk Management	Held with WMMIC	1,563,000
<b>Total Restricted Assets</b>		<b>\$ 3,384,392</b>

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE G – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2010 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal service funds	General fund	\$ 5,318
	Health and Human Services fund	2,702
	Children with Disabilities Education Board fund	971
	Nonmajor Governmental funds	2
	Lakeland Health Care Center fund	2,905
	Public Works fund	5,972
Subtotal – Fund financial statements		<u>17,870</u>
Less: Fund eliminations		(8,993)
Less: interfund receivables created with internal service fund eliminations		(1,709,429)
Total Internal balances – government-wide statement of net assets		<u>\$ (1,700,552)</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Business-type Activities	Governmental Activities	<u>\$ 1,700,552</u>

The Workers Compensation internal service fund interfund is for the December premium 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 Health, Dental, and Workers Compensation internal service funds.

Interfund transfers for the year ended December 31, 2010 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General fund	Health and Human Services fund	\$ 3,015,288
	Children with Disabilities Education Board fund	417
	Nonmajor Governmental funds	606,711
	Public Works fund	30,000
Nonmajor Governmental funds	General fund	10,000
Debt Service fund	General fund	1,565,000
	Children with Disabilities Education Board fund	1,280,652
Subtotal transfers in– Fund financial statements		<u>\$ 6,508,068</u>
Less: Fund eliminations		(6,478,068)
Total transfers – Government-wide statement of activities		<u>\$ 30,000</u>

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	<u>\$ 30,000</u>

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 fund balance between General fund and lapsing funds. In the fund financial statements, operating purposes account for \$2,877,686 and capital-related and one-time use of equity projects account for \$154,191. Closing projects accounts for \$452,180 and lapsing funds account for \$3,024,011 returned to the General fund.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE H – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,092,194	\$ -	\$ -	\$ 1,092,194
Construction in progress	3,308,892	955,857	2,406,217	1,858,532
Total capital assets, not being depreciated	4,401,086	955,857	2,406,217	2,950,726
Capital assets, being depreciated:				
Buildings	65,160,919	624,065	-	65,784,984
Improvements other than buildings	4,494,019	388,145	35,000	4,847,164
Machinery and equipment	20,460,184	1,118,033	906,009	20,672,208
Infrastructure – roads	43,282,165	3,342,963	338,845	46,286,283
Infrastructure – bridges/dams	4,124,433	707,644	197,100	4,634,977
Subtotals	137,521,720	6,180,850	1,476,954	142,225,616
Less accumulated depreciation for:				
Buildings	10,365,141	1,219,346	-	11,584,487
Improvements other than buildings	1,859,483	155,203	35,000	1,979,686
Machinery and equipment	9,270,638	1,414,523	855,350	9,829,811
Infrastructure – roads	17,982,960	1,093,529	174,583	18,901,906
Infrastructure – bridges/dams	1,549,397	65,504	167,530	1,447,371
Subtotals	41,027,619	3,948,105	1,232,463	43,743,261
Total capital assets, being depreciated, net	96,494,101	2,232,745	244,491	98,482,355
Governmental activities capital assets, net	100,895,187	3,188,602	2,650,708	101,433,081
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 98,486	\$ -	\$ -	\$ 98,486
Construction in progress	1,188,761	365,925	1,188,761	365,925
Total capital assets, not being depreciated	1,287,247	365,925	1,188,761	464,411
Capital assets, being depreciated:				
Buildings	18,386,731	376,358	-	18,763,089
Improvements other than buildings	239,321	-	-	239,321
Machinery and equipment	10,806,867	2,558,347	970,348	12,394,866
Subtotals	29,432,919	2,934,705	970,348	31,397,276
Less accumulated depreciation for:				
Buildings	2,500,308	355,245	-	2,855,553
Improvements other than buildings	120,368	7,353	-	127,721
Machinery and equipment	6,127,626	761,867	733,513	6,155,980
Subtotals	8,748,302	1,124,465	733,513	9,139,254
Total capital assets, being depreciated, net	20,684,617	1,810,240	236,835	22,258,022
Business-type activities capital assets, net	21,971,864	2,176,165	1,425,596	22,722,433

In 2010, \$588,587 of the capital outlay recorded in the governmental activities was expensed as repair and maintenance projects or amounts under the threshold and therefore not recorded as capital assets. The construction in progress deletions totaled \$2,406,217 with \$2,180,479 resulting in 2010 capitalized additions. Donated assets totaled \$2,223,064.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE H – CAPITAL ASSETS (continued)**

The governmental funds report internal reclassifications of capital assets in the amount of \$31,881, due to transfers between governmental departments. A fully depreciated equipment transfer between the enterprise funds occurred in the amount of \$41,462.

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

**Governmental activities**

General government	\$ 1,050,060
Public safety	1,054,869
Health and human services	151,929
Culture, recreation and education	331,102
Public works	1,159,033
Conservation and development	201,112
Total depreciation expense – governmental activities	\$ 3,948,105

**Business-type activities**

Nursing home	\$ 314,007
Highway/facilities administration	768,996
Total depreciation expense – business-type activities	\$ 1,083,003

**NOTE I – DEFERRED REVENUE**

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	\$ -	\$ 28,645,080
Health and Human Services	-	11,582,003
Children with Disabilities Education Board	-	8,500,312
Debt Service	-	4,177,192
Nonmajor Governmental funds	-	165,588
Capital Projects	-	360,800
Delinquent real estate taxes – County share	1,202,870	-
Long-term receivable	282,771	-
Grant funds not received meeting all eligibility requirements	272,912	-
Clerk of Courts fines and penalties	446,697	-
Sheriff – Huber/jail inmate receivables, not yet received	147,134	-
Local charges for services earned, but not yet received	4,259	-
Insurance recoveries awarded, but not yet received	25,000	-
Grant funds received prior to meeting all eligibility requirements	-	56,055
Donations received prior to meeting all eligibility requirements	-	120,834
Totals	\$ 2,381,643	\$ 53,607,864

**NOTE J – LEASES AND LONG-TERM OBLIGATIONS**

Capital Leases

There are no material capital leases as of December 31, 2010.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

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

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 plant was built in 1929 and has a total value of \$2,953,348. The current carrying value is \$1,299,366, with a current year depreciation of \$102,426. 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. The 2011 remaining required lease payment is \$2,550.

General Obligation Notes Called

On April 1, 2010, the County called the 2012 principal payment of the 2002 general obligation promissory notes in the amount of \$1,065,000. Savings on interest payments for 2010 and 2011 total \$87,330.

Long-term Obligations

Total interest paid during the year on long-term debt totaled \$1,676,549. The 2010 debt issuance resulted in a reimbursement of interest payment by the federal Build America Bonds program in the amount of \$75,651.

The following table is a summary of changes in long-term obligations of the County for the year ended December 31, 2010:

	Outstanding 1/1/10	Issued	Retired	Outstanding 12/31/10	Due Within One Year
<b>Governmental activities:</b>					
<u>By Type:</u>					
General obligation debt					
Bonds	\$ 19,230,000	\$ -	\$ 3,070,000	\$ 16,160,000	\$ 660,000
Notes	18,968,912	-	3,734,864	15,234,048	3,756,599
Unamortized debt premium (discount)	(16,830)	-	11,735	(28,565)	6,921
Total general obligation debt	38,182,082	-	6,816,599	31,365,483	4,423,520
Termination benefits	6,696	-	6,696	-	-
Compensated absences	2,881,646	4,495,117	4,387,875	2,988,888	2,217,406
	<u>\$ 41,070,424</u>	<u>\$ 4,495,117</u>	<u>\$ 11,211,170</u>	<u>\$ 34,354,371</u>	<u>\$ 6,640,926</u>
<u>By Purpose:</u>					
General government	\$ 7,766,307	\$ 747,581	\$ 3,003,749	\$ 5,510,138	\$ 1,866,522
Public safety	1,428,574	1,869,784	2,192,021	1,106,338	841,824
Health and human services	1,936,119	1,121,628	2,348,661	709,086	526,059
Culture, recreation and education	17,405,536	592,244	1,275,011	16,722,769	1,108,137
Public works	11,628,748	-	1,646,594	9,982,154	2,021,074
Conservation and development	905,140	163,880	745,134	323,886	277,310
	<u>\$ 41,070,424</u>	<u>\$ 4,495,117</u>	<u>\$ 11,211,170</u>	<u>\$ 34,354,371</u>	<u>\$ 6,640,926</u>
<b>Business-type activities:</b>					
<u>By Type:</u>					
General obligation notes	\$ 9,921,088	\$ -	\$ 1,380,136	\$ 8,540,952	\$ 1,433,401
Unamortized debt discount	(10,818)	-	(1,819)	(8,999)	(1,819)
Total general obligation debt	9,910,270	-	1,378,317	8,531,953	1,431,582
Compensated absences	1,224,707	1,355,627	1,277,713	1,302,621	957,771
Termination benefits	3,600	-	3,600	-	-
	<u>\$ 11,138,577</u>	<u>\$ 1,355,627</u>	<u>\$ 2,659,630</u>	<u>\$ 9,834,574</u>	<u>\$ 2,385,753</u>
<u>By Purpose:</u>					
Nursing home	\$ 10,543,078	\$ 756,950	\$ 2,100,230	\$ 9,199,798	\$ 1,906,079
Highway/facilities administration	595,499	598,677	559,400	634,776	483,274
	<u>\$11,138,577</u>	<u>\$ 1,355,627</u>	<u>\$ 2,659,630</u>	<u>\$ 9,834,574</u>	<u>\$ 2,389,353</u>

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

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

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

Bonds:

\$8,500,000; due in various annual installments of \$315,000 to \$675,000 through 2027; Issued: August 1, 2008 Interest: 4.00% to 4.20% Purpose: Children with Disabilities Education Board new school building construction	8,185,000
\$8,600,000; due in various annual installments of \$305,000 to \$645,000 through 2027; Issued: January 18, 2008 Interest: 3.50% to 4.00% Purpose: Children with Disabilities Education Board new school building construction	7,975,000

Notes:

\$7,320,000; due in various annual installments of \$155,000 to \$1,085,000 through 2012; Issued: July 1, 2002 Interest: 3.00% to 4.10% Purpose: Road construction, new judicial center building construction and various other capital projects	1,050,000
\$9,205,000; due in various annual installments of \$570,000 to \$1,250,000 through 2012; Issued: November 1, 2003 Interest: 1.00% to 3.40% Purpose: Road construction and new judicial center building construction	3,035,000
\$6,070,000; due in various annual installments of \$500,000 to \$725,000 through 2014; Issued: September 1, 2004 Interest: 3.00% to 3.55% Purpose: Road construction, government center improvements, and new judicial center building construction	2,725,000
\$9,800,000; due in various annual installments of \$785,000 to \$1,155,000 through 2015; Issued: August 1, 2005 Interest: 3.38% to 3.50% Purpose: Road construction and new Lakeland Health Care Center building construction	5,360,000
\$7,350,000; due in various annual installments of \$200,000 to \$925,000 through 2016; Issued: April 1, 2006 Interest: 3.75% to 3.80% Purpose: Road construction and new Lakeland Health Care Center building construction	5,035,000
\$1,400,000; due in various annual installments of \$30,000 to \$200,000 through 2017; Issued: August 1, 2008 Interest: 4.00% to 4.15% Purpose: Road construction	1,225,000
\$5,345,000; due in various annual installments of \$570,000 to \$990,000 through 2019; Issued: August 4, 2009 Interest: 2.00% to 4.75% Purpose: Road construction	5,345,000
Total Outstanding General Obligation Debt	<u>\$ 39,935,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$39,935,000 on December 31, 2010 are detailed in the following table.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

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

Year Ended December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 4,416,599	\$ 1,037,972	\$ 1,433,401	\$ 281,391
2012	3,033,333	916,093	1,486,667	229,585
2013	3,746,191	802,822	1,543,809	175,817
2014	2,594,694	699,583	1,605,306	119,833
2015	1,933,673	625,290	1,666,327	60,924
2016-2020	7,559,558	2,262,582	805,442	15,303
2021-2025	5,530,000	1,111,181	-	-
2026-2027	2,580,000	107,070	-	-
	<u>\$ 31,394,048</u>	<u>\$ 7,562,593</u>	<u>\$ 8,540,952</u>	<u>\$ 882,853</u>

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2010 was \$703,168,524 as follows:

Equalized valuation of the County	\$ 15,004,870,300
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>750,243,515</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 39,935,000
Add: General obligation debt approved and not yet issued	7,740,000
Less: Amounts available for financing general obligation debt Debt Service fund	<u>(600,009)</u>
Net outstanding general obligation debt applicable to debt limitation	<u>47,074,991</u>
Legal Margin for New Debt	<u><u>\$ 703,168,524</u></u>

**NOTE K – EQUITY CLASSIFICATIONS**

Net assets of the governmental activities reported on the government-wide statement of net assets at December 31, 2010 include the following:

Invested in capital assets, net of related debt	
Land	\$ 1,092,194
Construction in progress	1,858,532
Buildings, net of accumulated depreciation	54,200,497
Improvements other than buildings, net of accumulated depreciation	2,867,478
Machinery and equipment, net of accumulated depreciation	10,842,397
Infrastructure, net of accumulated depreciation	<u>30,571,983</u>
Subtotal	101,433,081
Less: related long-term debt outstanding (net of unspent capital related debt proceeds of \$1,565,029 and debt discount \$28,565)	<u>(29,800,454)</u>
Total Invested in capital assets, net of related debt	<u>71,632,627</u>
Restricted	
Alpine Valley surplus	94,140
Employee wellness donations	880
Central services grant related encumbrance	2,435
Health and Human Services donations	197,100

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE K – EQUITY CLASSIFICATIONS (continued)**

<u>Restricted (continued)</u>	
Health and Human Services grant related encumbrances	\$ 6,449
Land modernization fees	386,366
Non-metallic mining fees	21,128
Park donations	3,525
Public access fees	212,730
Redaction fees	27,812
School donations	51,400
School grant related encumbrances	1,932
Sheriff donation	65,820
Sheriff trusts	655,624
UW-Extension grant related carryforward project	5,739
Veterans donations	25
Total Restricted	1,733,105
Unrestricted	56,274,512
Total governmental activities net assets	\$ 129,640,244

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

**NOTE L – OTHER POST EMPLOYMENT BENEFITS**

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

County-wide Plan Description

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

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE L – OTHER POST EMPLOYMENT BENEFITS (continued)**

Sick Leave/Health Credit Benefit

In addition to the County benefit to purchase health insurance at the full cost, employees hired prior to the dates above who at termination apply for an immediate retirement annuity from the Wisconsin Retirement System, or have reached the age of 50 or older and have a minimum of 20 years of service with Walworth County, to have their sick leave balance converted at 60% of their basic pay rate at the time of retirement to pay for county health insurance until the credits are exhausted. Currently, 43 retirees meet the eligibility requirements for this benefit. During 2010, approximately \$181,918 of expenditures were recognized for post employment health care benefits from these sick leave insurance credits. The OPEB calculation includes these benefits.

