

Walworth County, Wisconsin



1929 Walworth County
Board of Supervisors



2002-2004 Walworth County
Board of Supervisors

2010-2012 Walworth County
Board of Supervisors



Comprehensive Annual Financial Report

Including Auditor's Report
for the fiscal year ended
December 31, 2012

Walworth County was established by legislative act in 1838. The first election of county officers was in the fall of 1838, at which time three commissioners were elected: Benjamin Ball, Nathaniel Bell and William Bowman. They then organized the Board at the house of Daniel E. Bradley, in Elkhorn, on January 7, 1839, and appointed the necessary county officers. According to historical accounts, early county commissioners were far less active than their modern counterparts. The three commissioners that comprised the first county board typically met two times a year. By 1929, there were 34 supervisors serving on the Walworth County Board.



1929 Walworth County Board of Supervisors



2002-2004 Walworth County Board of Supervisors

two. Over the next fifty-seven years, the Board fluctuated between thirty-two and thirty-seven supervisors until a 35-member Board was established in 1972. It would remain at that number until it was reduced to a 25-member Board in 2002. The Board was downsized to 11 members in 2009.

Elections for the Walworth County Board of Supervisors are held in the even-numbered years. Newly-elected Supervisors take the oath of office in April and begin their two-year term representing Walworth County's taxpayers.

Board size varied considerably throughout the county's history. The original three-member Board was expanded to ten in 1842. In 1846, Two additional members were added to represent the towns of Sugar Creek and Elkhorn. By 1862, however, the Board was reduced to five supervisors, one for each assembly district, with one member serving at large. In 1870, membership was expanded to twenty supervisors, and by 1915, the board stood at thirty-



2010-2012 Walworth County Board of Supervisors

**WALWORTH COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012**

Prepared by:
Walworth County Finance Department

Walworth County
Wisconsin

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WALWORTH COUNTY, WISCONSIN
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INTRODUCTORY SECTION

Walworth County
Wisconsin

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June 12, 2013

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, 2012. To satisfy requirements of State law and Walworth County Ordinance, this report was prepared by the Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other authoritative accounting standard setting bodies. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

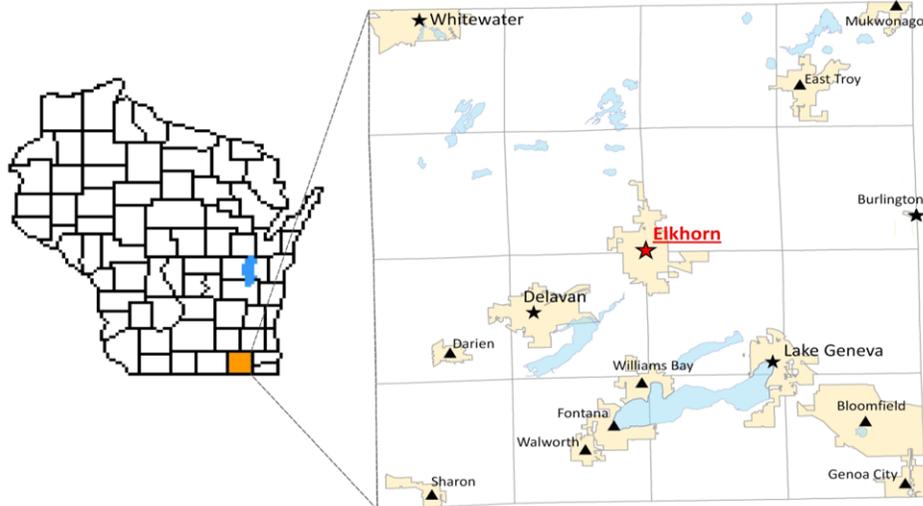
County policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 as amended, the related U.S. Office of Management and Budget Circular A-133 and the State Single Audit Act. An independent firm of licensed certified public accountants, Baker Tilly Virchow Krause, LLP, has audited Walworth County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has issued an unmodified ("clean") opinion that Walworth County's financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The independent auditors' reports related specifically to the single audit are included in a separately issued single audit report.

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

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THE REPORTING ENTITY

Walworth County was created in 1838, pursuant to the laws of the territory of Wisconsin, with the City of Elkhorn established as the County Seat. The County was part of Racine County until its organization as a separate unit of county government was authorized by an act of the Territorial Legislature in 1839. Within the County's 576 square miles, there are all or portions of 5 cities, 9 villages, 16 towns and 15 school districts.



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

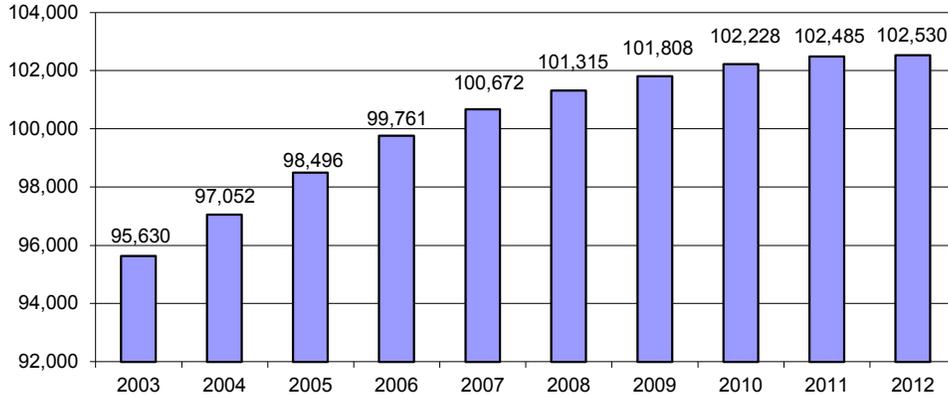
The County maintains budget controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Walworth County Board of Supervisors. All County departments are required to submit their annual budget requests for the ensuing year to the County Administrator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

ECONOMIC CONDITIONS AND OUTLOOK

LOCAL ECONOMY

According to the Wisconsin Department of Administration Demographic Services Center, Walworth County has a population of 102,530, adding 6,900 new residents since 2003, representing a growth rate of 7.2%. The next graph demonstrates the steady increase in population for the past 10 years.

**Walworth County Population
2003 to 2012**

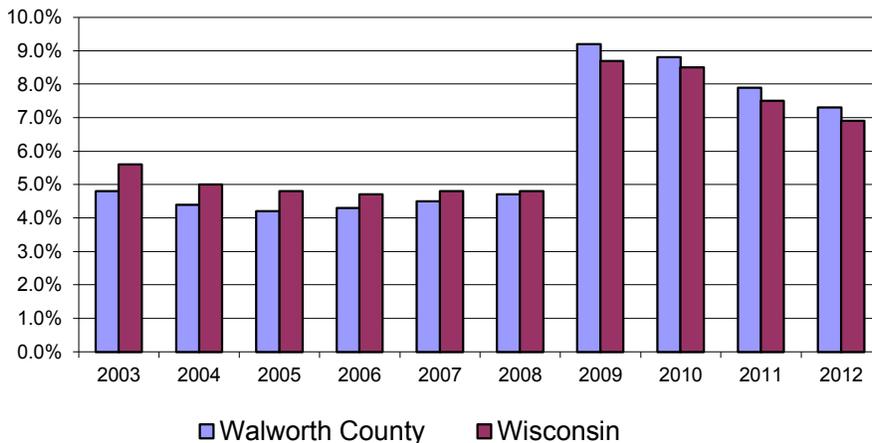


Source: Wisconsin Department of Administration, Demographic Services Center and US Census Bureau

Walworth County is strategically located in southeastern Wisconsin, approximately 100 miles northwest of the City of Chicago, 50 miles southwest of the City of Milwaukee and 65 miles southeast of the City of Madison. The County is home to the University of Wisconsin - Whitewater, a four-year institution founded in 1868 with a record enrollment in the fall, 2012 of 11,615 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 4,400 combined students on their Aurora, Illinois, and Williams Bay, Wisconsin, campuses. The Wisconsin School for the Deaf was organized in 1852 and stands on thirty-four acres of land in the City of Delavan.

Historically, Walworth County has had an economy marked by steady growth, diversity and stability. As of December 2012, the unemployment rate for the County was 7.3% compared to the statewide rate of 6.9%. The unemployment level is reflective of the overall economic conditions nationwide. The following graph shows the annualized unemployment rates and reflects the current positive trend.

**Annualized Unemployment Rates
2003 to 2012**



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

In addition to the public sector entities of the University of Wisconsin-Whitewater and Walworth County Government, the leisure and hospitality industry is vital to the economic well-being of the County. Without a stadium, regional mall or convention center, Walworth County currently ranks sixth in the state in terms of spending for tourists, according to the Wisconsin Department of Tourism's 2011 visitor spending and impacts by county report. Two of the County's top ten principal property taxpayers and two of its top ten principal employers are from the leisure and hospitality industry. For a list of the County's top ten principal employers, please see the Statistical Section of this report.

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

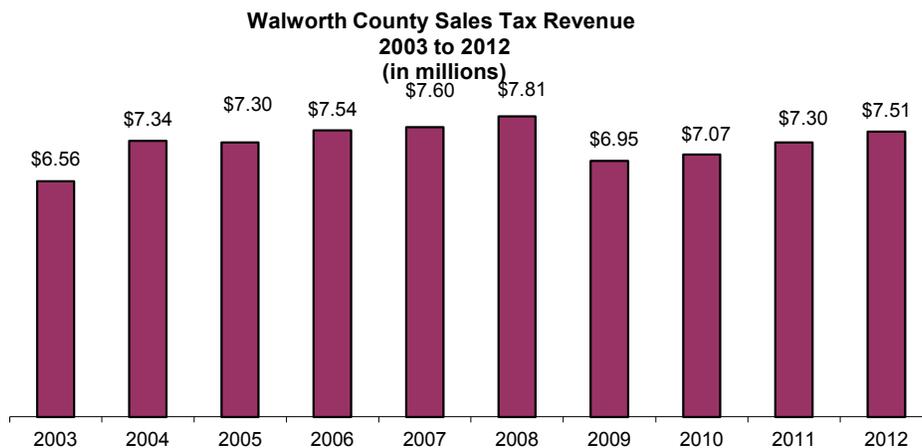
Tourism provides employment as well as sales and property tax revenue. Walworth County assists local tourism efforts by assisting with support of the Walworth County Visitors Bureau. The total estimated economic impact of tourism in 2011 was \$409.7 million based upon the economic impact report by the Wisconsin Department of Tourism. The table below outlines the County's top employing industries.

**Top 5 Industries in Walworth County
2012 Third Quarter**

<u>Industry</u>	<u>Employees</u>
Manufacturing	8,663
Leisure and Hospitality	7,635
Education and Health Services	6,758
Trade, Transportation, Utilities	6,587
Professional and Business Services	2,416

Source: Wisconsin Department of Workforce Development

Growth in retail is also a factor in the economic stability of Walworth County. The County imposes a 0.5% sales tax on retail purchases, providing additional revenues to fund County programs. Beginning in 2009, like many other regions, Walworth County experienced a downturn in the economy that was reflected in reduced retail sales. The County has seen modest but steady increases each year since then. Peak sales tax occurred in 2008 at \$7.8 million. A return to previous revenue expectations may be in the near future, as 2012 sales tax revenue reached \$7.5 million.



LONG-TERM FINANCIAL PLANNING

Flexibility under State Levy Caps

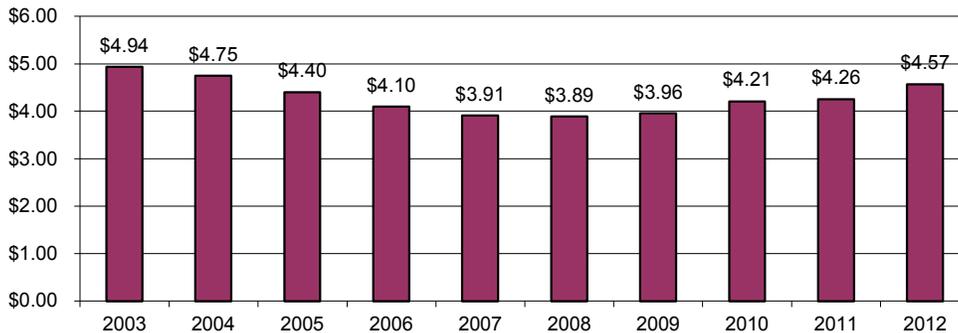
A fundamental step in keeping the County in a sound financial position is to maintain flexibility under the state-imposed operating levy rate cap.

State Budget Effects

For the last two state 2-year budget cycles, Wisconsin has placed a levy limit on local governments. For the County's 2012 budget cycle, legislation was passed that affected local governments in several ways. The levy limit was adjusted to a 0% levy increase based on the prior year's total levy (excluding Children with Disabilities Education Board levy). Other state funding affected by legislation included changes to administering health and human services grant programs and reduced state shared revenues and transportation aids. With the exception of sworn law enforcement officers hired prior to July 1, 2011, the state mandates that public employees contribute toward their retirement benefits. The County had previously funded the entire pension contribution. The bill also significantly limits represented employee bargaining rights, which has resulted in four of the County's seven bargaining units decertifying in 2012 after the expiration of the 2011 contracts. These revisions were to be utilized to offset the significant loss of state aid. The County met the 0% budget levy cap for both its 2012 and 2013 budgets. The 0% levy limit will continue in effect for the 2014 budget cycle, and the County expects to meet the established requirements.

In the last three years, the County experienced reductions in its tax base value of 3.6%, 1.1% and 6.7%, respectively. This loss in value, despite holding the total tax levy amount needed to balance the budget, has resulted in increases in the County's tax levy rate.

**Levy Rates
2003 to 2012 Levy Years**



Transition of CDEB Service to Local Districts

Walworth County operates a Children with Disabilities Education Board (CDEB). The program has two distinct components. The first component includes services that are provided in the local school districts. The County currently provides limited staff in the local school districts necessary to provide integrated special education services. In August 2006 the County Board adopted, and all participating school districts ratified, an implementation plan for the transfer of County-sponsored CDEB services offered in the local school districts from County oversight to individual school district oversight over a 10-year period ending in 2016. The second component is the County-run school for special education students. The Board completed construction of a new school on a new site in 2008, with the issuance of \$17.1 million in debt. The County sold the existing school facility and its adjoining eight acres to a private developer.

As of the end of the 2011-12 school year, the County has transferred a total of 79.85 FTEs to district responsibility. As part of the Transfer of Service agreement with the individual school

districts, 16.50 FTE teaching positions are left to transfer before the agreement's termination deadline of 2016. A summary of transitioned FTEs is shown below.

Transition of FTEs to District Responsibility				
Year	Teachers	Aides	Programmer	Totals
2006	6.50	4.71		11.21
2007	7.00	4.18	1.00	12.18
2008	12.46	3.79		16.25
2009	10.00	3.39		13.39
2010	4.00	11.82		15.82
2011	5.00			5.00
2012	6.00			6.00
Totals	50.96	27.89	1.0	79.85

Technology

The County strives to utilize technology that will best serve its citizens. The County Board and Committee meetings may be viewed on the Internet, either live or in archived form. Disaster recovery plans for the server and data environments are being addressed through the installation of redundant SAN storage, Virtual Server environment and the use of Cloud technology for off-site disaster preparedness. In addition, the County is currently in the process of implementing County-wide desktop virtualization which will centralize applications on the County servers, thus reducing labor costs, PC hardware costs and providing a secure environment for remote computing.

The most recent significant software implementation underway is a new tax system in the Treasurer and Register of Deeds offices. Implementation is anticipated to be completed in time for printing tax bills at the end of 2013. The County expects to streamline its tax collection and billing process at both the County and local municipality levels.

Available Fund Balance/Net Position

Walworth County places an emphasis on enacting policies to maintain appropriate fund balance/net position reserves that assist the County in making its current and long-term budgetary projections and decisions. County ordinance defines minimum available fund balance/net position for the General fund, Children with Disabilities Education Board fund, Public Works, Lakeland Health Care Center and the internal service funds. Use of available funds is restricted to one-time expenditures, including but not limited to: capital expenditures, prepayment of outstanding debt, start-up costs for new programs, termination costs of ineffective or inefficient programs, advance payment of multi-year obligations or other nonrecurring expenditures.

Only the General fund unassigned fund balance may be utilized throughout the County within the above restrictions; all other available fund balance/net position must remain within the general purpose of the individual fund. The appropriate unassigned General fund balance is defined to be 15 to 20% of the General fund revenues without transfers plus the property tax revenue allocated to each fund. As of December 31, 2012, the unassigned fund balance is 26.32%, providing excess available funds in the amount of approximately \$6.1 million to be appropriated as authorized by the County Board of Supervisors. The table below depicts the definition of minimum fund balance/net position, the calculated minimum, the actual and the amount available at December 31, 2012 for all other funds with minimums defined in the County ordinance.

<u>Fund</u>	<u>Definition of Minimums</u>	<u>2012 Top of Min. Range</u>	<u>Actual</u>	<u>Available</u>
Children with Disabilities Ed Bd	15-20% revenues less property tax & transfers	\$ 1,471,218	\$ 3,159,899	\$ 1,688,681
Public Works	15-20% revenues less property tax & transfers	\$ 1,147,732	\$ 1,147,732*	\$ -
Lakeland Health Care Center	15-20% revenues less property tax & transfers	\$ 1,967,589	\$ 2,903,977*	\$ 936,389
Health Insurance	Average 3-4 months of claims	\$ 4,494,293	\$13,737,836	\$ 9,243,543
Dental Insurance	Average 3-4 months of claims	\$ 245,145	\$ 437,274	\$ 192,129
Workers Compensation	Average 3-4 months of claims	\$ 195,450	\$ 362,774	\$ 167,324
Risk Management	\$4,000,000	\$ 4,000,000	\$ 5,003,300	\$ 1,003,300

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

Reducing Current and Future Debt Service

The County's five-year capital plan for road construction has typically included the need to borrow every other year to complete major road construction projects. The off year is then used to engineer the next construction year or finalize existing projects. The County's five-year capital plan contained in the County's 2013 budget includes planned even contributions to its road construction commitment fund balance account in the upcoming years. This allows for continuing our program of large construction projects every other year and eliminating all borrowings in the County's current five-year plan. To initiate the new capital plan, the County made a \$2 million contribution to this road construction commitment account in 2012 from available General fund unassigned fund balance.

The County has also been proactive in its use of available General fund unassigned fund balance to call debt obligations, as the cost of debt interest expense exceeds what the current market allows the County to earn on its investments. These early payments have also reduced the levy for debt payments from its high point of \$7.9 million debt service levy in 2006 to an anticipated \$3.1 million debt service levy in 2014.

Schedule of Recently Called Debt Obligations

<u>Debt Obligation</u>	<u>Year Called</u>	<u>Principal Paid</u>	<u>Interest Saved</u>
2002 Borrowing	2010	\$ 1,065,000	\$ 87,330
2003 Borrowing	2011	1,250,000	58,674
2004 Borrowing	2012	1,420,000	73,795
2005 Borrowing	2012	3,335,000	229,058
2006 Borrowing	2013	<u>2,665,000</u>	<u>201,691</u>
		<u>\$ 9,735,000</u>	<u>\$ 650,548</u>

Employee Benefits

The County places a significant focus on its health insurance employee benefit as this is generally a major driver in the County's annual budget. The 2008 budget included a 27.5% increase in health insurance premiums due to a complete drain of health reserves and a substantial increase in health care costs. Over the last 5 years, major changes have been made to the health insurance plan. These changes include new wellness initiatives to slow escalation of health care costs; the establishment of an employee premium contribution of 7-12%; tying the premium contribution to participation in the wellness program, resulting in 96% participation; negotiation of third party vendor contracts; and, the introduction of a second tier health plan for all new employees and sworn deputy bargaining unit employees, which resulted in additional health fund savings.

As a result of management initiatives and member usage, the fund ended 2012 with an increase to its reserves for its fifth straight year and has an ending balance equivalent to one

year of claims. The improved status of the Health Insurance fund has resulted in 0% premium rate increases for the last 3 years, operating with the same rates since 2010.

The County's 2013 budget includes funds to build a wellness facility. The County Board is currently in the process of researching a number of factors including location, size and level of medical and fitness services that might be considered, if the center is ultimately approved. Research of private companies providing a wellness center to employees has proven to lower medical claim costs by providing basic in-house medical services to health plan members. Other health plan options are also being evaluated.

Wage Adjustments

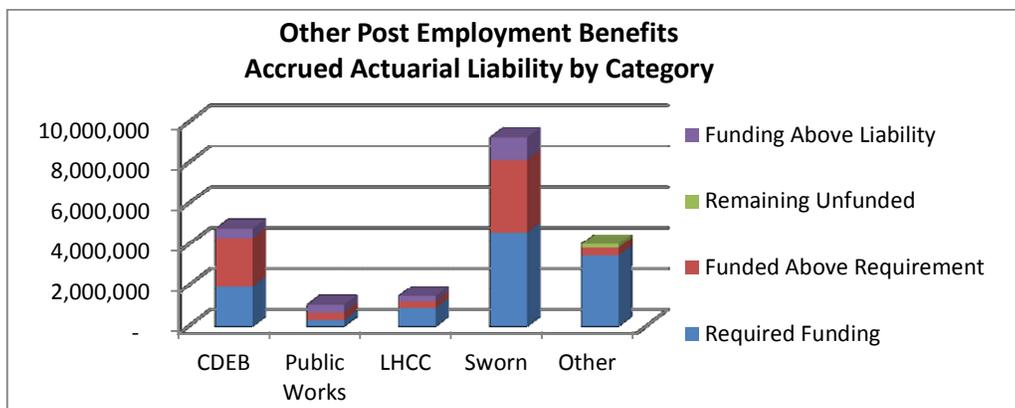
Changes to Wisconsin governments' collective bargaining unit rights have allowed the County human resources department to complete an analysis of all hourly employee base wage rates, other than sworn deputies, to establish market rates. Rates and pay plans have been adjusted to step at a slower pace, match similar job market rates in the area and require a minimum level of performance evaluation criteria to receive annual increases. Former across-the-board increases will be replaced with targeted rate changes based on an annual market analysis.

Other Post Employment Benefits

The County continues to take proactive steps in regards to its Other Post Employment Benefits (OPEB). Shortly after the first actuarial study, steps were taken to eliminate the retiree health insurance benefit for all individuals hired beginning in 2005 and 2006, based upon the various agreements with County labor groups. The effects were not immediate, but the County's commitment to reducing employee eligibility combined with maintaining health care premiums at a flat rate have proven to be effective methods in reducing the liability according to the most recent actuarial study. The following is a brief history of changes from the last four actuarial studies.