Lakeland Education Association Retirement Benefits

In addition to the above retirement benefits, the County offers an early retirement program for teachers who are at least age 57 and have completed at least 20 years of service. Under the program, eligible teachers are entitled to receive employer-paid single health insurance coverage under the group plan for 5 years. At December 31, 2010, 11 retirees were eligible to receive future benefits. This benefit was terminated with the 2005 contract for all employees hired after ratification on December 1, 2006. The 2008-2009 letter of agreement includes early retirement health insurance incentives in effect for employees at the end of the 2016 school year age 55 or older with at least 15 continuous years of service. The OPEB calculation includes these benefits. For 2010, \$110,160 was expensed for retirees currently receiving benefit.

Deputies Sworn Retirement Benefits

The County also has an early retirement policy for protective occupation employees who retire on a Wisconsin Retirement System (WRS) retirement or disability annuity at age 54 or older, at age 53 with a minimum of 25 years of WRS service, or have a minimum of 20 years of continuous County service upon becoming an annuitant at age 50 to 53. This policy will also apply to an employee receiving a duty disability annuity prior to age 50, who has 20 years of continuous County service and is considered "permanently and totally" disabled. The employees are entitled to a County payment of 50% of their premium for health insurance until the retiree is eligible for Medicare coverage. The insurance coverage shall be the same as provided to active employees. At December 31, 2010, 16 retirees were eligible to receive future benefits. This benefit was terminated with the 2005 contract for all employees hired after January 1, 2005. The OPEB calculation includes these benefits. For 2010, \$163,667 was expensed for retirees currently receiving benefit.

Funding Policy

On September 7, 2006, the County elected to amortize its postemployment health benefits over a 30-year period such that this benefit will be fully amortized by December 31, 2034. On December 26, 2008, the County obtained an outside investment trust company to hold the funds on behalf of the County. Withdrawals may only be made to the County for the purpose of funding current retirees retirement OPEB related health insurance costs. As of December 31, 2010, the County's investment held in trust was \$11,662,120 of which \$227,846 was due to realized interest earned and \$477,846 of unrealized interest 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 following table shows the components of the County's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the Trust.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE L – OTHER POST EMPLOYMENT BENEFITS (continued)**

Annual required contribution	\$ 1,862,055
Interest on annual required contribution	25,506
Adjustment to annual required contribution	(249)
Annual OPEB Cost	1,887,312
Contributions made	(3,449,270)
Decrease in net OPEB obligation	(1,561,958)
Net OPEB obligation – beginning of year	566,828
Net OPEB obligation (asset) – end of year	\$ (995,130)
Governmental Activities Net OPEB obligation (asset)	\$ (722,492)
Business-type Activities Net OPEB obligation (asset)	(272,638)
	\$ (995,130)

The County reports its OPEB cost under one plan which is monitored in 5 separate reserves accounts; Children with Disabilities Education Board (CDEB) reserve funded from CDEB fund contributions, public works reserve (PW) funded from General Fund and Public Works fund contributions, Lakeland Health Care Center (LHCC) reserve funded from LHCC fund contributions, sworn deputies reserve funded from General fund contributions, and all other county departments reserve funded from General fund and Health and Human Services fund contributions. The assets contributed and earned under each of these reserve accounts may not be used to pay benefits to any of the other beneficiary groups. The government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 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	2008	\$ 376,738	724%	\$ (1,943,081)
	2009	404,849	44%	(1,715,702)
	2010	336,463	149%	(1,879,813)
Public Works	2008	95,788	562%	(314,086)
	2009	71,240	104%	(317,260)
	2010	76,139	127%	(337,634)
LHCC	2008	185,767	72%	248,143
	2009	122,560	154%	181,446
	2010	124,458	208%	50,101
Sworn Deputies	2008	856,968	22%	2,527,919
	2009	931,262	97%	2,556,158
	2010	965,478	204%	1,548,971
Other Departments	2008	474,212	94%	514,739
	2009	380,359	272%	(137,814)
	2010	387,774	162%	(376,755)
Total County	2008	1,989,473	203%	1,033,634
	2009	1,910,270	124%	566,828
	2010	1,887,312	183%	(995,130)

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE L – OTHER POST EMPLOYMENT BENEFITS (continued)**

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2010 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)	\$4,933,631	\$1,080,297	\$1,742,863	\$11,014,487	\$4,672,222	\$23,443,500
Actuarial value of plan assets	3,919,098	815,195	835,208	3,312,985	2,779,634	11,662,120
Unfunded actuarial accrued liability (UAAL)	1,014,533	265,102	907,655	7,701,502	1,892,588	11,781,380
Funded ratio (actuarial value of plan assets/AAL)	79%	75%	48%	30%	51%	50%
Covered payroll	5,823,654	3,448,665	\$5,647,772	5,906,223	20,344,733	41,171,047
UAAL as a percentage of covered payroll	17%	8%	16%	130%	10%	29%

Actuarial Methods and Assumptions

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

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

In the January 1, 2010 actuarial valuation the projected unit credit actuarial cost method is used as the basis to establish the December 31, 2010 liability. The County uses the projected unit credit actuarial cost method to determine the December 31, 2010 liability. Under this method, the actuarial cost gain (losses), as they occur, generally reduce (increase) the unfunded actuarial accrued liability. The actuarial assumptions include a 4.5 percent investment rate per the County's investment strategy agreement with their investment advisor. Investment decisions have been made by the advisor to achieve this rate based on historical figures. A 4.5% rate is used for the December 31, 2010 liability calculation. An annual healthcare cost trend rate of 6.0 percent initially, increased at various increments each year thereafter between 5% and 11.5% over 10 years. A three percent salary inflation assumption is also used. The "*Wisconsin Retirement System 2006 – 2008 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. 2010 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. A closed amortization period was used for the most recent valuation, amortizing costs as of January 1, 2010 over 27 years.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE M - TERMINATION BENEFITS**

One Children with Disabilities Education Board (CDEB) employee and one Public Works employee accepted early retirement benefits to retire during 2009 and extend county paid benefits into August and April, 2010, respectively. At December 31, 2010, both liabilities are \$0.

The Deputy Sheriff Association and Lakeland Education Association contracts include early retirement incentives which are accounted for under the other post employment benefits liability.

**NOTE N – WISCONSIN RETIREMENT SYSTEM**

All eligible County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work over 600 hours a year (440 hours for teachers and 440 hours for Educational Support staff effective July 1, 2009) are eligible to participate in the WRS. Covered employees in the General/Teacher/Educational Support personnel category are required by statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% 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 WRS for the year ended December 31, 2010 was \$40,383,939; the employer's total payroll was \$41,171,047. The total required contribution for the year ended December 31, 2010 was \$4,626,490 or 11.5% of covered payroll financed by the County. Total contributions for the years ending December 31, 2009 and 2008 were \$4,440,372 and \$4,377,723 respectively, equal to the required contributions for each year.

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

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

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

**NOTE O – RISK MANAGEMENT**

Risk Entity

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE O – RISK MANAGEMENT (continued)**

Self Insurance of Employee Benefits

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

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

<u>Year</u> <u>Ended</u>	<u>Reinsurance</u> <u>Amount</u>
2008	\$ 2,389,301
2009	979,811
2010	1,495,388
Total	\$ 4,864,500

The County has recognized a total of \$3,688,752 in claims liabilities in the Health, Dental and Workers Compensation internal service funds at December 31, 2010. This actuarial determined liability amount was based on reviewing the 2010 claim settlements recorded during the first three months of 2010 and extrapolating forward. The calculation of the claims liability is below:

	<u>Health</u>	<u>Dental</u>	<u>Workers</u> <u>Compensation</u>	<u>Total</u>
January 1, 2009 claims liabilities	\$ 2,211,000	\$ 62,000	\$ 1,779,259	\$ 4,052,259
2009 claims incurred during the period	13,089,229	741,030	(58,828)	13,771,431
2009 discounts, rebates, and refunds	(1,000,765)	-	-	(1,000,765)
2009 claims payments	(12,627,464)	(733,030)	(83,091)	(13,443,585)
January 1, 2010 claims liabilities	1,672,000	70,000	1,637,340	3,379,340
2010 claims incurred during the period	15,607,513	665,276	1,181,507	17,454,296
2010 discounts, rebates, and refunds	(1,532,993)	-	-	(1,532,993)
2010 claims payments	(13,999,520)	(695,276)	(917,095)	(15,611,891)
Unpaid claims – end of year	\$ 1,747,000	\$ 40,000	\$ 1,901,752	\$ 3,688,752

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE O – RISK MANAGEMENT (continued)**

Investment in Wisconsin Municipal Mutual Insurance Company (continued)

WMMIC is governed by one entity-one vote. Member entities include Walworth County, and the counties of Brown, Chippewa, Dane, Dodge, Eau Claire, 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, 2010 this amount is valued at \$1,588,382. 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 \$1,471,069 reported in the fund at December 31, 2010 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 2008, 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, 2010, the County's liability claims reserve is recorded at a 95% confidence level. Changes in the fund's claim liability amount for 2010 and 2009 follow:

January 1, 2009 claims liabilities	\$ 1,655,998
2009 claims incurred during the period	14,014
2009 change in estimates of prior years	10,356
2009 claims payments	<u>(103,792)</u>
Unpaid claims – December 31, 2009	1,576,576
2010 claims incurred during the period	16,413
2010 change in estimates of prior years	(81,594)
2010 claims payments	<u>(40,326)</u>
Unpaid claims – December 31, 2010	<u><u>\$ 1,471,069</u></u>

Commercial Insurance

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

**NOTE P – CONTINGENCIES AND COMMITMENTS**

Single Audit Pending

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

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE P – CONTINGENCIES AND COMMITMENTS (continued)**

Legal Proceedings

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

Bonded Capital Projects

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.

Total Projects Estimated Costs	\$ 2,642,207
Expended thru December 31, 2010	\$ 530,425

Outstanding Encumbrances

At December 31, 2010, the County's governmental funds had encumbered commitments under various goods and service agreements which provide for payments in the amount of \$1,296,954. The service agreement payments are subject to adjustment resulting from changes in cost of living and other factors.

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 L.

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 2010 tax levy collected in 2011 to the greater of 3.0% plus terminated TID applied to the 2009 levy (0.026%) or the percentage of change in equalized value due to net new construction (.907%) plus terminated TID applied to the 2009 levy (0.026%). If the allowable levy in 2007 was greater than the actual levy in 2007, the levy limit is increased by the difference between these two amounts, as determined by the Department of Revenue. The limit for the County for the 2010 budget was 3.026%. The levy limit is applied to both operations and debt service. However, the Act allows the limit to exclude increases in debt service, the Children with Disabilities Education Board (CDEB) tax levy, bridge & culvert repair under s. 82.08(2), library payments under s. 43.12, and countywide EMS.

**NOTE Q – SUBSEQUENT EVENTS**

Management Monitoring of Subsequent Events

Management evaluated subsequent events through May 18, 2011, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2010, but prior to May 18, 2011 that provided additional evidence about conditions that existed at December 31, 2010, have been recognized in the financial statements for the year ended December 31, 2010. Events or transactions that provided evidence about conditions that did not exist at December 31, 2010, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2010.

**WALWORTH COUNTY, WISCONSIN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2010

**NOTE Q – SUBSEQUENT EVENTS (continued)**

Wisconsin State Budget

The State of Wisconsin biennial budget beginning July 1, 2011 has not been adopted as of May 18, 2011. The County anticipates major changes affecting its 2012 and 2013 budget years. Changes being considered include a 0% levy limit and the dissolution of certain previously allowable increase assumptions. Other major changes affect grant funding and program changes in Health and Human Services. With the addition of these revenue cuts and levy limits, the state intends to assist local governments in balancing their budgets with a change requiring employees to pay the previously county-funded share of employee contributions to the Wisconsin Retirement System, as well as the addition of significant limitations to bargaining rights of collective bargaining units. The County continues to stay abreast of the state budget's progression and anticipates the changes will be manageable.