	12/31/2005	12/31/2007	12/31/2009	12/31/2011
Annual Required Contribution	1,726,090	2,009,422	1,862,055	895,681
Actuarial Accrued Liability	13,880,268	19,387,673	21,570,387	17,096,898
Number of Participants	941	819	696	626

The County has also taken an aggressive approach in funding an OPEB trust account. As of December 31, 2012, the County has available assets of \$20,386,779. An additional \$500,000 was included in the 2013 budget. The County is currently ahead of its amortization schedule and is reporting an OPEB asset rather than a liability. The following graph shows the five different OPEB reserves tracked individually and the funding status of each. The current liability for four of the five reserves is fully funded, with the remaining reserve to be fully funded by the end of 2013 based on the current actuarial study results.



FINANCIAL POLICIES

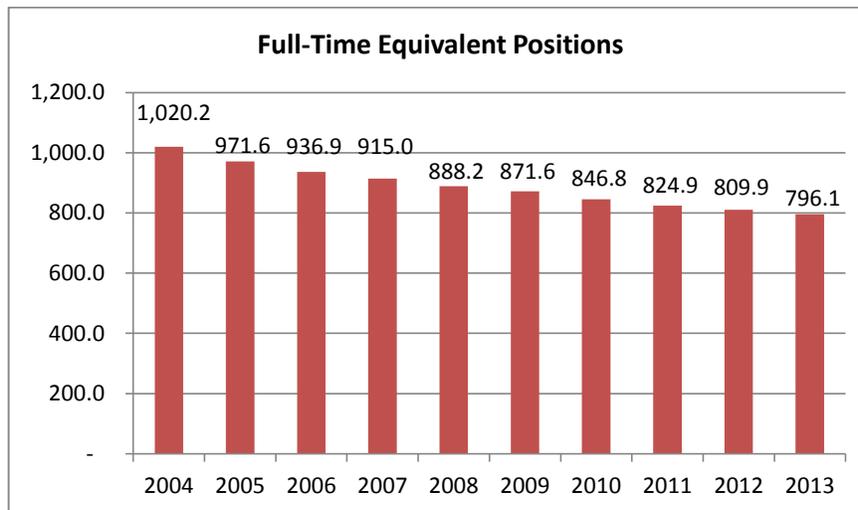
The County continues to follow all accounting requirements issued by the Governmental Accounting Standards Board. Management continues to expand and develop internal administrative procedures that support and uphold both County Board approved and externally required financial policies.

The County's formal fund balance/net position ordinance and policies continue to expand to allow for savings related to specific future purchases and obligations. During 2011 and 2012, the County began several new committed fund balance accounts to allocate and save funds for debt service reduction; expected compensated absence bank payouts owed at time of retirements; road construction projects; and future building and equipment replacements and purchases. The County places an emphasis on its fund balance policies and continues to list detailed information directly in its governmental basic financial statements regarding fund balance classifications, which signifies the importance of their use in the County's decision-making process.

MAJOR INITIATIVES

Department Consolidations

Significant departmental consolidations or downsizings have occurred in recent years. These changes have resulted in the elimination of several positions, thereby providing significant cost savings, yet maintaining or improving services. Since 2004, budgeted full-time equivalent (FTE) positions have been reduced from 1,020.2 to 796.1 positions, effective with the 2013 budget. This is a net reduction of 224.1 FTEs. The following chart shows total FTEs for the last 10 years.



Economic Development

In an effort to create good jobs and diversify the tax base, the County introduced an economic development initiative in 2003. That year, a strategic planning process began which involved representatives from each town, city and village in the County, together with representatives of business, higher education and County government. The process resulted in a recommendation that economic development be pursued through a non-profit corporation funded by both government and the private sector. In late 2005, the Walworth County Economic Development Alliance, Inc. (WCEDA) was formed. In 2010, 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. As part of the 2013 adopted budget, the County also included funding for an intern for

WCEDA in conjunction with the University of Wisconsin-Whitewater. Some of WCEDA's major achievements in 2012 include the following:

- Committed \$220,000 in working capital and equipment financing to three businesses in Walworth County;
- Partnered with Workforce Development to start a program in Walworth County that promotes manufacturing careers to students from ages 14 to 27;
- Participated in over 30 projects representing business retention, expansion and attraction; and,
- Partnered with Rock County in hosting an entrepreneurship competition that awarded \$6,000 in startup funds to two companies.

Intergovernmental Relations

Walworth County continues to promote intergovernmental cooperation. On December 11, 2007, the Board established an Intergovernmental Cooperation Council (ICC). The ICC consists of the chief elected officer of each city, village and town in the County as well as the County Board Chairperson. The ICC meets three times a year and promotes intergovernmental cooperation, including the expanded use of shared services and equipment as well as group purchasing initiatives and training.

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, 2011. This was the tenth 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, 2012. 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 eighth consecutive year that the County was awarded this noteworthy award.

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

HEALTHIEST COMPANIES

Interactive Health Solutions (IHS) is the County's third party vendor which administers health assessments for County employees and their spouses enrolled in the County's health insur-

ance plan. The vendor recently named the County as one of the “Healthiest Companies in America” for 2012. This is the third consecutive year that the County has met the necessary requirements. Individual results obtained are confidential to the employees; however, the County received an aggregate wellness score in the top 5% of the IHS client base. The County believes that healthier employees generally correspond to less health care costs overall.

MANAGEMENT INVOLVEMENT

The County is very proud of its management staff. County managers and officials are frequently asked to represent and speak at public service related organizational meetings on various topics that demonstrate leadership and share information related to the County’s services and programs. In 2012, the County logged 36 speaking engagements in this community outreach program.

ACKNOWLEDGMENTS

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

Appreciation is also expressed for the assistance received from our independent auditors, Baker Tilly Virchow Krause, LLP. We thank the County Board and Finance Committee Chairpersons, the County Board of Supervisors, and members of the Finance Committee for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



David A. Bretl
County Administrator



Nicole J. Andersen
Deputy County Administrator-Finance

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, 2011

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.



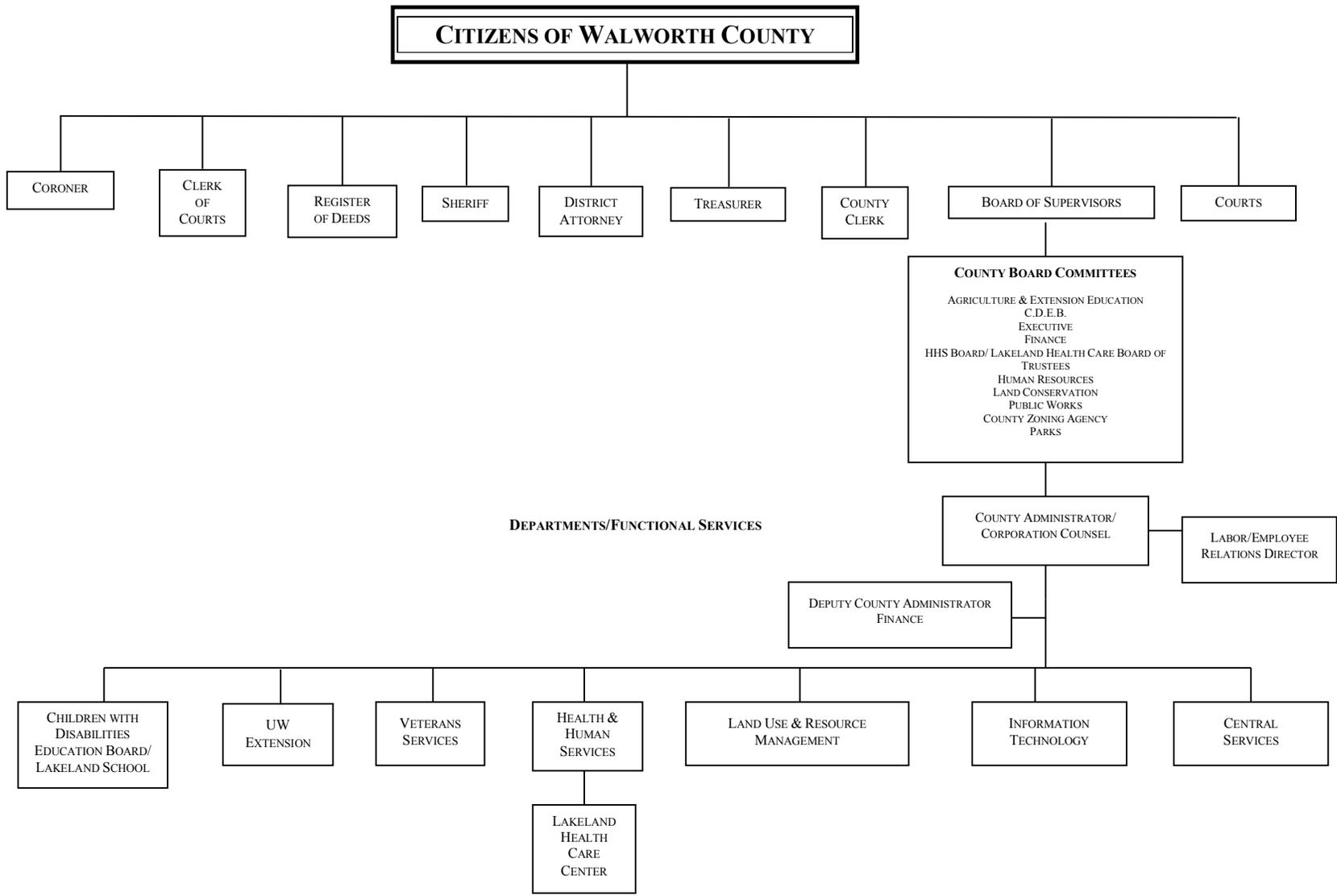
Christopher P. Morrell

President

Jeffrey R. Egan

Executive Director

WALWORTH COUNTY ORGANIZATION STRUCTURE



WALWORTH COUNTY, WISCONSIN
LIST OF PRINCIPAL OFFICIALS
 As of December 31, 2012

ELECTED OFFICIALS

<u>Office</u>		<u>Name</u>
County Clerk	.....	Kimberly Bushey
Clerk of Courts	.....	Sheila Reiff
Coroner	.....	John Griebel
District Attorney (appointed)	.....	Daniel Necci
Register of Deeds	.....	Connie Woolever
Sheriff	.....	David Graves
Treasurer	.....	Kathy Du Bois

COUNTY BOARD SUPERVISORS

<u>Supervisory District</u>		<u>Name</u>
1	.....	Rick Stacey
2	.....	Joe Schaefer
3	.....	Tim Brellenthin
4	.....	Jerry Grant
5	.....	Carl Redenius
6	.....	Tim Schiefelbein
7	.....	David A. Weber
8	.....	Daniel G. Kilkenny
9	.....	Richard Brandl
10	.....	Kenneth H. Monroe
11	.....	Nancy Russell

NONELECTED OFFICIALS

<u>Activity</u>		<u>Name</u>
County Administrator	.....	David Bretl
Corporation Counsel	.....	David Bretl
Deputy County Administrator - Finance	.....	Nicole Andersen
Comptroller	.....	Jessica Lanser
Central Services Director	.....	Kevin Brunner
Health and Human Services Director	.....	Linda Seemeyer
Information Technology Director	.....	John Orr
Lakeland Health Care Center Administrator	.....	Bernadette Janiszewski
Special Education Director	.....	Tracy Moate
Land Use and Resource Management Director	.....	Michael Cotter
University of Wisconsin Extension Department Head	.....	Christine Wen
Veterans Service Officer	Christine Jordan

FINANCIAL SECTION

Walworth County
Wisconsin

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Baker Tilly Virchow Krause, LLP
Ten Terrace Ct, PO Box 7398
Madison, WI 53707-7398
tel 608 249 6622
fax 608 249 8532
bakertilly.com

INDEPENDENT AUDITORS' REPORT

To the Board of County Supervisors
Walworth County, Wisconsin
Elkhorn, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Walworth County, Wisconsin, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Walworth County, Wisconsin's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Walworth County, Wisconsin's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Walworth County, Wisconsin's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Board of County Supervisors
Walworth County, Wisconsin

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Walworth County, Wisconsin, as of December 31, 2012 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Health and Human Services Fund and Children with Disabilities Education Board Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note B, Walworth County, Wisconsin adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walworth County, Wisconsin's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walworth County, Wisconsin's basic financial statements. The introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

To the Board of County Supervisors
Walworth County, Wisconsin

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Walworth County, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Walworth County, Wisconsin's internal control over financial reporting and compliance.

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

Madison, Wisconsin
June 12, 2013

Walworth County
Wisconsin

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**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

Walworth County
Wisconsin

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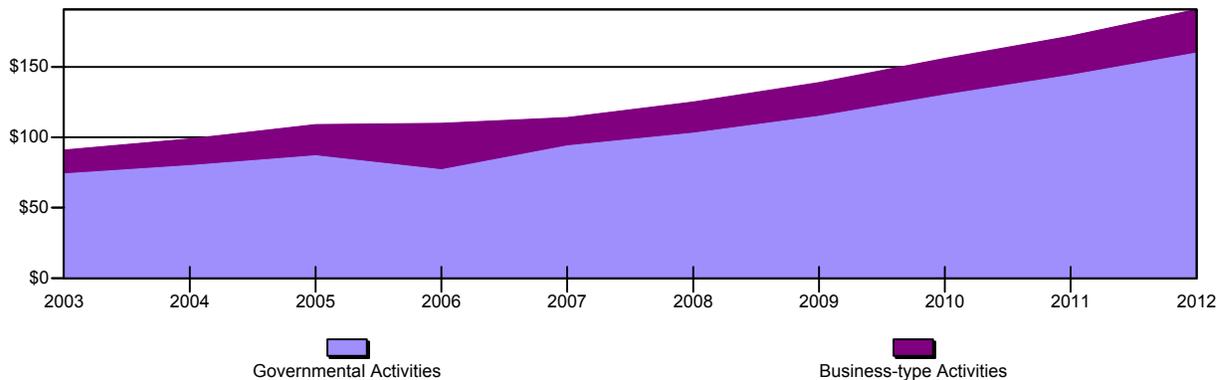
WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2012

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, 2012. Efforts have been made to provide comparison to prior year data when such data is available.

Financial Highlights

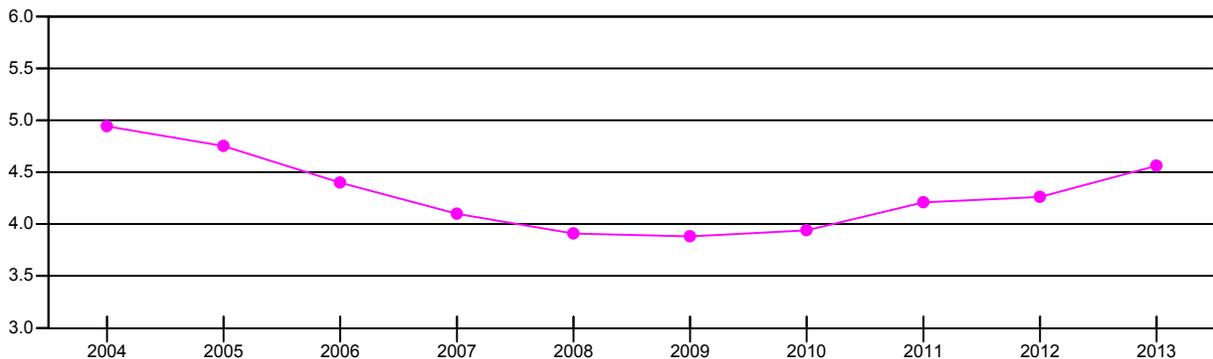
- The assets of the County exceeded its liabilities as of December 31, 2012 by \$190.6 million (*net position*), \$159.9 million in governmental activities and \$30.7 million in business-type activities. Of this amount, \$91.4 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased \$17.9 million. Governmental activities increased net position by \$15.7 million; business-type activities increased net position by \$2.2 million. This chart shows the history of net position increasing over the last 10 years.

Net Position



- As of December 31, 2012, the County's governmental funds reported combined ending fund balances of \$55.8 million. Approximately 41% of this total amount, \$22.8 million, is available for spending at the County's discretion (*unassigned fund balance*).
- The average mill rate increased 7.0% to 4.56 per \$1,000 of property value for the year ended December 31, 2012. The following graph depicts the history of the average mill rate over the last 10 years. The total tax levy has a 0.00% change for the 2012 tax levy appropriated for the 2013 budget.

Average Mill Rate



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2012

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, health and human services, culture, education and recreation, public works, and conservation and development. The business-type activities of the County include Lakeland Health Care Center and the Public Works highway and facility administration.

The government-wide financial statements can be found on pages 49 - 50 of this report.

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

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

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

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2012

The County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Health and Human Services, Children with Disabilities Education Board, and Debt Service funds, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 51 - 59 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 60 - 64 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 65 - 66 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 67 - 95 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 99 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2012

and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 105 - 129. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 133 - 135.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$190,568,020 at the close of 2012.

Walworth County's Net Position
(In thousands)

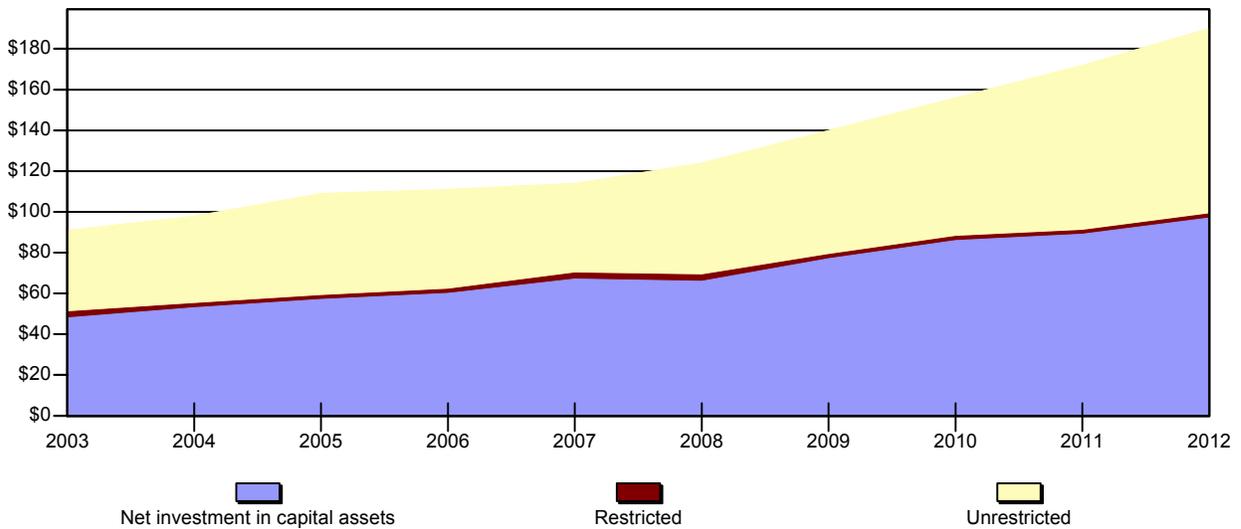
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current assets	\$ 143,574	\$ 134,192	\$ 20,419	\$ 21,875	\$ 163,993	\$ 156,067
Capital assets	105,749	105,307	21,879	22,735	127,628	128,042
Other noncurrent assets	8,477	5,741	676	464	9,153	6,205
Total assets	257,800	245,240	42,974	45,074	300,774	290,314
Current liabilities	67,891	64,961	8,404	8,497	76,295	73,458
Noncurrent liabilities	29,986	36,093	3,924	8,081	33,910	44,174
Total liabilities	97,877	101,054	12,328	16,578	110,205	117,632
Net position:						
Net investment in capital assets	78,161	73,774	18,848	15,635	97,009	89,409
Restricted	1,922	1,978	202	236	2,124	2,214
Unrestricted	79,839	68,434	11,596	12,625	91,435	81,059
Total net position	\$ 159,922	\$ 144,186	\$ 30,646	\$ 28,496	\$ 190,568	\$ 172,682

WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2012

The largest portion of the County's net position (50.9%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (1.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted* net position (\$91,435,133) may be used to meet the County's ongoing obligations to citizens and creditors. Below is a graph of the net position classifications over the last 10 years.

Net Position Classifications (in millions)



Change in net position. At the end of the fiscal year, the County reported total revenues of \$117,714,380 and total expenses of \$99,828,781, resulting in an increase in net position of \$17,885,599 (after considering transfers). The table below and the narrative that follows consider the key elements of this increase broken down by governmental activities and business-type activities. The graph focuses on the change in expenses.

WALWORTH COUNTY, WISCONSIN

Management's Discussion and Analysis

December 31, 2012

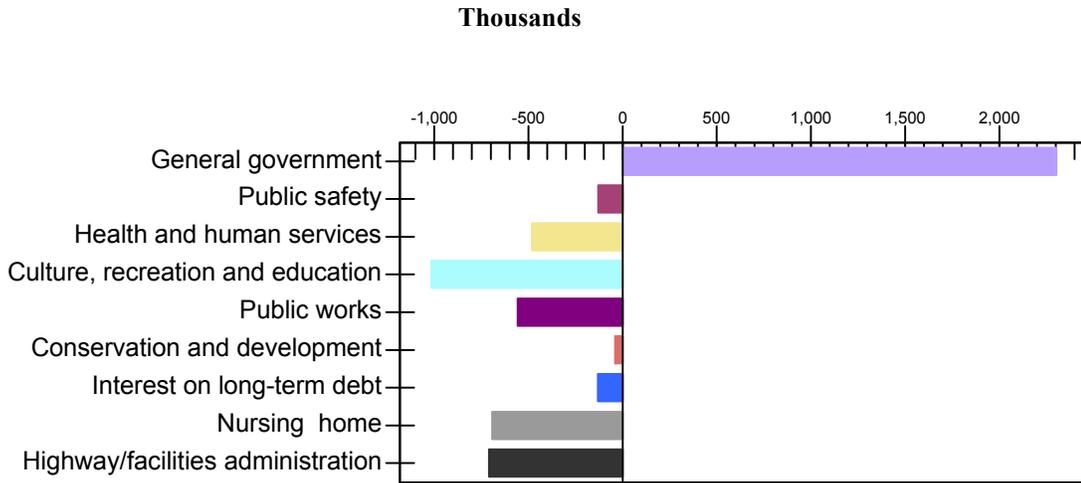
Walworth County's Change in Net Position