General Obligation Promissory Notes Issuance

The County has authorized the issuance of \$7,740,000 of general obligation promissory notes on December 14, 2010 to be used for the financing of road construction. Anticipated borrowing date will be July 1, 2011. The average interest rate is not yet known.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**WALWORTH COUNTY, WISCONSIN**

REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS

<u>Reserve</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) ** (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
<b>Children with Disabilities</b>							
Education Board	12/31/2008*	\$ 3,241,055	\$ 3,965,011	\$ 723,956	82%	\$ 6,562,805	11%
	12/31/2009	3,418,524	4,608,335	1,189,811	74%	6,345,909	19%
	12/31/2010	3,919,098	4,933,631	1,014,533	79%	5,823,654	17%
<b>Public Works</b>							
	12/31/2008*	644,268	931,493	287,225	69%	3,719,384	8%
	12/31/2009	718,682	978,910	260,228	73%	3,563,240	7%
	12/31/2010	815,195	1,080,297	265,102	75%	3,448,665	8%
<b>Lakeland Health Care Center</b>							
	12/31/2008	393,148	2,272,166	1,879,018	17%	5,495,118	34%
	12/31/2009*	582,405	1,599,533	1,017,128	36%	5,808,770	18%
	12/31/2010	835,208	1,742,863	907,655	48%	5,647,772	16%
<b>Deputies-Sworn</b>							
	12/31/2008*	437,298	9,072,732	8,635,434	5%	5,284,944	163%
	12/31/2009	1,340,321	10,179,055	8,838,734	13%	5,725,159	154%
	12/31/2010	3,312,985	11,014,487	7,701,502	30%	5,906,223	130%
<b>Other County Departments</b>							
	12/31/2008*	1,120,007	4,757,754	3,637,747	24%	18,427,124	20%
	12/31/2009	2,152,918	4,204,554	2,051,635	51%	20,706,739	10%
	12/31/2010	2,779,634	4,672,222	1,892,588	59%	20,344,733	9%
<b>Total County</b>							
	12/31/2008*	5,835,776	20,999,156	15,163,380	28%	39,489,375	38%
	12/31/2009	8,212,850	21,570,387	13,357,536	38%	42,149,817	32%
	12/31/2010	11,662,120	23,443,500	11,781,380	50%	41,171,047	29%

Valuations based on reports as of 1/1/2010.

\*Amounts based on 2008 valuation report.

\*\*Projected unit credit actuarial method used.



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**OTHER  
SUPPLEMENTAL  
INFORMATION**



# **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.



## WALWORTH COUNTY, WISCONSIN

### DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>TAXES</b>				
Real and personal property taxes	\$ 28,351,952	\$ 28,649,465	\$ 29,414,044	\$ 764,579
Retail sales and use taxes	7,100,120	6,900,120	7,067,728	167,608
Other taxes	260,000	260,000	271,460	11,460
<b>TOTAL</b>	<b>35,712,072</b>	<b>35,809,585</b>	<b>36,753,232</b>	<b>943,647</b>
<b>INTERGOVERNMENTAL</b>				
State shared taxes	275,000	285,800	381,381	95,581
Federal grants	96,207	1,058,582	859,886	(198,696)
State grants	941,237	1,052,804	953,547	(99,257)
<b>TOTAL</b>	<b>1,312,444</b>	<b>2,397,186</b>	<b>2,194,814</b>	<b>(202,372)</b>
<b>LICENSES AND PERMITS</b>				
Licenses	69,905	69,905	69,015	(890)
Permits	190,270	190,270	188,304	(1,966)
<b>TOTAL</b>	<b>260,175</b>	<b>260,175</b>	<b>257,319</b>	<b>(2,856)</b>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Law and ordinance violations	701,600	676,600	633,155	(43,445)
Court fees and costs	738,376	682,560	685,196	2,636
<b>TOTAL</b>	<b>1,439,976</b>	<b>1,359,160</b>	<b>1,318,351</b>	<b>(40,809)</b>
<b>PUBLIC CHARGES FOR SERVICES</b>				
Public charges for services	2,428,913	2,225,394	2,290,396	65,002
Patient/client revenue	14,000	8,513	8,513	-
<b>TOTAL</b>	<b>2,442,913</b>	<b>2,233,907</b>	<b>2,298,909</b>	<b>65,002</b>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
State and federal	273,938	390,965	370,822	(20,143)
Local districts	57,410	83,416	99,024	15,608
Interdepartmental revenues	1,395,412	1,398,713	1,370,138	(28,575)
<b>TOTAL</b>	<b>1,726,760</b>	<b>1,873,094</b>	<b>1,839,984</b>	<b>(33,110)</b>

(Continued)

## WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
 BUDGET AND ACTUAL - GENERAL FUND (concluded)  
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>INVESTMENT INCOME</b>				
Investment income	\$ 603,800	\$ 607,800	\$ 777,973	\$ 170,173
<b>MISCELLANEOUS</b>				
Rental revenue	201,580	201,580	201,522	(58)
Property sales and loss compensation	130,000	152,788	50,240	(102,548)
Donations and contributions	24,275	52,221	180,790	128,569
Other	25,550	47,350	28,651	(18,699)
<b>TOTAL</b>	<b>381,405</b>	<b>453,939</b>	<b>461,203</b>	<b>7,264</b>
<b>TOTAL REVENUES</b>	<b>43,879,545</b>	<b>44,994,846</b>	<b>45,901,785</b>	<b>906,939</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	196,868	3,754,979	3,652,416	(102,563)
Capital leases	10,200	10,200	10,200	-
Sale of capital assets	100,875	104,230	106,955	2,725
<b>TOTAL</b>	<b>307,943</b>	<b>3,869,409</b>	<b>3,769,571</b>	<b>(99,838)</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 44,187,488</b>	<b>\$ 48,864,255</b>	<b>\$ 49,671,356</b>	<b>\$ 807,101</b>

## WALWORTH COUNTY, WISCONSIN

### DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT</b>				
County board	\$ 199,792	\$ 199,451	\$ 170,040	\$ 29,411
County clerk	369,396	397,252	381,027	16,225
Elections	128,552	128,552	92,295	36,257
Administration	1,546,638	1,562,798	1,443,443	119,355
Finance	1,478,480	1,506,396	1,444,749	61,647
Treasurer	464,197	473,314	434,664	38,650
Coroner	374,728	374,814	306,011	68,803
Clerk of courts	3,077,959	3,025,769	2,879,010	146,759
District attorney	971,535	990,328	959,330	30,998
Register of deeds	600,721	656,278	612,247	44,031
Information technology	1,655,430	1,628,332	1,511,910	116,422
Central services	1,079,387	1,090,149	974,676	115,473
Non-departmental	2,871,869	2,323,568	2,078,708	244,860
Community initiative	52,700	58,700	58,700	-
<b>TOTAL</b>	<u>14,871,384</u>	<u>14,415,701</u>	<u>13,346,810</u>	<u>1,068,891</u>
<b>PUBLIC SAFETY</b>				
Sheriff	25,887,892	26,355,071	25,542,464	812,607
<b>HEALTH AND HUMAN SERVICES</b>				
Veterans services	182,340	197,568	185,806	11,762
<b>CULTURE, RECREATION, AND EDUCATION</b>				
UW extension	628,679	646,441	586,418	60,023
Parks	178,121	171,351	54,386	116,965
<b>TOTAL</b>	<u>806,800</u>	<u>817,792</u>	<u>640,804</u>	<u>176,988</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Land use and resource management	1,921,051	1,959,972	1,828,123	131,849
<b>TOTAL CURRENT EXPENDITURES</b>	<u>43,669,467</u>	<u>43,746,104</u>	<u>41,544,007</u>	<u>2,202,097</u> (Continued)

## WALWORTH COUNTY, WISCONSIN

### DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND (concluded) For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>CAPITAL OUTLAY:</b>				
<b>GENERAL GOVERNMENT</b>				
County board	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Administration	84,275	92,275	56,114	36,161
Finance	-	573	573	-
Register of deeds	9,990	9,990	9,568	422
Information technology	24,000	150,493	106,327	44,166
Central services	363,690	1,695,144	1,255,738	439,406
<b>TOTAL</b>	<u>506,955</u>	<u>1,973,475</u>	<u>1,428,320</u>	<u>545,155</u>
<b>PUBLIC SAFETY</b>				
Sheriff	497,016	1,297,981	707,589	590,392
<b>CULTURE, RECREATION, AND EDUCATION</b>				
Parks	34,050	80,588	74,220	6,368
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,038,021</u>	<u>3,352,044</u>	<u>2,210,129</u>	<u>1,141,915</u>
<b>TOTAL EXPENDITURES</b>	<u>44,707,488</u>	<u>47,098,148</u>	<u>43,754,136</u>	<u>3,344,012</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	1,565,000	1,575,000	1,575,000	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 46,272,488</u>	<u>\$ 48,673,148</u>	<u>\$ 45,329,136</u>	<u>\$ 3,344,012</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.



**WALWORTH COUNTY, WISCONSIN**

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

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,190,603	\$ 5,190,603	\$ 5,190,603	\$ -
Intergovernmental	75,650	75,650	75,651	1
Investment income	-	-	4,014	4,014
Total revenues	<u>5,266,253</u>	<u>5,266,253</u>	<u>5,270,268</u>	<u>4,015</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	6,804,863	6,804,863	6,804,864	(1)
Interest and fiscal charges	1,350,054	1,350,054	1,349,891	163
Total expenditures	<u>8,154,917</u>	<u>8,154,917</u>	<u>8,154,755</u>	<u>162</u>
Excess (deficiency) of revenues over expenditures	<u>(2,888,664)</u>	<u>(2,888,664)</u>	<u>(2,884,487)</u>	<u>4,177</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>2,845,652</u>	<u>2,845,652</u>	<u>2,845,652</u>	-
Total other financing sources	<u>2,845,652</u>	<u>2,845,652</u>	<u>2,845,652</u>	-
Net change in fund balances	(43,012)	(43,012)	(38,835)	4,177
Fund balances - beginning	<u>638,844</u>	<u>638,844</u>	<u>638,844</u>	-
Fund balances - ending	<u>\$ 595,832</u>	<u>\$ 595,832</u>	<u>\$ 600,009</u>	<u>\$ 4,177</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.



**WALWORTH COUNTY, WISCONSIN**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Special Revenue Funds			Totals
	Land Information	Sheriff Trusts	Capital Projects	
<b>ASSETS</b>				
Cash and investments	\$ 28,414	\$ 398,153	\$ 2,683,738	\$ 3,110,305
Restricted cash and investments	590,031	247,957	-	837,988
Taxes receivable	165,588	-	360,800	526,388
Accounts receivable	-	-	25,000	25,000
Due from other governments	-	9,840	4,260	14,100
Total assets	<u>\$ 784,033</u>	<u>\$ 655,950</u>	<u>\$ 3,073,798</u>	<u>\$ 4,513,781</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 13,061	\$ 326	\$ 304,547	\$ 317,934
Accrued liabilities	1,223	-	-	1,223
Due to other governments	14	-	-	14
Due to other funds	2	-	-	2
Deferred tax revenues	165,588	-	360,800	526,388
Other deferred revenues	-	-	29,260	29,260
Total liabilities	<u>179,888</u>	<u>326</u>	<u>694,607</u>	<u>874,821</u>
Fund balances:				
Restricted for:				
Modernization fees	386,366	-	-	386,366
Public access fees	212,730	-	-	212,730
Sheriff trusts	-	655,624	-	655,624
Unspent bond proceeds	-	-	1,565,029	1,565,029
Committed for:				
Encumbrances	-	-	395,888	395,888
Transfer to General fund	5,049	-	-	5,049
Assigned for:				
Carryforward projects	-	-	418,274	418,274
Total fund balance	<u>604,145</u>	<u>655,624</u>	<u>2,379,191</u>	<u>3,638,960</u>
Total liabilities and fund balances	<u>\$ 784,033</u>	<u>\$ 655,950</u>	<u>\$ 3,073,798</u>	<u>\$ 4,513,781</u>

## WALWORTH COUNTY, WISCONSIN

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2010

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>Land Information</u>	<u>Sheriff Trusts</u>	<u>Capital Projects</u>	
<b>REVENUES</b>				
Taxes	\$ 165,389	\$ -	\$ -	\$ 165,389
Intergovernmental	1,200	-	151,548	152,748
Public charges for services	174,890	-	-	174,890
Intergovernmental charges for services	696	-	20,653	21,349
Investment income	1,162	-	-	1,162
Miscellaneous	-	301,514	-	301,514
Total revenues	<u>343,337</u>	<u>301,514</u>	<u>172,201</u>	<u>817,052</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	60,846	-	60,846
Conservation and development	242,606	-	-	242,606
Capital outlay:				
General government	-	-	16,072	16,072
Conservation and development	30,394	-	-	30,394
Public works	-	-	530,244	530,244
Total expenditures	<u>273,000</u>	<u>60,846</u>	<u>546,316</u>	<u>880,162</u>
Excess (deficiency) of revenues over expenditures	<u>70,337</u>	<u>240,668</u>	<u>(374,115)</u>	<u>(63,110)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	10,000	10,000
Transfers out	(11,886)	(172,644)	(422,181)	(606,711)
Total other financing sources (uses)	<u>(11,886)</u>	<u>(172,644)</u>	<u>(412,181)</u>	<u>(596,711)</u>
Net change in fund balances	58,451	68,024	(786,296)	(659,821)
Fund balances - beginning	545,694	587,600	3,165,487	4,298,781
Fund balances - ending	<u>\$ 604,145</u>	<u>\$ 655,624</u>	<u>\$ 2,379,191</u>	<u>\$ 3,638,960</u>