(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 8,220	\$ 7,782	\$ 12,346	\$ 12,640	\$ 20,566	\$ 20,422
Operating grants and contributions	21,095	21,886	3,050	2,729	24,145	24,615
Capital grants and contributions	1,387	328	-	-	1,387	328
General revenues:						
Property tax	55,719	55,922	7,282	7,499	63,001	63,421
Other taxes	7,580	7,372	-	-	7,580	7,372
Grants and contributions not restricted to specific programs	327	375	-	-	327	375
Other	655	794	53	811	708	1,605
Total revenues	<u>94,983</u>	<u>94,459</u>	<u>22,731</u>	<u>23,679</u>	<u>117,714</u>	<u>118,138</u>
Expenses:						
General government	16,328	14,024	-	-	16,328	14,024
Public safety	23,752	23,882	-	-	23,752	23,882
Health and human services	22,981	23,462	-	-	22,981	23,462
Culture, recreation and education	12,261	13,277	-	-	12,261	13,277
Public works	1,851	2,408	-	-	1,851	2,408
Conservation and development	2,113	2,153	-	-	2,113	2,153
Interest on long-term debt	1,017	1,148	-	-	1,017	1,148
Nursing home	-	-	11,431	12,123	11,431	12,123
Highway/facilities administration	-	-	8,094	8,803	8,094	8,803
Total expenses	<u>80,303</u>	<u>80,354</u>	<u>19,525</u>	<u>20,926</u>	<u>99,828</u>	<u>101,280</u>
Increase in net position before transfers	14,680	14,105	3,206	2,753	17,886	16,858
Transfers	1,056	441	(1,056)	(441)	-	-
Increase in net position	<u>15,736</u>	<u>14,546</u>	<u>2,150</u>	<u>2,312</u>	<u>17,886</u>	<u>16,858</u>
Net position - January 1	144,186	129,640	28,496	26,184	172,682	155,824
Net position - December 31	<u>\$ 159,922</u>	<u>\$ 144,186</u>	<u>\$ 30,646</u>	<u>\$ 28,496</u>	<u>\$ 190,568</u>	<u>\$ 172,682</u>

WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2012

Dollar Change in Functional Expenses between 2011 and 2012



Explanation of Functional Changes.

Major functional changes include the change in general government due primarily to a \$1.3 million one-time pass through grant expenditure to a local business. Culture, recreation and education decrease in expenses is due primarily to the continued transfer of teachers from County to individual school district responsibility.

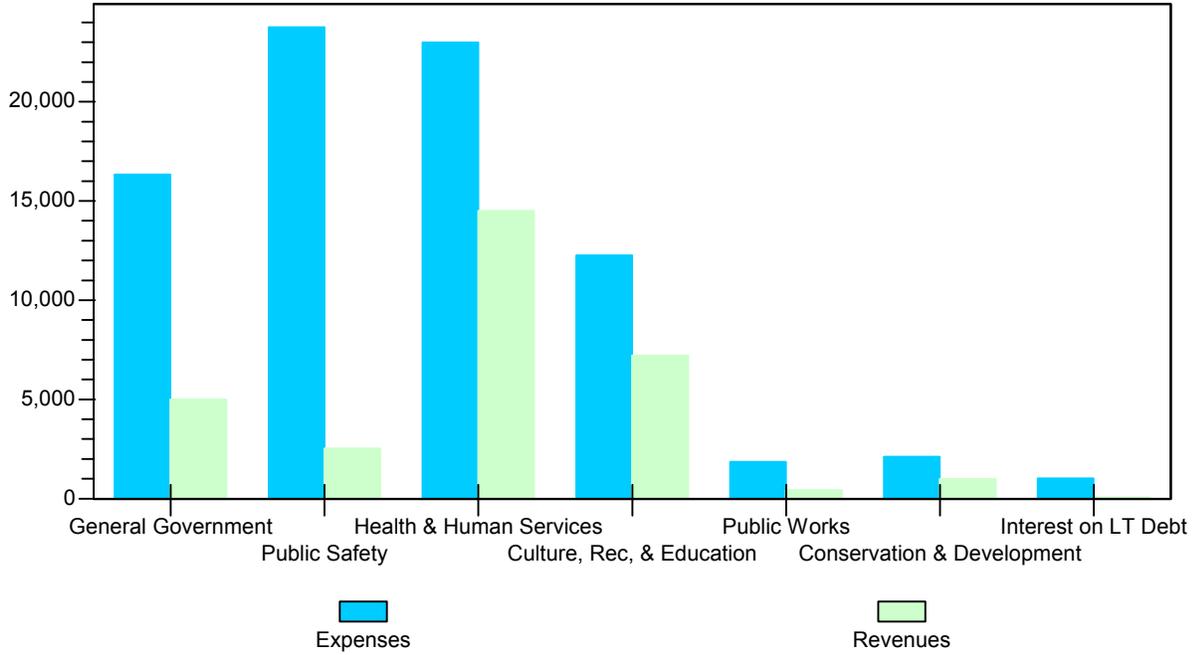
Governmental Activities. Governmental activities increased the County's net position by \$15,735,981, thereby accounting for 88% of the total growth in net position of the County. This growth is due primarily to decreased expenses. Revenues for the County's governmental activities total \$96,038,837, with property taxes accounting for 58.0% of the total revenue, followed by operating grants and contributions at 22.0%. Expenses cover a range of services, with the majority in four areas: 29.6% for public safety, 28.6% for health and human services, 20.3% for general government, and 15.3% for culture, recreation and education.

The internal service funds resulted in a \$1.8 million increase in net position due primarily to less claims than historical averages and greater stop loss recoveries. An increase of \$2.5 million is due to excess contributions to the other post employment benefit asset. Outstanding debt decreased by \$6 million, due in part to \$4.8 million of called obligations.

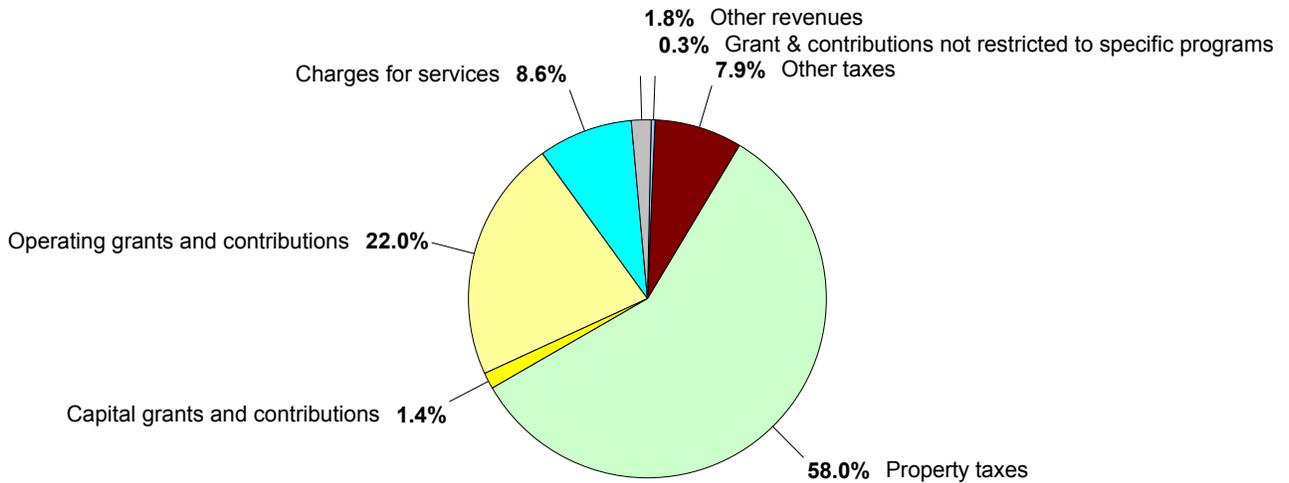
The graphs below compare (1) total governmental activity expenses to program revenue, which does not include general revenues of property and other taxes, or grants and contributions not related to specific programs, and (2) all revenue sources for governmental activities.

WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2012

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



Governmental Activities
(2) Revenues by Source

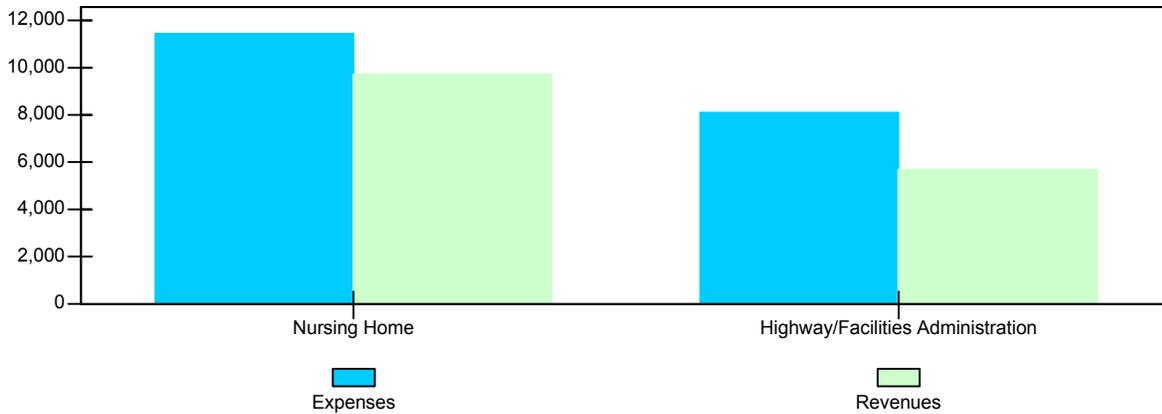


WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2012

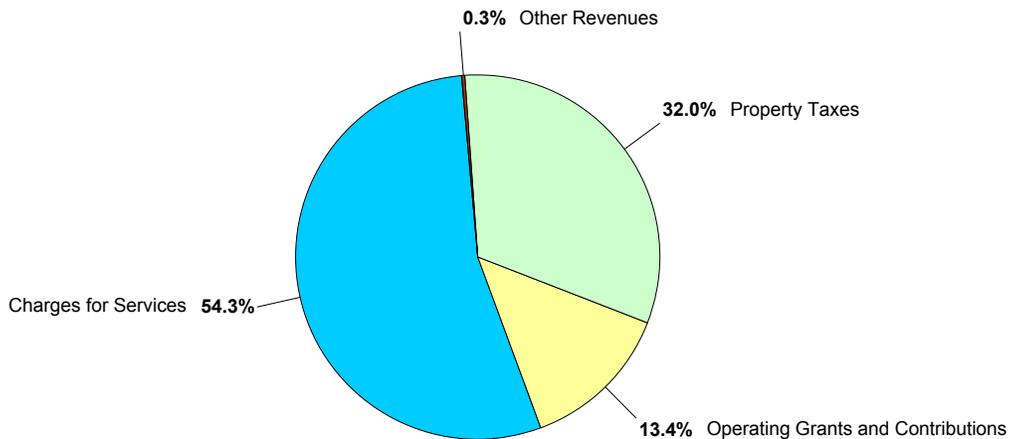
Business-type Activities. Business-type activities increased net position by \$2,149,618, thereby accounting for 12% of the total growth in net position of the County. This growth is due primarily to decreased expenses. Due to position vacancies and lower than anticipated health insurance premiums across the County during 2012, \$1,040,000 of wage and benefit savings resulted between highway/facilities administration and the nursing home. An increase of \$450,000 relates to unspent roadway supplies for the highway/facilities area.

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

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



Business-type Activities
(2) Revenues by Source



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2012

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, 2012, the County's governmental funds reported combined ending fund balances of \$55,811,343, an increase of \$5,391,598 from the prior year. Approximately 41% of this amount (\$22,808,649) 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 (\$6,247,558), open projects carried forward into the next year (\$2,244,866), non-specific Children with Disabilities Education Board purposes (\$3,159,899), and non-specific capital project purposes (\$156,920). Committed fund balance indicates that it is not available for new spending because it has already been committed by the County Board by ordinance or formal resolution. Commitments include funds set aside future building and equipment purchases (\$2,092,000), future debt service payments (\$3,291,121), general donations (\$90,069), open encumbrances (\$937,550), carryforward projects (\$2,875), future investment market adjustments for potential short-term losses (\$1,184,113), future road construction (\$3,075,168), transfers to be made to the General fund (\$2,429,770), parks (\$222,796), and for anticipated retirement severance payments (\$1,140,274). Restricted fund balance accounts for funds with a funding source specifically restricted by a third party. Restricted amounts include Alpine Valley fees for future concert public safety needs (\$154,774), carryforward projects with restricted revenue funding (\$1,284), donations for school, sheriff, health and human services, and parks (\$349,228), encumbrances (\$12,500), land information projects (\$563,000), non-metallic mining fees collected and held by statute (\$18,566), redaction fees collected and held by statute (\$150,207), Sheriff Trust funds collected and held by statute (\$668,547). 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 (\$8,638), and delinquent taxes, not yet collected (\$4,800,971).

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 \$22,808,649, while total fund balance reached \$39,015,650. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers. Unassigned fund balance represents 45% of total General fund expenditures and transfers, while total fund balance represents 77% of that same amount.

The fund balance of the County's General fund increased by \$2,030,628. The fund was budgeted to decrease by \$3,294,761. Many of the capital outlay expenditures and related grants have been carried forward into 2013. Lapsing individual General fund department savings of \$5,325,389 existed at yearend. The largest excess revenue contributions were due to interest and penalties on delinquent taxes of \$375,000 and excess sales tax received of \$465,000. The largest expenditure savings was in wage and benefits due primarily to position vacancies and health insurance savings incurred from not raising premiums as anticipated. This resulted in a savings of \$1.8 million by the General fund. Additionally, \$561,745 of expected expenditure budget was encumbered into 2013.

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

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2012

The Health and Human Services special revenue fund has a total fund balance of \$2,980,433. Of this total, \$204,428 is restricted for donations, \$11,502 is committed to encumbrances, and \$347,845 is assigned to fund projects carried forward to future years. The fund balance increased by \$382,706, which is \$2,426,513 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 2013 transfer to the General fund in the amount of \$2,416,658 which has been committed in the fund balance.

The Children with Disabilities Education Board special revenue fund has a total fund balance of \$6,899,044. Of this fund balance, \$384 is committed for encumbrances, \$550,000 is committed for building/equipment purchases, \$2,580,000 is committed for future debt service payments, \$421,363 is committed for anticipated retirement/severance payments, and \$187,398 is committed/restricted for donations. The fund balance increased by \$1,139,910 over budgeted expectations, primarily due to the early implementation of school district transfers of teachers, resulting in savings of payroll costs. Although grant revenues were under budget, corresponding expenditure budgets were also under budget.

The Debt Service fund has a total fund balance of \$711,121, which is committed to future debt service payments. The fund balance increase of \$7,049 was due primarily to interest income received on unspent bond proceeds and fees not incurred during 2012.

Proprietary funds. The County's proprietary funds provide the same type of information found in the County's government-wide financial statements, but in more detail.

Unrestricted net position of Lakeland Health Care Center at the end of the year amounted to \$4,221,308. The total growth in net position was \$1,652,308.

Unrestricted net position of the Public Works fund at the end of the year amounted to \$4,901,605. The total growth in net position was \$184,798.

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

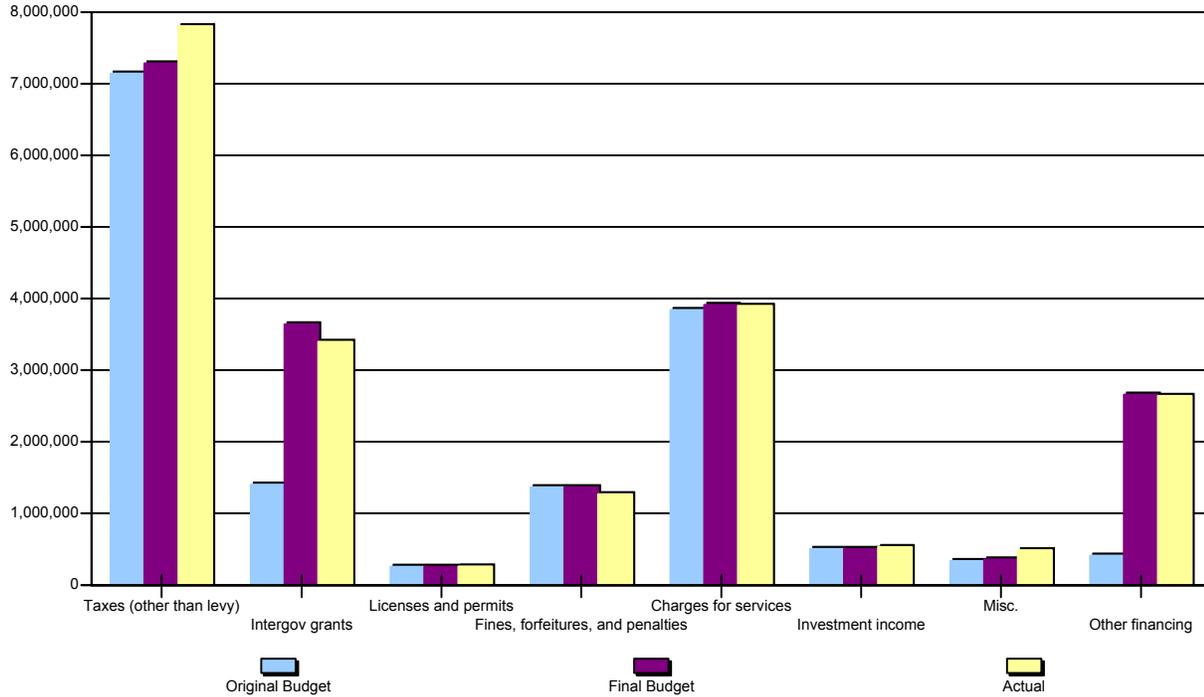
General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an increase of \$1,126,087 in appropriations; major changes in fund balance additions/uses during the year included a transfer from health and human services 2011 net income of \$2.1 million which was offset by the use of fund balance for several capital outlay projects as well as \$1.2 million for an infrastructure project authorized during the year. The following graphs depict actual revenue and expenditure categories compared to original and final budget.

During the year, actual revenues and transfers exceeded budgeted revenues by \$746,397. The largest increase in revenues compared to budget of \$968,854 is in tax revenue primarily due to excess interest and penalties on delinquent taxes and excess sales tax collections.

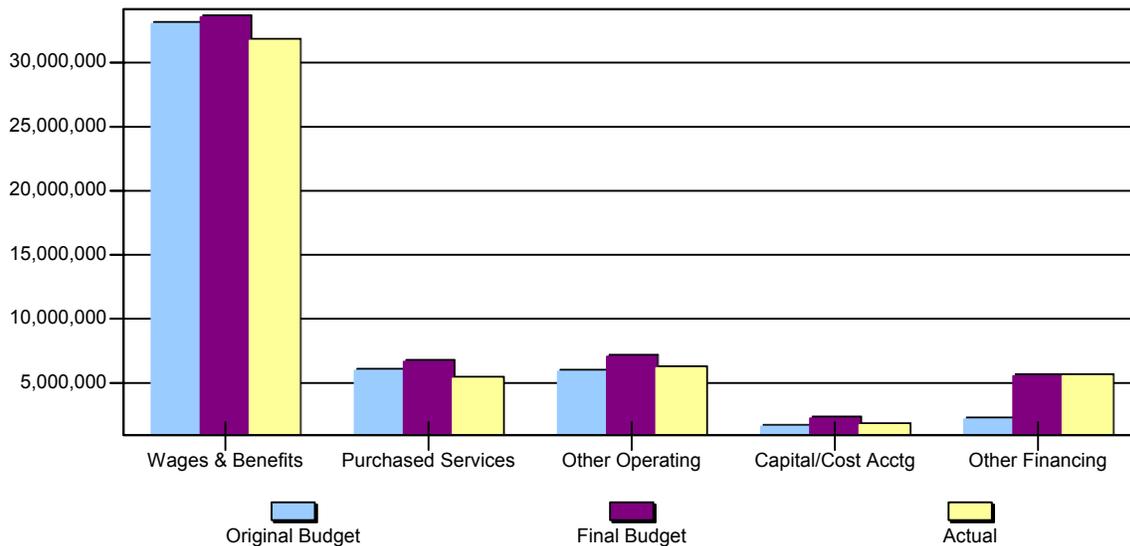
WALWORTH COUNTY, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2012

General Fund Budget to Actual by Revenue Categories (excluding tax levy)



Actual expenditures were less than budgeted expenditures by \$4,578,992, primarily due to operational efficiencies from each department. Wages and benefits account for \$1.8 million of this savings due to position vacancies and health insurance premium savings. Open operating encumbrances carried forward for expenditures not completed at year end account for \$561,745 of the total.

General Fund Budget to Actual by Expenditure Categories



WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2012

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, 2012 amounts to \$127,628,125 (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 change in value in the County's investment in capital assets for the current fiscal year was 0%.

The County completes road construction every other year. 2012 was not considered a road construction year, however unspent bond proceeds remaining from 2011 completed projects were used to complete one major road construction project in 2012.

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

- Completed road and bridge construction, at a cost of \$3,050,021
- Replacement of 10 sheriff vehicles, at a cost of \$250,258
- Purchase of tax parcel management software, at a cost of \$174,300
- Replacement of phone and voicemail system at a cost of \$345,514
- Completion of Public Works building expansion and parking lot, at a total cost of \$564,252

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 81 - 82.

Long-term debt. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$30,555,000. Moody's Investors Service rates Walworth County for its general obligation debt as an Aa1. Under current state statutes, the County's general obligation debt is subject to a legal limitation, based on 5% of the total equalized value of taxable property in the County. The current debt limitation for the County is \$656,177,136, which is significantly in excess of the County's \$30,555,000 in authorized general obligation debt.

The County's total general obligation debt decreased by \$10,020,000 for debt principal payments. A called portion of debt is included in the principal retirement total for outstanding 2004 and 2005 general obligation notes in the amount of \$4,755,000.

Further details of the County's long-term debt activity can be found in the notes to the financial statements on pages 83 - 86.

WALWORTH COUNTY, WISCONSIN
Management's Discussion and Analysis
December 31, 2012

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 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 2013 fiscal year.

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

The County continues to review and analyze long and short term budget needs carefully to make the important decisions related to serving the needs of Walworth County citizens in the most effective manner while continuing to keep spending within statutory limits.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Walworth County Finance Department, 100 West Walworth, P.O. Box 1001, Elkhorn, WI 53121.