## WALWORTH COUNTY, WISCONSIN

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL LAND INFORMATION SPECIAL REVENUE FUND For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 165,661	\$ 165,389	\$ 165,389	\$ -
Intergovernmental	300	1,200	1,200	-
Public charges for services	133,900	133,900	174,890	40,990
Intergovernmental charges for services	-	272	696	424
Investment income	4,500	1,050	1,162	112
Total revenues	<u>304,361</u>	<u>301,811</u>	<u>343,337</u>	<u>41,526</u>
<b>EXPENDITURES</b>				
Current:				
Conservation and development	242,831	273,085	242,606	30,479
Capital outlay:				
Conservation and development	-	55,984	30,394	25,590
Total expenditures	<u>242,831</u>	<u>329,069</u>	<u>273,000</u>	<u>56,069</u>
Excess (deficiency) of revenues over expenditures	<u>61,530</u>	<u>(27,258)</u>	<u>70,337</u>	<u>97,595</u>
<b>OTHER FINANCING USES</b>				
Transfers out	-	(11,886)	(11,886)	-
Net change in fund balances	61,530	(39,144)	58,451	97,595
Fund balances - beginning	<u>545,694</u>	<u>545,694</u>	<u>545,694</u>	<u>-</u>
Fund balances - ending	<u>\$ 607,224</u>	<u>\$ 506,550</u>	<u>\$ 604,145</u>	<u>\$ 97,595</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 151,548	\$ 151,548	\$ -
Intergovernmental charges for services	-	58,611	20,653	(37,958)
Miscellaneous	-	66,530	-	(66,530)
Total revenues	-	276,689	172,201	(104,488)
<b>EXPENDITURES</b>				
Capital outlay:				
General government	-	216,072	16,072	200,000
Public works	-	2,642,207	530,244	2,111,963
Total expenditures	-	2,858,279	546,316	2,311,963
Excess (deficiency) of revenues over expenditures	-	(2,581,590)	(374,115)	2,207,475
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	10,000	10,000	-
Transfers out	-	(422,181)	(422,181)	-
Total other financing sources (uses)	-	(412,181)	(412,181)	-
Net change in fund balances	-	(2,993,771)	(786,296)	2,207,475
Fund balances - beginning	3,165,487	3,165,487	3,165,487	-
Fund balances - ending	<u>\$ 3,165,487</u>	<u>\$ 171,716</u>	<u>\$ 2,379,191</u>	<u>\$ 2,207,475</u>

## INTERNAL SERVICE FUNDS

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



## WALWORTH COUNTY, WISCONSIN

### COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS December 31, 2010

	Health Insurance	Dental Insurance	Workers Compensation	Risk Management	Totals
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 12,532,591	\$ 415,294	\$ 2,399,884	\$ 4,197,481	\$ 19,545,250
Restricted cash and investments:					
Deposits held with fiscal agents	337,600	-	35,000	339,371	711,971
Accounts receivable	734,135	491	-	-	734,626
Due from other funds	-	-	17,870	-	17,870
Prepaid items	122,000	-	-	5,795	127,795
Total current assets	13,726,326	415,785	2,452,754	4,542,647	21,137,512
Noncurrent assets:					
Restricted cash and investments:					
Deposit held with WMMIC	-	-	-	1,563,000	1,563,000
Total assets	13,726,326	415,785	2,452,754	6,105,647	22,700,512
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	113,127	-	1,825	-	114,952
Claims payable	1,747,000	40,000	1,901,752	1,471,069	5,159,821
Deposits	1,448,128	69,623	-	-	1,517,751
Retiree health credits - current	102,117	-	-	-	102,117
Total current liabilities	3,410,372	109,623	1,903,577	1,471,069	6,894,641
Noncurrent liabilities:					
Retiree health credits - long term	685,227	-	-	-	685,227
Total liabilities	4,095,599	109,623	1,903,577	1,471,069	7,579,868
<b>NET ASSETS</b>					
Restricted for donations	880	-	-	-	880
Unrestricted	9,629,847	306,162	549,177	4,634,578	15,119,764
Total net assets	\$ 9,630,727	\$ 306,162	\$ 549,177	\$ 4,634,578	\$ 15,120,644

**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2010

	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Workers Compensation</u>	<u>Risk Management</u>	<u>Totals</u>
Operating revenues:					
Interdepartmental	\$ 16,348,814	\$ 770,887	\$ -	\$ 206,015	\$ 17,325,716
Charges for services	<u>2,213,345</u>	<u>26,104</u>	<u>637,833</u>	<u>-</u>	<u>2,877,282</u>
Total operating expenses	<u>18,562,159</u>	<u>796,991</u>	<u>637,833</u>	<u>206,015</u>	<u>20,202,998</u>
Operating expenses:					
Insurance services	<u>15,614,179</u>	<u>745,047</u>	<u>763,601</u>	<u>149,633</u>	<u>17,272,460</u>
Total operating expenses	<u>15,614,179</u>	<u>745,047</u>	<u>763,601</u>	<u>149,633</u>	<u>17,272,460</u>
Operating income (loss)	<u>2,947,980</u>	<u>51,944</u>	<u>(125,768)</u>	<u>56,382</u>	<u>2,930,538</u>
Nonoperating revenues:					
Intergovernmental grants	23,205	1,334	-	-	24,539
Investment income	22,926	783	4,847	23,310	51,866
Insurance recovery	-	-	-	71,898	71,898
Legal claim settlement	-	-	21,513	-	21,513
Rent, rebates, and donations	<u>2,380</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>2,880</u>
Total nonoperating revenues	<u>48,511</u>	<u>2,117</u>	<u>26,860</u>	<u>95,208</u>	<u>172,696</u>
Change in net assets	2,996,491	54,061	(98,908)	151,590	3,103,234
Total net assets - beginning	<u>6,634,236</u>	<u>252,101</u>	<u>648,085</u>	<u>4,482,988</u>	<u>12,017,410</u>
Total net assets - ending	<u>\$ 9,630,727</u>	<u>\$ 306,162</u>	<u>\$ 549,177</u>	<u>\$ 4,634,578</u>	<u>\$ 15,120,644</u>

**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2010

	Health Insurance	Dental Insurance	Workers Compensation	Risk Management	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,917,699	\$ 25,613	\$ 10,661	\$ -	\$ 1,953,973
Receipts from interfund services provided	16,326,827	773,807	635,173	206,015	17,941,822
Payments to suppliers	<u>(15,555,480)</u>	<u>(775,050)</u>	<u>(516,866)</u>	<u>(258,126)</u>	<u>(17,105,522)</u>
Net cash provided by (used in) operating activities	<u>2,689,046</u>	<u>24,370</u>	<u>128,968</u>	<u>(52,111)</u>	<u>2,790,273</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental grants	23,205	1,334	-	-	24,539
Insurance recovery	-	-	-	71,898	71,898
Legal claim settlement	-	-	21,513	-	21,513
Rent, rebates, and donations	<u>2,380</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>2,880</u>
Net cash provided by non-capital financing activities	<u>25,585</u>	<u>1,334</u>	<u>22,013</u>	<u>71,898</u>	<u>120,830</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	<u>22,926</u>	<u>783</u>	<u>4,847</u>	<u>23,310</u>	<u>51,866</u>
Net cash provided by investing activities	<u>22,926</u>	<u>783</u>	<u>4,847</u>	<u>23,310</u>	<u>51,866</u>
Net increase in cash and investments	2,737,557	26,487	155,828	43,097	2,962,969
Cash and investments - beginning	<u>10,132,634</u>	<u>388,807</u>	<u>2,279,056</u>	<u>4,493,755</u>	<u>17,294,252</u>
Cash and investments - ending	<u>\$ 12,870,191</u>	<u>\$ 415,294</u>	<u>\$ 2,434,884</u>	<u>\$ 4,536,852</u>	<u>\$ 20,257,221</u>

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

Cash and investments	\$ 12,532,591	\$ 415,294	\$ 2,399,884	\$ 4,197,481	\$ 19,545,250
Restricted cash and investments	<u>337,600</u>	<u>-</u>	<u>35,000</u>	<u>339,371</u>	<u>711,971</u>
	<u>\$ 12,870,191</u>	<u>\$ 415,294</u>	<u>\$ 2,434,884</u>	<u>\$ 4,536,852</u>	<u>\$ 20,257,221</u>

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

Operating income (loss)	\$ 2,947,980	\$ 51,944	\$ (125,768)	\$ 56,382	\$ 2,930,538
Adjustments to reconcile operating income (loss) to to net cash provided by (used in) operating activities					
Change in assets and liabilities:					
Accounts receivable	(295,646)	(491)	10,661	-	(285,476)
Due from other funds	-	-	(2,660)	-	(2,660)
Prepaid items	(122,000)	-	-	(2,986)	(124,986)
Accounts payable	105,699	(3)	(17,677)	-	88,019
Claims payable	75,000	(30,000)	264,412	(105,507)	203,905
Retiree health credits	(16,827)	-	-	-	(16,827)
Deposits	<u>(5,160)</u>	<u>2,920</u>	<u>-</u>	<u>-</u>	<u>(2,240)</u>
Net cash provided by operating activities	<u>\$ 2,689,046</u>	<u>\$ 24,370</u>	<u>\$ 128,968</u>	<u>\$ (52,111)</u>	<u>\$ 2,790,273</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 JP Morgan Chase. The account is titled “Walworth County American Revolution”. Currently, interest is the only revenue activity.

## Agency Funds

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



**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2010

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	<u>Private Purpose Trusts</u>		
	<u>G. Charter Harrison Trust</u>	<u>Tricentennial Trust</u>	<u>Fiduciary Funds Total</u>
<b>ASSETS</b>			
Cash and investments	<u>\$ 40,057</u>	<u>\$ 633</u>	<u>\$ 40,690</u>
<b>NET ASSETS</b>			
Held in trust for private purposes	<u>\$ 40,057</u>	<u>\$ 633</u>	<u>\$ 40,690</u>

**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

For the Year Ended December 31, 2010

	Private Purpose Trusts		
	G. Charter Harrison Trust	Tricentennial Trust	Fiduciary Funds Total
<b>ADDITIONS</b>			
Investment income	\$ 84	\$ -	\$ 84
Change in net assets	84	-	84
Net assets - beginning	39,973	633	40,606
Net assets - ending	\$ 40,057	\$ 633	\$ 40,690

**WALWORTH COUNTY, WISCONSIN**

COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - AGENCY FUNDS  
For the Year Ended December 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
<b><u>PENDING COURT CASES</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,286,213	\$ 2,782,882	\$ 3,020,963	\$ 1,048,132
Total assets	<u>\$ 1,286,213</u>	<u>\$ 2,782,882</u>	<u>\$ 3,020,963</u>	<u>\$ 1,048,132</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 150,042	\$ 2,286,416	\$ 2,265,424	\$ 171,034
Deposits	<u>1,136,171</u>	<u>261,941</u>	<u>521,014</u>	<u>877,098</u>
Total liabilities	<u>\$ 1,286,213</u>	<u>\$ 2,548,357</u>	<u>\$ 2,786,438</u>	<u>\$ 1,048,132</u>
<b><u>OTHER</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 182,806	\$ 1,590,830	\$ 1,655,598	\$ 118,038
Accounts receivable	<u>-</u>	<u>42,652</u>	<u>42,652</u>	<u>-</u>
Total assets	<u>\$ 182,806</u>	<u>\$ 1,633,482</u>	<u>\$ 1,698,250</u>	<u>\$ 118,038</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 136,647	\$ 392,881	\$ 460,839	\$ 68,689
Due to other governments	19,536	1,111,584	1,130,092	1,028
Deposits	<u>26,623</u>	<u>363,542</u>	<u>341,844</u>	<u>48,321</u>
Total liabilities	<u>\$ 182,806</u>	<u>\$ 1,868,007</u>	<u>\$ 1,932,775</u>	<u>\$ 118,038</u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,469,019	\$ 4,373,712	\$ 4,676,561	\$ 1,166,170
Accounts receivable	<u>-</u>	<u>42,652</u>	<u>42,652</u>	<u>-</u>
Total assets	<u>\$ 1,469,019</u>	<u>\$ 4,416,364</u>	<u>\$ 4,719,213</u>	<u>\$ 1,166,170</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 286,689	\$ 2,679,297	\$ 2,726,263	\$ 239,723
Due to other governments	19,536	1,111,584	1,130,092	1,028
Deposits	<u>1,162,794</u>	<u>625,483</u>	<u>862,858</u>	<u>925,419</u>
Total liabilities	<u>\$ 1,469,019</u>	<u>\$ 4,416,364</u>	<u>\$ 4,719,213</u>	<u>\$ 1,166,170</u>



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



## WALWORTH COUNTY, WISCONSIN

### CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CAPITAL ASSETS BY SOURCE DECEMBER 31, 2010 AND 2009

	2010	2009
Capital assets:		
Land	\$ 1,092,194	\$ 1,092,194
Buildings	65,784,984	65,160,919
Improvements other than buildings	4,847,164	4,494,019
Infrastructure	50,921,260	47,406,598
Machinery and equipment	20,672,208	20,460,184
Construction in progress	1,858,532	3,308,892
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 145,176,342</b>	<b>\$ 141,922,806</b>
Investment in capital assets by source:		
Bonds	\$ 75,234,148	\$ 75,319,748
Donations	1,616,973	1,606,051
Grants	4,744,430	1,358,041
Tax levy	25,806,802	25,435,827
Capital projects **	37,773,989	38,203,139
<b>TOTAL INVESTMENT IN CAPITAL ASSETS</b>	<b>\$ 145,176,342</b>	<b>\$ 141,922,806</b>