BASIC FINANCIAL STATEMENTS

Walworth County
Wisconsin

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WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET POSITION

December 31, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 76,261,711	\$ 7,753,385	\$ 84,015,096
Restricted cash and investments	1,676,145	27,681	1,703,826
Receivables (net of allowance for uncollectibles):			
Taxes	53,301,337	7,578,526	60,879,863
Delinquent taxes	7,370,356	-	7,370,356
Accounts	3,953,035	865,490	4,818,525
Internal balances	(2,463,512)	2,463,512	-
Due from other governments	3,340,731	281,184	3,621,915
Inventories	8,638	1,429,864	1,438,502
Prepaid items	8,864	10,303	19,167
Unamortized debt issuance costs	116,777	9,378	126,155
Long-term receivable	372,771	-	372,771
Restricted investments			
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	1,563,000	-	1,563,000
Other post employment benefits	6,541,144	675,710	7,216,854
Capital assets:			
Land and construction in progress	3,382,294	98,513	3,480,807
Other capital assets (net of accumulated depreciation)	102,366,567	21,780,751	124,147,318
Total assets	<u>257,799,858</u>	<u>42,974,297</u>	<u>300,774,155</u>
LIABILITIES			
Accounts payable	3,493,065	451,893	3,944,958
Accrued interest payable	229,236	28,646	257,882
Accrued liabilities	1,706,839	310,994	2,017,833
Claims payable	5,230,668	-	5,230,668
Deposits	1,857,358	27,681	1,885,039
Due to other governments	1,997,213	-	1,997,213
Unearned revenue	53,377,099	7,584,920	60,962,019
Noncurrent liabilities:			
Due within one year	3,458,411	1,278,204	4,736,615
Due in more than one year	26,527,560	2,646,348	29,173,908
Total liabilities	<u>97,877,449</u>	<u>12,328,686</u>	<u>110,206,135</u>
NET POSITION			
Net investment in capital assets	78,161,464	18,847,558	97,009,022
Restricted for:			
General government	154,282	-	154,282
Public safety	835,821	-	835,821
Health and human services	204,428	-	204,428
Culture, recreation and education	146,084	-	146,084
Conservation and development	581,566	-	581,566
Nursing home	-	87,080	87,080
Solid waste	-	114,604	114,604
Unrestricted	79,838,764	11,596,369	91,435,133
Total net position	<u>\$ 159,922,409</u>	<u>\$ 30,645,611</u>	<u>\$ 190,568,020</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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 16,328,073	\$ 2,976,971	\$ 717,068	\$ 1,302,049	\$ (11,331,985)	\$ -	\$ (11,331,985)
Public safety	23,751,633	1,193,001	1,255,858	80,500	(21,222,274)	-	(21,222,274)
Health and human services	22,981,571	3,034,084	11,460,943	4,055	(8,482,489)	-	(8,482,489)
Culture, recreation and education	12,261,349	378,695	6,834,631	-	(5,048,023)	-	(5,048,023)
Public works	1,850,532	16,850	399,740	-	(1,433,942)	-	(1,433,942)
Conservation and development	2,112,685	620,678	368,219	-	(1,123,788)	-	(1,123,788)
Interest on long-term debt	1,017,013	-	58,380	-	(958,633)	-	(958,633)
Total governmental activities	<u>80,302,856</u>	<u>8,220,279</u>	<u>21,094,839</u>	<u>1,386,604</u>	<u>(49,601,134)</u>	<u>-</u>	<u>(49,601,134)</u>
Business-type activities:							
Nursing home	11,431,737	8,576,634	1,135,603	-	-	(1,719,500)	(1,719,500)
Highway/facilities administration	8,094,188	3,769,486	1,914,106	-	-	(2,410,596)	(2,410,596)
Total business-type activities	<u>19,525,925</u>	<u>12,346,120</u>	<u>3,049,709</u>	<u>-</u>	<u>-</u>	<u>(4,130,096)</u>	<u>(4,130,096)</u>
Total primary government	<u>\$ 99,828,781</u>	<u>\$ 20,566,399</u>	<u>\$ 24,144,548</u>	<u>\$ 1,386,604</u>	<u>(49,601,134)</u>	<u>(4,130,096)</u>	<u>(53,731,230)</u>
General revenues:							
General property taxes					\$ 52,160,876	\$ 7,282,023	\$ 59,442,899
Property taxes for debt service					3,558,522	-	3,558,522
County share of sales taxes					7,509,543	-	7,509,543
Other taxes					70,546	-	70,546
Grants and contributions not restricted to specific programs					327,119	-	327,119
Unrestricted investment earnings					595,493	4,261	599,754
Miscellaneous					59,302	49,144	108,446
Transfers					1,055,714	(1,055,714)	-
Total general revenues and transfers					<u>65,337,115</u>	<u>6,279,714</u>	<u>71,616,829</u>
Changes in net position					15,735,981	2,149,618	17,885,599
Net position - beginning					144,186,428	28,495,993	172,682,421
Net position - ending					<u>\$ 159,922,409</u>	<u>\$ 30,645,611</u>	<u>\$ 190,568,020</u>

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

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service		
ASSETS						
Cash and investments	\$ 33,670,935	\$ 5,024,247	\$ 6,415,346	\$ 711,121	\$ 5,951,007	\$ 51,772,656
Receivables (net of allowance for uncollectibles):						
Taxes	28,556,830	11,329,131	8,270,312	1,358,777	3,786,287	53,301,337
Delinquent taxes	7,370,356	-	-	-	-	7,370,356
Accounts	2,494,611	519,061	21,413	-	321	3,035,406
Due from other governments	1,519,070	974,986	822,076	-	24,599	3,340,731
Inventories	8,638	-	-	-	-	8,638
Long-term receivables	372,771	-	-	-	-	372,771
Restricted cash and investments						
Bonds and unclaimed funds	177,742	-	-	-	-	177,742
Patient deposits	-	214,324	-	-	-	214,324
Land information	-	-	-	-	562,482	562,482
Sheriff trusts	-	-	-	-	337,182	337,182
Total assets	<u>\$ 74,170,953</u>	<u>\$ 18,061,749</u>	<u>\$ 15,529,147</u>	<u>\$ 2,069,898</u>	<u>\$ 10,661,878</u>	<u>\$ 120,493,625</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,321,198	\$ 1,001,504	\$ 228,027	\$ -	\$ 652,170	\$ 3,202,899
Accrued liabilities	1,196,629	378,828	129,910	-	1,472	1,706,839
Due to other governments	322	1,996,887	-	-	4	1,997,213
Due to other funds	9,525	1,738	1,854	-	1	13,118
Deposits	25,501	78,955	-	-	-	104,456
Unearned tax revenues	29,856,046	11,329,131	8,270,312	1,358,777	3,786,287	54,600,553
Other unearned revenues	2,568,340	106,560	-	-	16,849	2,691,749
Liabilities payable from restricted assets						
Bonds and unclaimed funds	177,742	-	-	-	-	177,742
Patient and school deposits	-	187,713	-	-	-	187,713
Total liabilities	<u>35,155,303</u>	<u>15,081,316</u>	<u>8,630,103</u>	<u>1,358,777</u>	<u>4,456,783</u>	<u>64,682,282</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

BALANCE SHEET (CONCLUDED)
GOVERNMENTAL FUNDS
December 31, 2012

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Health & Human Services	Children With Disabilities Education Board	Debt Service		
Fund balances:						
Nonspendable:						
Delinquent taxes	\$ 4,800,971	\$ -	\$ -	\$ -	\$ -	\$ 4,800,971
Inventory	8,638	-	-	-	-	8,638
Restricted for:						
Alpine Valley	154,774	-	-	-	-	154,774
Carryforward projects	1,284	-	-	-	-	1,284
Donations	47,471	204,428	97,329	-	-	349,228
Encumbrances	12,500	-	-	-	-	12,500
Modernization fees	-	-	-	-	312,697	312,697
Public access fees	-	-	-	-	250,303	250,303
Non-metallic mining fees	18,566	-	-	-	-	18,566
Redaction fees	150,207	-	-	-	-	150,207
Sheriff trusts	-	-	-	-	668,547	668,547
Committed for:						
Building/equipment	1,542,000	-	550,000	-	-	2,092,000
Carryforward projects	2,875	-	-	-	-	2,875
Debt service	-	-	2,580,000	711,121	-	3,291,121
Donations	-	-	90,069	-	-	90,069
Encumbrances	549,245	11,502	384	-	376,419	937,550
Investment market adjustments	1,184,113	-	-	-	-	1,184,113
Road construction	-	-	-	-	3,075,168	3,075,168
Transfer to General fund	-	2,416,658	-	-	13,112	2,429,770
Parks	222,796	-	-	-	-	222,796
Severance	718,911	-	421,363	-	-	1,140,274
Assigned for:						
Subsequent year budget items	6,247,558	-	-	-	-	6,247,558
Carryforward projects	545,092	347,845	-	-	1,351,929	2,244,866
Children with Disabilities Education Board	-	-	3,159,899	-	-	3,159,899
Capital projects	-	-	-	-	156,920	156,920
Unassigned	22,808,649	-	-	-	-	22,808,649
Total fund balances	<u>39,015,650</u>	<u>2,980,433</u>	<u>6,899,044</u>	<u>711,121</u>	<u>6,205,095</u>	<u>55,811,343</u>
Total liabilities and fund balances	<u>\$ 74,170,953</u>	<u>\$ 18,061,749</u>	<u>\$ 15,529,147</u>	<u>\$ 2,069,898</u>	<u>\$ 10,661,878</u>	<u>\$ 120,493,625</u>

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

WALWORTH COUNTY, WISCONSIN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2012

Total fund balances-governmental funds (page 52) \$ 55,811,343

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. In the statement of net position, the cost of these assets are capitalized and expensed over their estimated lives.