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

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

**WALWORTH COUNTY, WISCONSIN**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
December 31, 2010

<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
Administration	-	-	-	-	11,105	39,114	50,219
Finance	-	-	-	-	670,395	-	670,395
Clerk of courts	-	-	-	-	513,509	-	513,509
District attorney	-	-	-	-	54,812	-	54,812
Register of deeds	-	-	-	-	93,818	-	93,818
Information technology	-	-	-	-	2,618,416	117,421	2,735,837
Central services	-	21,130,572	2,579,753	-	2,350,125	148,635	26,209,085
Non-departmental	708,930	90,530	405,278	-	27,500	-	1,232,238
<b>TOTAL GENERAL GOVERNMENT</b>	<b>708,930</b>	<b>21,221,102</b>	<b>2,985,031</b>	<b>-</b>	<b>6,370,316</b>	<b>305,170</b>	<b>31,590,549</b>
Public Safety							
Sheriff	-	21,873,634	1,321,345	-	8,011,153	462,437	31,668,569
<b>TOTAL PUBLIC SAFETY</b>	<b>-</b>	<b>21,873,634</b>	<b>1,321,345</b>	<b>-</b>	<b>8,011,153</b>	<b>462,437</b>	<b>31,668,569</b>
Health and Human Services							
Veterans	-	-	-	-	13,117	-	13,117
Human services	-	5,528,231	74,631	-	230,184	524,828	6,357,874
<b>TOTAL HEALTH AND HUMAN SERVICES</b>	<b>-</b>	<b>5,528,231</b>	<b>74,631</b>	<b>-</b>	<b>243,301</b>	<b>524,828</b>	<b>6,370,991</b>
Culture, Recreation, and Education							
Children with Disabilities Education Board	-	16,717,373	-	-	322,443	23,422	17,063,238
Parks	383,264	444,644	466,157	-	-	-	1,294,065
<b>TOTAL CULTURE, RECREATION AND EDUCATION</b>	<b>383,264</b>	<b>17,162,017</b>	<b>466,157</b>	<b>-</b>	<b>322,443</b>	<b>23,422</b>	<b>18,357,303</b>
Public Works							
Capital projects	-	-	-	-	-	542,675	542,675
Infrastructure	-	-	-	50,921,260	-	-	50,921,260
<b>TOTAL PUBLIC WORKS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,921,260</b>	<b>-</b>	<b>542,675</b>	<b>51,463,935</b>
Conservation and Development							
Land use and resource management	-	-	-	-	113,764	-	113,764
Land information	-	-	-	-	5,611,231	-	5,611,231
<b>TOTAL CONSERVATION AND DEVELOPMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,724,995</b>	<b>-</b>	<b>5,724,995</b>
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 1,092,194</b>	<b>\$ 65,784,984</b>	<b>\$ 4,847,164</b>	<b>\$ 50,921,260</b>	<b>\$ 20,672,208</b>	<b>\$ 1,858,532</b>	<b>\$ 145,176,342</b>

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

**WALWORTH COUNTY, WISCONSIN**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
December 31, 2010

<u>FUNCTION AND ACTIVITY</u>	CAPITAL ASSETS			CAPITAL ASSETS
	JANUARY 1, 2010	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2010
General Government				
County clerk	\$ 11,886	\$ -	\$ -	\$ 11,886
Elections	18,750	-	-	18,750
Administration	-	50,219	-	50,219
Finance	670,395	-	-	670,395
Clerk of courts	513,509	-	-	513,509
District attorney	54,812	-	-	54,812
Register of deeds	99,389	66,874	72,445	93,818
Information technology	3,168,070	126,420	558,653	2,735,837
Central services	25,397,332	1,096,537	284,784	26,209,085
Non-departmental	1,232,238	-	-	1,232,238
<b>TOTAL GENERAL GOVERNMENT</b>	<b>31,166,381</b>	<b>1,340,050</b>	<b>915,882</b>	<b>31,590,549</b>
Public Safety				
Sheriff	31,358,227	875,951	565,609	31,668,569
<b>TOTAL PUBLIC SAFETY</b>	<b>31,358,227</b>	<b>875,951</b>	<b>565,609</b>	<b>31,668,569</b>
Health and Human Services				
Veterans	13,117	-	-	13,117
Human services	6,215,165	174,158	31,449	6,357,874
<b>TOTAL HEALTH AND HUMAN SERVICES</b>	<b>6,228,282</b>	<b>174,158</b>	<b>31,449</b>	<b>6,370,991</b>
Culture, Recreation, and Education				
Children with Disabilities Education Board	16,806,746	256,492	-	17,063,238
Parks	1,350,873	36,097	92,905	1,294,065
<b>TOTAL CULTURE, RECREATION AND EDUCATION</b>	<b>18,157,619</b>	<b>292,589</b>	<b>92,905</b>	<b>18,357,303</b>
Public Works				
Capital projects	1,880,704	435,233	1,773,262	542,675
Infrastructure	47,406,598	4,050,607	535,945	50,921,260
<b>TOTAL PUBLIC WORKS</b>	<b>49,287,302</b>	<b>4,485,840</b>	<b>2,309,207</b>	<b>51,463,935</b>
Conservation and Development				
Land use and resource management	113,764	-	-	113,764
Land information	5,611,231	-	-	5,611,231
<b>TOTAL CONSERVATION AND DEVELOPMENT</b>	<b>5,724,995</b>	<b>-</b>	<b>-</b>	<b>5,724,995</b>
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 141,922,806</b>	<b>\$ 7,168,588</b>	<b>\$ 3,915,052</b>	<b>\$ 145,176,342</b>

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

The additions and deductions include amounts transferred between funds. For 2010, these transfers total \$31,881.



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**STATISTICAL  
SECTION**



## **Statistical Section (Unaudited)**

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

	<u>Page</u>
<b>FINANCIAL TRENDS</b>	<b>93– 100</b>
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
<b>REVENUE CAPACITY</b>	<b>101 – 104</b>
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
<b>DEBT CAPACITY</b>	<b>105 – 108</b>
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	<b>109 – 110</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>OPERATING INFORMATION</b>	<b>111 – 115</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The County implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.*



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

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
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	\$ 57,401,851	\$ 64,608,829	\$ 71,632,627
Restricted	2,717,020	1,772,359	1,913,155	1,510,947	3,102,544	3,320,060	1,344,848	1,733,105
Unrestricted	31,516,690	32,626,923	35,583,545	35,535,211	31,835,196	42,594,421	49,179,068	56,274,512
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>	<u>\$ 115,132,745</u>	<u>\$ 129,640,244</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	\$ 12,061,594	\$ 14,190,480
Restricted	-	-	250,998	121,838	128,927	144,269	433,244	266,883
Unrestricted	8,650,148	10,583,255	14,129,494	13,066,408	12,322,506	12,473,282	11,333,696	11,726,910
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>	<u>\$ 23,828,534</u>	<u>\$ 26,184,273</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	\$ 66,312,107	\$ 76,670,423	\$ 85,823,107
Restricted	2,717,020	1,772,359	2,164,153	1,632,785	3,231,471	3,464,329	1,778,092	1,999,988
Unrestricted	40,166,838	43,210,178	49,713,039	48,601,619	44,157,702	55,067,703	60,512,764	68,001,422
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>	<u>\$ 138,961,279</u>	<u>\$ 155,824,517</u>

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

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
<b>Expenses</b>								
Governmental activities:								
General government	\$ 11,680,604	\$ 13,384,447	\$ 13,034,915	\$ 15,159,984	\$ 15,308,444	\$ 13,813,464	\$ 14,016,099	\$ 14,390,338
Public safety	18,706,689	19,747,239	20,694,984	21,841,262	23,062,787	23,803,711	24,087,943	24,851,250
Health and human services	29,577,094	29,940,303	29,228,166	29,316,500	30,870,763	29,975,541	29,937,903	23,277,180
Culture, recreation and education	11,181,802	11,602,673	12,511,033	14,182,158	14,193,460	16,011,838	14,494,732	14,583,667
Public works	1,322,027	1,286,584	1,612,019	3,616,627	3,726,158	2,175,607	2,269,576	1,440,280
Conservation and development	2,433,761	2,292,313	2,345,557	2,409,888	2,479,686	2,439,853	2,296,442	2,187,377
Interest on long-term debt	1,448,636	1,648,922	1,750,429	1,914,265	1,412,336	1,569,796	1,342,711	1,416,805
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>	<u>88,445,406</u>	<u>82,146,897</u>
Business-type activities:								
Nursing home	16,177,451	13,587,405	12,210,404	14,022,169	11,914,949	12,145,036	11,992,288	12,138,005
Highway/facilities administration	5,989,487	5,079,508	7,369,426	6,950,699	8,809,086	9,693,282	8,613,900	8,824,242
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>	<u>20,606,188</u>	<u>20,962,247</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>	<u>\$ 109,051,594</u>	<u>\$ 103,109,144</u>
<b>Program Revenues</b>								
Governmental activities:								
Charges for services								
General government	\$ 2,508,176	\$ 2,928,960	\$ 2,654,039	\$ 3,509,042	\$ 2,788,985	\$ 3,455,029	\$ 3,107,475	\$ 2,882,433
Public safety	1,399,600	1,377,735	1,389,687	1,537,802	1,630,593	1,708,157	1,467,768	1,695,367
Health and human services	3,510,181	3,614,429	3,602,941	3,702,426	4,224,649	4,075,661	4,642,061	3,083,892
Culture, recreation and education	381,141	314,965	173,618	154,992	160,090	174,430	203,711	337,201
Public works	-	-	26,180	137,782	-	-	-	4,259
Conservation and development	1,097,225	1,055,950	1,029,192	988,825	856,256	724,190	653,502	629,506
Operating grants and contributions								
General government	512,487	603,549	542,107	557,570	652,215	574,195	831,676	683,474
Public safety	743,317	815,674	803,228	953,121	851,120	852,400	793,455	1,022,525
Health and human services	15,773,806	16,077,659	16,640,899	16,590,140	17,498,245	18,129,418	18,016,188	11,795,721
Culture, recreation and education	6,117,502	6,031,338	6,201,662	6,693,544	7,071,866	8,346,676	8,618,768	8,159,198
Public works	-	-	-	-	-	-	-	151,548
Conservation and development	338,588	426,495	363,915	290,133	293,649	323,639	345,300	313,749
Capital grants and contributions								
General government	-	-	-	640,305	6,979	-	-	423,388
Public safety	152,553	317,136	542,469	86,275	93,555	70,674	207,118	142,399
Health and human services	-	-	-	-	-	3,732	-	3,563
Culture, recreation and education	-	14,395	-	14,702	421,773	282,352	72,298	22,500
Public works	390,427	5,084	922,761	756,813	150,712	-	220,491	2,222,380
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>	<u>39,179,811</u>	<u>33,573,103</u>

(continued)

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

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
<b>Program Revenues (continued)</b>								
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	\$ 8,601,097	\$ 8,735,483
Highway/facilities administration	3,113,119	2,877,118	3,407,112	2,718,861	4,236,620	5,009,372	3,787,233	4,051,876
Operating grants and contributions								
Nursing home	4,145,900	1,933,348	1,777,526	1,017,463	919,389	1,520,883	1,315,580	1,347,952
Highway/facilities administration	2,106,245	2,081,204	2,057,481	2,024,358	2,000,835	2,110,893	2,107,417	1,991,976
Capital grants and contributions								
Highway/facilities administration	-	-	2,740	-	37,738	123,040	107,750	8,069
Subtotal business-type activities program revenues	<u>20,598,619</u>	<u>16,339,454</u>	<u>17,697,799</u>	<u>11,919,728</u>	<u>14,557,262</u>	<u>16,454,372</u>	<u>15,919,077</u>	<u>16,135,356</u>
Total primary government program revenues	<u>\$ 53,616,672</u>	<u>\$ 49,975,041</u>	<u>\$ 52,816,606</u>	<u>\$ 48,533,200</u>	<u>\$ 51,257,949</u>	<u>\$ 55,174,925</u>	<u>\$ 55,098,888</u>	<u>\$ 49,708,459</u>
<b>Net (Expense) Revenue by Function:</b>								
Governmental activities:								
General government	\$ (8,659,941)	\$ (9,851,938)	\$ (9,838,769)	\$ (10,453,067)	\$ (11,860,265)	\$ (9,784,240)	\$ (10,076,948)	\$ (10,401,043)
Public safety	(16,411,219)	(17,236,694)	(17,959,600)	(19,264,064)	(20,487,519)	(21,172,480)	(21,619,602)	(21,990,959)
Health and human services	(10,293,107)	(10,248,215)	(8,984,326)	(9,023,934)	(9,147,869)	(7,766,730)	(7,279,654)	(8,394,004)
Culture, recreation and education	(4,683,159)	(5,241,975)	(6,135,753)	(7,318,920)	(6,539,731)	(7,208,380)	(5,599,955)	(6,064,768)
Public works	(931,600)	(1,281,500)	(663,078)	(2,722,032)	(3,575,446)	(2,175,607)	(2,049,085)	937,907
Conservation and development	(904,898)	(757,650)	(726,341)	(1,130,930)	(1,329,781)	(1,392,024)	(1,297,640)	(1,244,122)
Interest on long-term debt	(1,448,636)	(1,648,922)	(1,750,429)	(1,914,265)	(1,412,336)	(1,569,796)	(1,342,711)	(1,416,805)
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>	<u>(49,265,595)</u>	<u>(48,573,794)</u>
Business-type activities:								
Nursing home	(798,196)	(2,206,273)	20,062	(6,845,660)	(3,632,880)	(2,933,969)	(2,075,611)	(2,054,570)
Highway/facilities administration	(770,123)	(121,186)	(1,902,093)	(2,207,480)	(2,533,893)	(2,449,977)	(2,611,500)	(2,772,321)
Subtotal business-type activities expenses	<u>(1,568,319)</u>	<u>(2,327,459)</u>	<u>(1,882,031)</u>	<u>(9,053,140)</u>	<u>(6,166,773)</u>	<u>(5,383,946)</u>	<u>(4,687,111)</u>	<u>(4,826,891)</u>
Total primary government net (expense)/revenue	<u>\$ (44,900,879)</u>	<u>\$ (48,594,353)</u>	<u>\$ (47,940,327)</u>	<u>\$ (60,880,352)</u>	<u>\$ (60,519,720)</u>	<u>\$ (56,453,203)</u>	<u>\$ (53,952,706)</u>	<u>\$ (53,400,685)</u>

(continued)

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

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Taxes								
General property taxes		\$ 37,150,309	\$ 38,031,659	\$ 36,352,921	\$ 39,470,341	\$ 42,011,107	\$ 44,880,244	\$ 49,395,052
Property taxes for debt service	\$ 35,453,371	5,242,764	6,051,593	7,716,392	7,875,781	6,714,271	6,642,168	5,190,603
County share of sales taxes	4,690,152	7,336,138	7,303,638	7,535,343	7,597,303	7,807,117	6,951,954	7,067,728
Real estate transfer fees	6,556,865	573,046	648,518	-	-	-	-	-
Other taxes	455,045	81,920	90,475	77,710	82,751	76,789	64,719	87,930
Grants and contributions not restricted to specific programs	89,923	367,357	325,169	341,622	341,038	331,464	347,144	381,381
Unrestricted investment earnings	776,327	839,240	2,873,982	4,480,264	4,642,076	2,992,572	2,056,156	849,201
Gain on sale of assets	853,927	-	-	-	-	-	-	4,804
Miscellaneous	190,113	30,360	7,225	13,925	124,731	46,561	108,223	74,594
Transfers	23,528	(1,554)	(1,688,014)	(14,643,794)	(1,290,254)	49,714	31,400	30,000
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>	<u>61,082,008</u>	<u>63,081,293</u>
Business-type activities:								
Property taxes	3,890,008	3,989,468	3,349,396	5,517,249	5,424,014	6,719,641	6,970,537	6,944,963
Unrestricted investment earnings	4,768	31,223	75,608	134,101	129,806	63,731	11,997	5,486
Gain/(Loss) on sale of capital assets	6,109	-	-	-	-	98,145	-	6,128
Miscellaneous	47,135	13,968	25,590	-	36,247	46,055	36,704	256,053
Transfers	380,895	1,554	1,688,014	14,643,794	1,290,254	(49,714)	(31,400)	(30,000)
Subtotal business-type activities general revenues	<u>4,328,915</u>	<u>4,036,213</u>	<u>5,138,608</u>	<u>20,295,144</u>	<u>6,880,321</u>	<u>6,877,858</u>	<u>6,987,838</u>	<u>7,182,630</u>
Total primary government general revenues	<u>\$ 53,418,166</u>	<u>\$ 55,655,793</u>	<u>\$ 58,782,853</u>	<u>\$ 62,169,527</u>	<u>\$ 65,724,088</u>	<u>\$ 66,907,453</u>	<u>\$ 68,069,846</u>	<u>\$ 70,263,923</u>
<b>Change in Net Assets</b>								
Governmental activities	\$ 5,756,691	\$ 5,352,686	\$ 7,585,949	\$ (9,952,829)	\$ 4,490,820	\$ 8,960,338	\$ 11,816,413	\$ 14,507,499
Business-type activities	2,760,596	1,708,754	3,256,577	11,242,004	713,548	1,493,912	2,300,727	2,355,739
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>	<u>\$ 14,117,140</u>	<u>\$ 16,863,238</u>

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	\$ 4,957,073	\$ 5,048,481	\$ 3,180,879	\$ 2,506,336	\$ 2,995,254	\$ 3,649,929	\$ 8,898,910	\$ -	\$ -	\$ -
Unreserved	17,559,634	21,570,984	25,410,679	21,241,187	23,849,264	22,798,437	19,260,283	-	-	-
Nonspendable								3,755,334	4,995,581	4,407,797
Restricted	-	-	-	-	-	-	-	194,371	301,795	220,625
Committed	-	-	-	-	-	-	-	269,797	642,254	1,055,834
Assigned	-	-	-	-	-	-	-	5,182,772	3,346,237	3,713,293
Unassigned	-	-	-	-	-	-	-	18,471,322	18,883,279	23,113,817
Total general fund	<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>	<u>\$ 28,169,146</u>	<u>\$ 32,511,366</u>
All other governmental funds										
Reserved	\$ 5,465,055	\$ 3,686,966	\$ 5,627,188	\$ 7,526,442	\$ 7,418,986	\$ 3,389,038	\$ 4,896,463	\$ -	\$ -	\$ -
Unreserved										
Special revenue funds	1,706,707	3,430,833	1,558,663	524,073	199,376	1,901,176	2,562,710	-	-	-
Capital projects fund	-	-	1,599,101	2,107,355	2,659,242	1,923,875	(3,838,378)	-	-	-
Restricted	-	-	-	-	-	-	-	1,480,527	3,700,877	3,076,630
Committed	-	-	-	-	-	-	-	421,560	582,755	4,581,036
Assigned, specifically*	-	-	-	-	-	-	-	1,493,221	1,281,030	514,276
Assigned, non-specific**	-	-	-	-	-	-	-	6,056,580	5,680,452	2,827,290
Total all other governmental funds	<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>	<u>\$ 11,245,114</u>	<u>\$ 10,999,232</u>
Total governmental funds, fund balances	<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>	<u>\$ 39,414,260</u>	<u>\$ 43,510,598</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.  
-2001 to 2007 have not been converted to the new GASB 54 Fund Balance Terminology

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

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

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Revenues</b>										
Taxes	\$ 40,584,929	\$ 45,010,223	\$ 47,333,317	\$ 50,615,811	\$ 53,048,694	\$ 53,109,631	\$ 56,064,682	\$ 57,300,471	\$ 59,277,331	\$ 61,916,489
Intergovernmental	21,017,279	24,352,928	24,290,647	24,092,046	24,962,700	25,579,590	26,146,651	27,748,565	27,552,748	22,799,880
Licenses and permits	375,293	324,951	387,352	399,561	359,380	351,552	376,192	309,766	258,150	257,319
Fines, forfeitures and penalties	1,043,360	1,111,757	1,437,647	1,357,723	1,233,647	1,379,320	1,315,006	1,425,845	1,337,605	1,318,351
Charges for services	6,281,891	7,503,810	6,410,038	6,712,146	6,738,175	7,509,204	8,191,723	8,034,880	9,931,953	7,693,031
Miscellaneous	2,803,535	1,790,189	2,159,660	2,290,721	2,971,299	4,085,271	4,690,726	2,827,721	1,778,428	2,063,316
<b>Total revenues</b>	<b>72,106,287</b>	<b>80,093,858</b>	<b>82,018,661</b>	<b>85,468,008</b>	<b>89,313,895</b>	<b>92,014,568</b>	<b>96,784,980</b>	<b>97,647,248</b>	<b>100,136,215</b>	<b>96,048,386</b>
<b>Expenditures</b>										
General government	9,688,190	10,066,733	9,710,912	12,410,128	11,594,328	11,780,358	12,590,192	12,914,743	13,452,827	13,346,811
Public safety	16,606,214	17,333,121	18,384,651	19,030,720	19,740,148	20,137,931	22,015,542	22,495,773	23,791,636	25,603,310
Health and human services	26,208,884	27,646,305	29,434,868	29,992,775	28,981,077	28,903,629	30,961,410	30,096,850	30,492,456	23,510,532
Culture, recreation and education	10,430,412	10,886,520	11,264,203	11,726,546	12,261,159	13,333,312	15,345,841	19,063,558	15,420,296	16,091,316
Conservation and development	3,126,138	4,131,680	2,365,568	2,254,858	2,148,494	2,059,547	2,178,892	2,216,851	2,173,794	2,070,729
Capital outlay	7,810,957	10,989,667	11,051,109	9,659,829	13,155,446	18,525,611	16,537,505	6,535,211	7,906,951	3,321,750
Debt service										
Interest and fiscal charges	1,593,279	1,373,926	1,522,521	1,589,718	1,715,428	1,851,914	1,378,174	1,815,130	1,470,670	6,804,864
Principal	1,885,159	2,572,415	3,619,483	3,695,000	4,625,000	6,145,000	6,126,156	9,403,810	8,769,898	1,349,891
<b>Total expenditures</b>	<b>77,349,233</b>	<b>85,000,367</b>	<b>87,353,315</b>	<b>90,359,574</b>	<b>94,221,080</b>	<b>102,737,302</b>	<b>107,133,712</b>	<b>104,541,926</b>	<b>103,478,528</b>	<b>92,099,203</b>
Excess (deficiency) of revenues over expenditures	(5,242,946)	(4,906,509)	(5,334,654)	(4,891,566)	(4,907,185)	(10,722,734)	(10,348,732)	(6,894,678)	(3,342,313)	3,949,183
<b>Other financing sources (uses)</b>										
Proceeds from borrowing, net	7,912,951	7,538,749	9,318,413	6,122,999	9,787,053	7,340,642	9,857,652	8,596,300	5,319,895	-
Proceeds from refunding, net	7,035,670	3,875,000	-	-	-	-	-	3,319,441	-	-
Payments to escrow agent	(7,035,670)	(3,850,000)	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	10,200
Sale of assets	-	-	-	-	-	-	-	474,719	111,194	106,955
Transfers in	1,310,101	3,478,027	3,443,750	3,734,982	5,131,859	5,102,390	5,335,664	7,032,104	7,983,740	6,508,068
Transfers out	(1,159,193)	(2,086,472)	(3,788,263)	(8,437,532)	(6,794,998)	(5,179,965)	(6,727,051)	(6,982,390)	(7,983,740)	(6,478,068)
<b>Total other financing sources (uses)</b>	<b>8,063,859</b>	<b>8,955,304</b>	<b>8,973,900</b>	<b>1,420,449</b>	<b>8,123,914</b>	<b>7,263,067</b>	<b>8,466,265</b>	<b>12,440,174</b>	<b>5,431,089</b>	<b>147,155</b>
<b>Net change in fund balances<sup>(a)</sup></b>	<b>\$ 2,820,913</b>	<b>\$ 4,048,795</b>	<b>\$ 3,639,246</b>	<b>\$ (3,471,117)</b>	<b>\$ 3,216,729</b>	<b>\$ (3,459,667)</b>	<b>\$ (1,882,467)</b>	<b>\$ 5,545,496</b>	<b>\$ 2,088,776</b>	<b>\$ 4,096,338</b>
<b>Debt service as a percentage of non-capital expenditures</b>	5.00%	5.33%	6.74%	6.55%	7.82%	9.50%	8.28%	11.45%	10.72%	9.19%

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	
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%	28.8%	18.2%	2.1%	6.3%	9.0%	1.7%	100.0%
2009	\$ 13,452,827	\$ 23,791,636	\$ 30,492,456	\$ 15,420,296	\$ 2,173,794	\$ 7,906,951	\$ 8,769,898	\$ 1,470,670	\$ 103,478,528
% of Total	13.0%	23.0%	29.5%	14.9%	2.1%	7.6%	8.5%	1.4%	100.0%
2010	\$ 13,346,811	\$ 25,603,310	\$ 23,510,532	\$ 16,091,316	\$ 2,070,729	\$ 3,321,750	\$ 6,804,864	\$ 1,349,891	\$ 92,099,203
% of Total	14.5%	27.8%	25.5%	17.5%	2.1%	3.6%	7.4%	1.5%	99.9%

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
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%
2009	\$ 59,277,331	\$ 27,552,748	\$ 258,150	\$ 1,337,605	\$ 9,931,953	\$ 1,778,428	\$ 100,136,215
% of Total	59.2%	27.5%	0.3%	1.3%	9.9%	1.8%	100.0%
2010	\$ 61,916,489	\$ 22,799,880	\$ 257,319	\$ 1,318,351	\$ 7,693,031	\$ 2,063,316	\$ 96,048,386
% of Total	64.5%	23.7%	0.3%	1.4%	8.0%	2.1%	100.0%

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				
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
2009	13,034,746,700	1,740,859,600	238,351,500	55,485,100	24,063,600	57,812,200	299,124,100	160,140,300	621,911,300	14,988,671,800	3.94
2010	12,481,890,100	1,704,050,300	230,095,600	55,498,500	21,878,100	56,876,200	298,300,500	156,281,000	554,781,900	14,450,088,400	4.21

Source: Wisconsin Department of Revenue, Bureau of Property Tax

Notes:

- (a) Due to varying assessment ratios to full market value used in municipalities, all underlying tax districts such as counties are required to use equalized value for levying property taxes. Equalized value, defined by State Statute, is the legal market value determined by the Wisconsin Department of Revenue, Bureau of Property Tax.
- (b) Equalized values are reduced by Tax Increment District value increments for apportioning the County levy.
- (c) Average mill rate per \$1,000 of total county equalized value.

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

District	2010 TOTAL EQUALIZED VALUE	NET TAX RATE - YEAR LEVIED									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>County Direct Rates</b>											
(per \$1,000 of equalized value)											
Children with Disabilities Education Board	\$ 14,084,639,970	0.60	0.59	0.61	0.64	0.63	n/a	n/a	n/a	n/a	n/a
County (All Other)	14,450,088,400	3.52	3.37	3.28	3.27	3.47	4.40	4.75	4.94	5.13	5.14
Total County Direct Rates		4.12	3.96	3.89	3.91	4.10	4.40	4.75	4.94	5.13	5.14
<b>CITY</b>											
Burlington	\$ 509,400	\$22.72	\$20.63	\$19.95	\$16.51	\$19.43	\$20.28	\$21.36	\$22.36	\$22.99	\$23.62
Delavan	717,626,200	21.22	20.20	19.28	19.90	19.43	20.28	21.36	22.36	22.99	23.62
Elkhorn	683,784,300	20.49	18.75	17.83	16.72	16.96	18.15	20.43	21.38	21.70	21.09
Lake Geneva	1,287,968,100	18.57	17.20	17.17	17.35	18.00	19.60	21.62	21.43	22.79	23.91
Whitewater	559,484,000	19.98	18.29	17.49	17.39	17.24	19.16	20.06	20.57	20.81	21.84
CITY TOTAL	\$ 3,249,372,000										
<b>TOWN</b>											
Bloomfield	\$ 526,719,500	\$16.67	\$15.76	\$15.48	\$15.21	\$15.28	\$17.26	\$19.30	\$18.84	\$19.91	\$22.68
Darien	177,121,000	13.46	12.66	11.91	11.64	11.55	12.46	12.92	13.23	13.50	14.09
Delavan	1,088,724,000	14.21	13.53	12.89	13.04	13.66	15.14	16.47	16.79	18.17	18.85
East Troy	781,120,200	15.00	13.99	13.14	13.16	12.69	13.84	15.23	15.77	16.45	21.98
Geneva	987,944,400	14.66	13.59	13.35	13.39	13.88	15.32	16.93	17.06	19.06	19.53
La Fayette	272,410,400	15.92	14.77	13.66	13.76	13.43	14.46	16.11	16.04	18.10	19.12
La Grange	812,191,900	14.62	13.63	12.65	12.44	13.17	13.81	15.12	15.70	16.26	17.21
Linn	1,923,603,800	13.62	12.76	12.54	12.88	13.37	14.99	16.38	17.10	19.12	19.08
Lyons	469,127,200	14.76	13.49	13.05	13.08	13.01	13.70	15.16	16.51	16.87	18.40
Richmond	242,660,300	15.17	14.08	13.20	13.03	12.84	13.98	14.93	15.25	16.77	17.44
Sharon	78,118,400	17.24	16.27	15.72	16.30	16.80	18.12	19.31	19.80	22.09	22.09
Spring Prairie	241,651,100	16.51	15.30	14.68	14.74	14.89	15.87	17.66	17.87	20.64	20.98
Sugar Creek	385,656,600	15.06	13.85	13.13	12.73	12.64	13.79	15.15	15.45	16.70	17.40
Troy	266,445,300	16.05	14.99	14.17	13.76	13.86	15.09	16.73	16.51	17.23	16.82
Walworth	239,219,400	13.14	12.50	12.07	12.28	13.22	14.68	15.32	15.77	18.15	18.73
Whitewater	312,050,500	15.83	14.44	13.44	13.14	12.93	14.45	15.61	15.80	16.13	16.90
TOWN TOTAL	\$ 8,804,764,000										
<b>VILLAGE</b>											
Darien	\$ 108,145,400	\$26.25	\$24.33	\$22.95	\$22.89	\$22.37	\$23.87	\$24.87	\$25.71	\$25.50	\$25.81
East Troy	346,453,300	20.07	19.05	17.46	17.30	16.84	18.21	19.82	20.13	20.53	20.78
Fontana	1,251,245,100	13.38	12.94	12.52	12.57	13.71	15.35	16.58	17.54	19.52	19.29
Genoa City	186,018,900	24.89	24.11	22.75	20.31	21.69	22.44	27.57	23.62	25.51	27.52
Mukwonago	7,427,100	12.25	19.37	17.83	17.54	18.41	18.73	20.16	21.59	18.59	22.58
Sharon	77,971,200	24.40	21.44	20.87	21.98	22.43	25.36	26.47	27.24	27.90	27.36
Walworth	211,970,700	18.89	18.13	16.68	16.55	17.67	18.79	20.32	21.24	21.79	21.94
Williams Bay	761,502,600	13.51	12.61	12.70	12.97	14.07	15.43	16.77	18.02	18.23	23.62
VILLAGE TOTAL	\$ 2,950,734,300										
COUNTY TOTAL	\$ 15,004,870,300										

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, 2010 and Nine Years Prior

Taxpayer	2010			2001		
	Equalized Value	Rank	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
Delavan Resort Holdings, LLC (Lake Lawn Lodge - 2001)	\$ 28,136,361	1	0.19%	\$ 14,578,843	2	0.18%
DLK Enterprises, Inc.	23,784,641	2	0.16%	9,484,243	5	0.12%
Grand Geneva, LLC (Marcus Geneva Inc - 2001)	28,859,647	3	0.19%	34,707,599	1	0.44%
Kikkoman Foods, Inc.	23,148,669	4	0.15%	14,466,682	3	0.18%
Wal-Mart Real Estate Business	14,467,124	5	0.10%			
Lake Geneva Investors, LLC	13,845,157	6	0.09%			
Lake Geneva Shopping center	13,257,414	7	0.09%			
Lowe's Home Centers	11,827,235	8	0.08%			
Honey Creek of East Troy, LLP	11,737,763	9	0.08%			
Fettig Industries, Inc.	8,194,621	10	0.05%			
Abbey/ABKA				9,207,735	10	0.12%
Geneva Lakes Cold Storage				12,521,196	7	0.16%
Gerald Klambrowski				6,966,026	9	0.09%
Midwest Track Associates				7,593,780	6	0.10%
Northmonte Partnership				7,383,989	8	0.09%
Paloma Geneva National, LLC				12,119,440	4	0.15%
<b>Total</b>	<b>\$ 177,258,632</b>		<b>1.18%</b>	<b>\$ 129,029,533</b>		<b>1.63%</b>

Note: Rank is based on actual property taxes determined.

Source: Walworth County Treasurer's Office

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

Levy Year	Collection Year	Total Tax Levy	Collections in Fiscal Year		Collections in Subsequent Years	Total Collections to Date		Delinquent Taxes to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
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%	\$ 1,866,154	\$ 47,077,892	99.99%	\$ -	0.00%
2005	2006	\$ 49,199,366	\$47,210,455	96.0%	\$ 1,983,963	\$ 49,190,122	99.98%	\$ 4,948	0.01%
2006	2007	\$ 52,238,866	\$49,481,298	94.7%	\$ 2,738,697	\$ 52,216,648	99.96%	\$ 18,871	0.04%
2007	2008	\$ 54,753,860	\$50,648,952	92.5%	\$ 3,421,276	\$ 54,065,848	98.74%	\$ 683,632	1.25%
2008	2009	\$ 57,426,336	\$51,840,251	90.3%	\$ 3,512,291	\$ 55,352,542	96.39%	\$ 2,073,794	3.61%
2009	2010	\$ 59,087,867	\$54,048,583	91.5%	\$ -	\$ 54,048,583	91.47%	\$ 5,039,284	8.53%

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, 2010		<u>\$ 15,004,870,300</u>
Legal debt margin:		
Debt limitation, 5% of total equalized value (Wisconsin Statutory Limitation)		750,243,515
Debt applicable to limitation:		
General obligation bonds	16,160,000	
General obligation notes	23,775,000	
Authorized general obligation debt, not yet issued	<u>7,740,000</u>	
Total debt applicable to limitation at December 31, 2010	47,675,000	
Less amount available in debt service fund	<u>(600,009)</u>	<u>(47,074,991)</u>
Legal debt margin for year ending December 31, 2010		<u>\$ 703,168,524</u>

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total equalized value - 12/31	\$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	\$15,610,583,100	\$15,004,870,300
Legal debt margin (5% of equalized value)	396,973,220	429,487,240	473,930,770	512,118,395	570,854,800	660,371,255	729,993,610	773,309,965	780,529,155	750,243,515
Debt applicable to limitation										
State Trust Funds	609,980	879,601	-	-	-	-	-	-	-	-
General Obligation Bonds	13,950,000	11,660,000	8,940,000	6,070,000	3,720,000	2,970,000	10,725,000	21,885,000	19,230,000	16,160,000
General Obligation Notes	14,825,000	22,045,000	31,045,000	36,290,000	43,815,000	45,770,000	40,940,000	30,995,000	28,890,000	23,775,000
Authorized debt, not yet issued	-	-	-	-	-	-	-	5,300,000	-	7,740,000
Total debt applicable to limitation - 12/31	29,384,980	34,584,601	39,985,000	42,360,000	47,535,000	48,740,000	51,665,000	58,180,000	48,120,000	47,675,000
Less amount available in debt service fund	(361,866)	(474,729)	(468,389)	(503,487)	(453,929)	(413,600)	(420,897)	(594,982)	(638,844)	(600,009)
Total debt applicable to limitation - 12/31	29,023,114	34,109,872	39,516,611	41,856,513	47,081,071	48,326,400	51,244,103	57,585,018	47,481,156	47,074,991
Legal debt margin - 12/31	\$ 367,950,106	\$ 395,377,368	\$ 434,414,159	\$ 470,261,882	\$ 523,773,729	\$ 612,044,855	\$ 678,749,507	\$ 715,724,947	\$ 733,047,999	\$ 703,168,524
Total net debt applicable to the limit as a percentage of debt limit	7%	8%	8%	8%	8%	7%	7%	7%	6%	6%

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

Fiscal Year	Population <sup>(a)</sup>	Equalized Value <sup>(b)</sup>	Governmental Gross Bonded Debt	Business-Type Gross Bonded Debt	Total Gross Bonded Debt	Less Debt Service Fund <sup>(c)</sup>	Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Value	Percentage of Personal Income <sup>(a)</sup>	Net Bonded Debt per Capita
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%	1.59%	\$ 510
2008	101,315	\$ 15,466,199,300	\$ 40,337,620	\$ 12,542,380	\$ 52,880,000	\$ 594,892	\$52,285,108	0.34%	1.53%	\$ 516
2009	101,808	\$ 15,610,583,100	\$ 38,198,912	\$ 9,921,088	\$ 48,120,000	\$ 638,844	\$47,481,156	0.30%	n/a	\$ 466
2010	102,228	\$ 15,004,870,300	\$ 31,394,048	\$ 8,540,952	\$ 39,935,000	\$ 600,009	\$39,334,991	0.26%	n/a	\$ 385

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 <sup>(a)</sup>	Total Debt Service <sup>(a)</sup>	Total Governmental Expenditures <sup>(b)</sup>	Ratio of Debt Service to Governmental Expenditures
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%
2009	\$ 8,769,898	\$ 1,426,520	\$ 10,196,418	\$ 103,478,528	9.9%
2010	\$ 6,804,864	\$ 1,349,891	\$ 8,154,755	\$ 92,099,203	8.9%

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, 2010

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Walworth County	Amount Applicable to Government
Direct:			
Walworth County	\$ 39,935,000	100.00%	\$ 39,935,000
Overlapping:			
City:			
Burlington	17,186,669	0.10%	17,187
Delavan	20,864,022	100.00%	20,864,022
Elkhorn	18,035,000	100.00%	18,035,000
Lake Geneva	4,847,808	100.00%	4,847,808
Whitewater	21,680,000	87.80%	19,035,040
<b>CITY TOTAL</b>	<u>82,613,499</u>		<u>62,799,057</u>
Town:			
Delavan	1,225,700	100.00%	1,225,700
East Troy	717,042	100.00%	717,042
La Grange	186,713	100.00%	186,713
Linn	234,750	100.00%	234,750
Spring Prairie	990,000	100.00%	990,000
Troy	590,000	100.00%	590,000
<b>TOWN TOTAL</b>	<u>3,944,205</u>		<u>3,944,205</u>
Village:			
Darien	3,590,000	100.00%	3,590,000
East Troy	7,330,000	100.00%	7,330,000
Fontana-on-Geneva Lake	19,657,229	100.00%	19,657,229
Genoa City	5,010,000	100.00%	5,010,000
Mukwonago	23,360,890	1.00%	233,609
Sharon	1,900,000	100.00%	1,900,000
Walworth	150,182	100.00%	150,182
Williams Bay	3,131,055	100.00%	3,131,055
<b>VILLAGE TOTAL</b>	<u>64,129,356</u>		<u>41,002,075</u>
School Districts:			
Big Foot	5,462,169	100.00%	5,462,169
Clinton	13,175,000	0.37%	49,189
Delavan-Darien	8,920,000	99.70%	8,893,608
East Troy	7,336,955	99.49%	7,299,773
Elkhorn	26,345,000	100.00%	26,345,000
Fontana	1,570,000	100.00%	1,570,000
Lake Geneva Jt 4	1,550,000	100.00%	1,550,000
Genoa City Jt 2	9,745,000	100.00%	9,745,000
Lake Geneva Jt 1	15,825,000	100.00%	15,825,000
Lake Geneva-Genoa City Unified High School	19,765,000	100.00%	19,765,000
Linn Jt 4	2,265,000	100.00%	2,265,000
Linn Jt 6	179,671	100.00%	179,671
Mukwonago	19,672,715	0.03%	5,079
Palmyra-Eagle	13,907,971	3.64%	506,454
Sharon Jt 11	2,690,000	100.00%	2,690,000
Walworth	215,000	100.00%	215,000
Whitewater	11,630,000	83.33%	9,691,032
Williams Bay	3,971,473	100.00%	3,971,473
<b>SCHOOL DISTRICT TOTAL</b>	<u>164,225,954</u>		<u>116,028,448</u>
Technical College:			
Gateway	40,645,000	35.50%	14,428,975
Special Districts:			
Country Estates	243,279	100.00%	243,279
Delavan Lake Sanitary	185,000	100.00%	185,000
Lake Beulah	170,000	100.00%	170,000
Lake Como Sanitary	10,131,724	100.00%	10,131,724
Lauderdale Lakes Lake Management	532,650	100.00%	532,650
WALCOMET	33,900,131	100.00%	33,900,131
<b>SPECIAL DISTRICT TOTAL</b>	<u>45,162,784</u>		<u>45,162,784</u>
<b>TOTAL DEBT APPLICABLE TO WALWORTH COUNTY</b>	<u>\$ 440,655,798</u>		<u>\$ 323,300,544</u>

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

Source: Robert W. Baird & Company

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

Fiscal Year	Population <sup>(a)</sup>	Personal Income <sup>(b)</sup> <i>thousands of dollars</i>	Per Capita Personal Income <sup>(b)</sup>	School Enrollment <sup>(c)</sup>	Annual Unemployment Rate <sup>(d)</sup>	Total Residential Housing Units <sup>(a)</sup>
2001	93,032	2,539,118	27,144	16,727	3.9%	44,727
2002	94,532	2,589,936	27,202	17,290	4.8%	45,565
2003	95,630	2,676,919	27,626	17,483	4.8%	46,535
2004	97,052	2,821,971	28,787	17,010	4.4%	47,479
2005	98,496	2,941,270	29,485	17,699	4.2%	48,575
2006	99,761	3,081,015	30,688	17,710	4.3%	49,560
2007	100,672	3,233,555	32,239	17,868	4.4%	50,174
2008	101,315	3,414,027	33,958	17,819	4.6%	50,666
2009	101,808	n/a	n/a	17,736	8.9%	50,958
2010	102,228	n/a	n/a	17,651	8.5%	51,118

Source:

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

n/a - information not yet available

TABLE 16  
**WALWORTH COUNTY, WISCONSIN**  
 Principal Employers  
 For December 31, 2010 and Nine Years Prior

Employer	Type of Business	2010			2001		
		Employees	Rank	Percentage of Total County Labor Force	Employees	Rank	Percentage of Total County Labor Force
University of Wisconsin - Whitewater	College	1000+	1	1.83%	1000+	1	1.81%
County of Walworth	Governmental Agency	500-999	2	1.83%	1000+	2	1.81%
Grand Geneva LLC	Resort	500-999	3	1.83%	500-999	4	1.81%
Wal-Mart Associates	Discount Department Store	500-999	4	1.83%			
Pentair Water Group Inc (Sta-Rite Industries - 2001)	Manufacturer - Pumps	500-999	5	1.83%	500-999	3	1.81%
Aurora Health Care of Southern Lakes	Medical/Surgical Hospital	500-999	6	1.83%	500-999	5	1.81%
Miniature Precision Components Inc.	Manufacturer - Plastics	250-499	7	0.91%	250-499	6	0.90%
Elkhorn Area School District	Elementary/Secondary School	250-499	8	0.91%	250-499	8	0.90%
School District of Delavan-Darien	Elementary/Secondary School	250-499	9	0.91%	250-499	7	0.90%
Birds Eye Foods LLC	Manufacturer - Fruits & Vegetables	250-499	10	0.91%			
Agrilink Foods Inc	Manufacturer - Fruits & Vegetables				250-499	9	0.90%
Whitewater Unified School District	Elementary/Secondary School				250-499	10	0.90%
<b>Total</b>				<u>14.63%</u>			<u>13.58%</u>

Source: Wisconsin Department of Workforce Development, Bureau of Workforce Training - April, 2010

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
County Board	-	-	-	-	0.50	0.50	0.50	0.75	0.75	0.50
County Clerk	4.00	4.16	4.16	4.00	4.00	4.20	4.20	4.20	4.00	4.00
Administration	8.50	8.50	7.50	18.50	15.00	15.00	10.50	10.50	12.50	11.50
Human Resources	11.00	11.00	10.00	-	-	-	-	-	-	-
Finance	13.00	13.00	12.00	12.00	16.00	16.00	14.00	14.00	14.50	14.50
Treasurer	5.30	5.30	4.98	4.99	4.99	4.99	5.99	5.88	4.88	4.93
Coroner	1.30	1.34	1.34	1.32	1.32	1.44	1.44	1.44	0.77	0.77
Clerk of Courts	30.05	30.05	30.05	29.49	30.30	30.30	29.86	29.61	29.61	29.61
District Attorney	11.15	11.05	11.05	11.55	11.55	11.55	11.55	11.50	11.50	11.50
Register of Deeds	6.08	6.08	6.50	6.50	6.50	8.00	8.00	8.00	8.00	7.00
Information Technology	13.00	13.00	11.00	17.00	17.00	14.00	13.00	13.00	13.00	13.00
Land Information	5.00	5.00	4.00	-	-	-	-	-	-	-
	<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>	<u>99.51</u>	<u>97.31</u>
<b>Public Safety</b>										
Sheriff	219.27	222.69	222.69	225.93	224.92	221.40	220.40	213.90	214.90	214.90
	<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>	<u>214.90</u>	<u>214.90</u>
<b>Health and Human Services</b>										
Health and Human Services	156.09	156.09	156.59	158.21	158.34	156.32	162.12	162.62	166.12	164.63
Veterans	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	<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>	<u>168.12</u>	<u>166.63</u>
<b>Culture, Recreation, and Education</b>										
UW Extension	5.00	5.00	3.00	3.00	3.00	3.00	3.00	2.75	2.75	4.00
Lakeland School	177.29	182.85	182.81	183.16	188.89	196.90	180.72	167.51	149.05	134.64
	<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>	<u>151.80</u>	<u>138.64</u>

(Continued)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Conservation and Development										
Land Use and Resource Management	26.50	26.50	27.00	23.00	23.00	22.00	21.00	21.00	20.00	19.00
	<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>	<u>20.00</u>	<u>19.00</u>
Lakeland Health Care Center										
Lakeland health care center	268.11	267.61	260.66	251.10	197.76	163.77	146.69	142.29	139.54	137.04
	<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>	<u>139.54</u>	<u>137.04</u>
Highway/Facilities Administration										
Public Works	83.67	83.68	75.48	68.49	66.49	65.49	73.25	77.25	74.25	73.25
Lakeland Agricultural Complex	1.00	-	-	-	-	-	-	-	-	-
	<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>	<u>74.25</u>	<u>73.25</u>
Total Full-time Equivalents	<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>	<u>868.12</u>	<u>846.77</u>

Notes:

- \*Reorganization of Administration, Finance & Public Works in 2007
- \*Administration and Human Resources were consolidated in 2003
- \*Information Technology and Land Information were consolidated in 2003
- \*Solid Waste was transferred to Public Works in 2003

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General government</b>										
Register of deeds										
Real estate documents processed	35,693	43,061	51,110	38,136	36,987	32,937	29,225	25,513	28,078	26,146
Birth records processed	1,397	1,423	1,496	1,447	1,548	1,646	1,649	1,668	1,613	1,544
Death records processed	861	901	838	911	925	897	851	860	892	883
Marriage records processed	772	794	798	793	825	841	811	809	745	826
Domestic partnership declarations recorded	n/a	11	0							
County clerk										
Marriage licenses issued	765	768	761	714	788	755	739	745	693	748
Domestic partnership declarations issued	n/a	12	0							
Single dog tags issued	4,776	4,798	4,711	4,917	4,962	5,085	5,065	5,038	4,803	4,759
Kennel tags (12 each) issued	12	13	12	10	8	6	6	12	7	9
Single kennel tags issued	21	27	25	33	17	19	13	13	11	15
Clerk of courts										
Case filings	22,265	24,008	21,814	24,758	22,492	22,458	17,971	19,058	21,742	25,313
District Attorney										
Felony cases	542	578	629	593	691	642	551	566	515	510
Misdemeanor cases	770	693	744	653	764	820	777	756	701	620
Juvenile delinquency cases	168	121	126	134	120	157	94	124	85	116
Criminal traffic cases	664	835	1,047	1,067	1,080	1,131	1,028	1,124	1,011	1,042
Victim/witness contacts	1,066	1,087	1,107	1,185	1,270	1,698	1,505	1,097	1,575	1,498
Coroner										
Death investigations	590	619	573	644	868	887	891	879	1,014	1,016
Autopsies performed	73	84	94	76	106	75	88	86	101	82
Cremation permit issues	262	282	256	303	333	345	318	337	386	391
Treasurer										
Tax parcels	n/a	59,331	59,745	60,545	61,250	62,312	63,764	64,945	68,760	69,037
Information Technology										
Help desk requests received	n/a	n/a	n/a	3,265	6,985	6,969	5,488	6,243	6,447	5,614
<b>Public safety</b>										
Traffic citations	6,662	7,613	6,964	4,545	3,649	5,035	3,605	3,370	3,697	3,456
Ordinance citations	1,380	1,959	1,846	1,862	1,029	1,322	1,093	1,025	1,461	917
Traffic accidents reported	585	725	811	811	833	704	783	801	506	537
Jail admissions	4,007	4,136	4,018	4,067	4,325	4,332	4,168	4,244	3,950	3,656
Huber admissions	1,484	1,446	1,387	1,252	1,434	1,330	1,410	1,475	1,346	1,343
Average daily population - Jail	145	152	162	146	163	163	170	176	188	175
Average daily population - Huber	146	164	162	160	178	181	181	208	204	179
Electronic monitoring participants	n/a	n/a	n/a	n/a	n/a	5	11	19	120	92

(Continued)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Health and human services										
Veterans office										
Phone calls received	6,577	6,909	7,134	8,175	8,369	9,205	9,311	10,293	11,354	7,181
Office visits	3,433	3,775	3,820	3,940	4,020	4,438	4,824	5,116	5,322	1,828
New clients	n/a	139	150	140						
VA compensation/pension claims filed	n/a	n/a	n/a	n/a	237	262	243	246	240	262
VA health care applications filed	n/a	n/a	n/a	n/a	90	101	93	94	129	112
Culture, recreation, and education										
School										
Students (onsite)	239	241	239	240	258	270	251	231	219	209
Students (outlying districts)	1,561	1,616	1,651	1,714	1,785	1,786	943	779	679	581
Parks										
Trail: yearly passes sold	n/a	n/a	502	559	703	750	754	619	684	761
Trail: daily passes sold	n/a	n/a	33	545	1,187	1,614	1,344	1,732	1,581	1,738
Conservation and development										
Land use and resource management										
Zoning permits issued	1,258	1,340	1,359	1,471	1,352	1,141	1,016	804	706	595
Sanitation permits issued	446	469	501	536	458	348	292	203	195	173
Certified survey maps reviewed	90	97	104	103	107	83	45	48	28	22
Separation of farm structures from farmland	16	22	23	19	14	20	15	9	9	7
Lot line/parcel split reviews	79	82	89	59	75	78	70	65	52	41
Highway/facilities administration										
Hazardous waste collected-agricultural (lbs)	n/a	28,435	n/a	n/a	14,812	n/a	3,411	n/a	n/a	14,173
Hazardous waste collected-household (lbs)	n/a	23,253	27,512	35,151	26,513	28,531	25,927	28,153	34,877	31,312
Hazardous waste collected-computer equip (lbs)	28,258	n/a	23,474	29,178	38,346	55,727	62,304	80,286	57,711	8,063 *
State lane miles maintained	n/a	n/a	n/a	n/a	656	689	689	689	694	694
County lane miles maintained	200	200	200	199	200	199	192	199	193	193
Nursing Home										
Licensed beds	245	245	235	235	235	120	120	120	120	120
Payor mix:										
Medicaid	82.73%	82.73%	83.38%	87.94%	89.69%	87.91%	83.37%	76.75%	71.85%	74.79%
Private pay	11.35%	12.17%	12.56%	10.10%	8.35%	7.92%	10.90%	16.15%	19.93%	17.40%
Medicare	5.80%	5.07%	3.96%	1.38%	1.57%	4.17%	5.73%	7.10%	8.22%	7.81%
Hospice	0.12%	0.03%	0.10%	0.58%	0.39%	0.02%	n/a	n/a	n/a	n/a

n/a = not readily available

\* Represents county owned equipment only, as there wasn't a computer roundup held for County residents in 2011.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Information Technology										
Desktop systems	n/a	n/a	n/a	n/a	n/a	720	755	769	801	867
Computer servers	n/a	n/a	n/a	n/a	n/a	23	27	36	40	49
Multi-user applications	n/a	n/a	n/a	n/a	n/a	n/a	n/a	95	99	112
Public safety										
Vehicles insured	64	69	64	74	61	57	51	54	54	57
Boats/trailers/ATV/snowmobiles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12	12	12
Culture, recreation, and education										
Acreage (park)	237	237	237	237	237	237	237	237	237	237
Highway/facilities administration										
County lane miles	200	200	200	199	200	199	192	199	193	193
County bridges	26	26	26	26	26	26	26	26	26	26
Vehicles insured	95	99	82	85	86	94	125	124	123	95
County facility buildings (sq ft)	686,658	686,658	686,658	686,658	1,033,450	861,450	861,450	867,780	881,882	881,882

n/a - information not available



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