Land	\$ 1,091,454	
Construction in progress	2,290,840	
Buildings	65,651,333	
Improvements other than buildings	4,889,554	
Machinery and equipment	21,103,775	
Infrastructure	57,900,097	
Less: Accumulated depreciation	<u>(47,178,192)</u>	
		105,748,861

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	1,781,231	
Court assessments	297,375	
Delinquent real estate taxes - county share	1,299,216	
City of Elkhorn receivable	282,771	
Walworth County Historical Society receivable	100,000	
Local charges for services	16,924	
Grant revenue	<u>137,686</u>	
		3,915,203

Internal services funds are used by management to charge the cost of health insurance, dental insurance, workers compensation, and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 19,545,259

Due from business-type activities related to internal service funds (2,473,456)

Long-term liabilities, including bond payable and notes payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(27,520,443)	
Debt premium	(66,954)	
Compensated absences	(2,398,574)	
Other post employment benefits	6,541,144	
Health insurance retiree sick leave credits	932,485	
Issuance costs	116,777	
Accrued interest on long-term obligations	<u>(229,236)</u>	
		<u>(22,624,801)</u>

Net position of governmental activities as reported on the statement of net position (page 49) \$ 159,922,409

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

		<u>Special Revenue Funds</u>	
		Health & Human Services	Children With Disabilities Education Board
	<u>General</u>		
REVENUES			
Taxes	\$40,032,126	\$ 11,231,743	\$ 8,398,149
Intergovernmental	3,394,919	11,190,259	6,777,808
Licenses and permits	258,324	-	-
Fines, forfeitures and penalties	1,270,100	-	-
Public charges for services	2,330,865	2,940,806	37,769
Intergovernmental charges for services	1,566,866	147,495	402,025
Investment income	530,253	-	14,003
Miscellaneous	487,817	178,744	108,178
Total revenues	<u>49,871,270</u>	<u>25,689,047</u>	<u>15,737,932</u>
EXPENDITURES			
Current:			
General government	15,059,546	-	-
Public safety	25,664,890	-	-
Health and human services	179,133	22,880,201	-
Culture, recreation, and education	632,784	-	12,748,781
Conservation and development	1,724,764	-	-
Capital outlay	1,681,121	477,493	15,663
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>44,942,238</u>	<u>23,357,694</u>	<u>12,764,444</u>
Excess (deficiency) of revenues over expenditures	<u>4,929,032</u>	<u>2,331,353</u>	<u>2,973,488</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,594,270	170,500	500
Transfers out	(5,538,674)	(2,119,147)	(1,286,064)
Sale of capital assets	46,000	-	-
Total other financing sources (uses)	<u>(2,898,404)</u>	<u>(1,948,647)</u>	<u>(1,285,564)</u>
Net change in fund balance	2,030,628	382,706	1,687,924
Fund balances - beginning	36,985,022	2,597,727	5,211,120
Fund balances - ending	<u>\$39,015,650</u>	<u>\$ 2,980,433</u>	<u>\$ 6,899,044</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (concluded)
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 3,558,522	\$ 506,038	\$ 63,726,578
Intergovernmental	58,380	400,040	21,821,406
Licenses and permits	-	-	258,324
Fines, forfeitures and penalties	-	-	1,270,100
Public charges for services	-	197,560	5,507,000
Intergovernmental charges for services	-	12,110	2,128,496
Investment income	4,797	852	549,905
Miscellaneous	-	288,107	1,062,846
Total revenues	<u>3,621,699</u>	<u>1,404,707</u>	<u>96,324,655</u>
EXPENDITURES			
Current:			
General government	-	-	15,059,546
Public safety	-	58,078	25,722,968
Health and human services	-	-	23,059,334
Culture, recreation, and education	-	-	13,381,565
Conservation and development	-	232,185	1,956,949
Capital outlay	-	3,632,318	5,806,595
Debt service			
Principal retirement	5,947,007	-	5,947,007
Interest and fiscal charges	1,122,381	-	1,122,381
Total expenditures	<u>7,069,388</u>	<u>3,922,581</u>	<u>92,056,345</u>
Excess (deficiency) of revenues over expenditures	<u>(3,447,689)</u>	<u>(2,517,874)</u>	<u>4,268,310</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,454,738	4,274,788	10,494,796
Transfers out	-	(473,623)	(9,417,508)
Sale of capital assets	-	-	46,000
Total other financing sources (uses)	<u>3,454,738</u>	<u>3,801,165</u>	<u>1,123,288</u>
Net change in fund balance	7,049	1,283,291	5,391,598
Fund balances - beginning	704,072	4,921,804	50,419,745
Fund balances - ending	<u>\$ 711,121</u>	<u>\$ 6,205,095</u>	<u>\$ 55,811,343</u>

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

WALWORTH COUNTY, WISCONSIN

RECONCILIATION OF THE STATEMENT OF REVENUES.
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Net change in fund balances-total governmental funds (page 55)		\$ 5,391,598
Amounts reported for governmental activities in the statement of activities (page 50) are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays exceeded depreciation in the current period.		
Depreciation expense	\$ (4,321,513)	
Capital outlay	<u>5,806,595</u>	1,485,082
The net effect of various miscellaneous transactions involving capital assets (i.e) trade-ins, and donations) is to decrease net position.		
Loss on disposal of assets	(497,859)	
Proceeds from the sale of assets/insurance recoveries	(46,000)	
Repair and maintenance projects not capitalized	<u>(499,553)</u>	(1,043,412)
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	(136,554)	
Court assessments	(121,050)	
Delinquent real estate taxes-county share	(65,829)	
Walworth County Historical Society receivable	100,000	
Local governments charges for services not yet received	(145,332)	
Grant revenues not yet received	<u>(186,446)</u>	(555,211)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, has any effect on net position.		
Repayment of general obligation debt	<u>5,947,007</u>	5,947,007
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	(13,529)	
Net premiums	<u>28,518</u>	14,989
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	90,379	
Compensated absences	131,616	
Other post employment benefits	<u>2,776,483</u>	2,998,478
The net effect of certain activities of internal service funds is reported with governmental activities.		
		<u>1,497,450</u>
Change in net position of governmental activities as reported on the statement of activities (page 50)		\$ 15,735,981

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

WALWORTH COUNTY, WISCONSIN

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

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 38,380,703	\$ 39,063,272	\$ 40,032,126	\$ 968,854
Intergovernmental	1,401,774	3,642,158	3,394,919	(247,239)
Licenses and permits	254,369	254,369	258,324	3,955
Fines, forfeitures and penalties	1,366,800	1,367,758	1,270,100	(97,658)
Public charges for services	2,434,461	2,346,509	2,330,865	(15,644)
Intergovernmental charges for services	1,407,082	1,566,872	1,566,866	(6)
Investment income	503,600	505,439	530,253	24,814
Miscellaneous	337,193	358,218	487,817	129,599
Total revenues	<u>46,085,982</u>	<u>49,104,595</u>	<u>49,871,270</u>	<u>766,675</u>
EXPENDITURES				
Current:				
General government	15,451,937	17,505,059	15,059,546	2,445,513
Public safety	26,732,357	27,064,136	25,664,890	1,399,246
Health and human services	178,903	185,213	179,133	6,080
Culture, recreation, and education	695,849	711,760	632,784	78,976
Conservation and development	1,887,713	1,855,516	1,724,764	130,752
Capital outlay:				
General government	957,100	1,107,438	880,390	227,048
Public safety	565,370	1,065,588	774,211	291,377
Culture, recreation, and education	26,520	26,520	26,520	-
Total expenditures	<u>46,495,749</u>	<u>49,521,230</u>	<u>44,942,238</u>	<u>4,578,992</u>
Excess (deficiency) of revenues over expenditures	<u>(409,767)</u>	<u>(416,635)</u>	<u>4,929,032</u>	<u>5,345,667</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	340,967	2,616,260	2,594,270	(21,990)
Transfers out	(2,168,674)	(5,538,674)	(5,538,674)	-
Sale of capital assets	68,800	44,288	46,000	1,712
Total other financing sources/(uses)	<u>(1,758,907)</u>	<u>(2,878,126)</u>	<u>(2,898,404)</u>	<u>(20,278)</u>
Net change in fund balances	<u>(2,168,674)</u>	<u>(3,294,761)</u>	<u>2,030,628</u>	<u>5,325,389</u>
Fund balances - beginning	36,985,022	36,985,022	36,985,022	-
Fund balances - ending	<u>\$ 34,816,348</u>	<u>\$ 33,690,261</u>	<u>\$ 39,015,650</u>	<u>\$ 5,325,389</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,329,389	\$ 11,231,743	\$ 11,231,743	\$ -
Intergovernmental	10,383,101	10,859,081	11,190,259	331,178
Public charges for services	2,871,567	2,877,055	2,940,806	63,751
Intergovernmental charges for services	87,460	169,390	147,495	(21,895)
Miscellaneous	121,700	125,257	178,744	53,487
Total revenues	<u>24,793,217</u>	<u>25,262,526</u>	<u>25,689,047</u>	<u>426,521</u>
EXPENDITURES				
Current:				
Health and human services	24,590,877	24,873,004	22,880,201	1,992,803
Capital outlay:				
Health and human services	202,340	484,682	477,493	7,189
Total expenditures	<u>24,793,217</u>	<u>25,357,686</u>	<u>23,357,694</u>	<u>1,999,992</u>
Excess (deficiency) of revenues over expenditures	-	(95,160)	2,331,353	2,426,513
OTHER FINANCING SOURCES (USES)				
Transfers in	-	170,500	170,500	-
Transfers out	-	(2,119,147)	(2,119,147)	-
Total other financing sources/(uses)	-	(1,948,647)	(1,948,647)	-
Net change in fund balances	-	(2,043,807)	382,706	2,426,513
Fund balances - beginning	2,597,727	2,597,727	2,597,727	-
Fund balances - ending	<u>\$ 2,597,727</u>	<u>\$ 553,920</u>	<u>\$ 2,980,433</u>	<u>\$ 2,426,513</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,398,149	\$ 8,398,149	\$ 8,398,149	\$ -
Intergovernmental	7,510,469	7,716,253	6,777,808	(938,445)
Public charges for services	65,150	32,786	37,769	4,983
Intergovernmental charges for services	165,000	165,000	402,025	237,025
Investment income	6,060	6,302	14,003	7,701
Miscellaneous	34,000	104,178	108,178	4,000
Total revenues	<u>16,178,828</u>	<u>16,422,668</u>	<u>15,737,932</u>	<u>(684,736)</u>
EXPENDITURES				
Current:				
Culture, recreation, and education	14,892,764	14,568,929	12,748,781	1,820,148
Capital outlay:				
Culture, recreation, and education	-	20,161	15,663	4,498
Total expenditures	<u>14,892,764</u>	<u>14,589,090</u>	<u>12,764,444</u>	<u>1,824,646</u>
Excess of revenues over expenditures	<u>1,286,064</u>	<u>1,833,578</u>	<u>2,973,488</u>	<u>1,139,910</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	500	500	-
Transfers out	(1,286,064)	(1,286,064)	(1,286,064)	-
Total other financing sources/(uses)	<u>(1,286,064)</u>	<u>(1,285,564)</u>	<u>(1,285,564)</u>	<u>-</u>
Net changes in fund balances	-	548,014	1,687,924	1,139,910
Fund balances - beginning	5,211,120	5,211,120	5,211,120	-
Fund balances - ending	<u>\$ 5,211,120</u>	<u>\$ 5,759,134</u>	<u>\$ 6,899,044</u>	<u>\$ 1,139,910</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2012

	Business-type Activities -			Governmental Activities- Internal Service
	Enterprise Funds			
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
ASSETS				
Current assets:				
Cash and investments	\$ 4,001,917	\$ 3,751,468	\$ 7,753,385	\$ 24,489,055
Restricted cash and investments:				
Resident deposits	27,681	-	27,681	-
Deposits held with fiscal agents	-	-	-	384,415
Taxes receivable	3,646,931	3,931,595	7,578,526	-
Accounts receivable (net of allowance for uncollectibles)	852,474	13,016	865,490	917,629
Due from other funds	-	-	-	23,062
Due from other governments	1,018	280,166	281,184	-
Inventories	20,589	1,409,275	1,429,864	-
Prepaid items	99	10,204	10,303	8,864
Unamortized debt issuance cost	2,680	-	2,680	-
Total current assets	<u>8,553,389</u>	<u>9,395,724</u>	<u>17,949,113</u>	<u>25,823,025</u>
Noncurrent assets:				
Restricted cash and investments:				
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	-	-	-	1,563,000
Other post employment benefits	320,537	355,173	675,710	-
Unamortized debt issuance costs	6,698	-	6,698	-
Capital assets:				
Land	36,260	62,226	98,486	-
Construction in progress	27	-	27	-
Other capital assets	15,522,992	17,212,984	32,735,976	-
Less: Accumulated depreciation	(2,275,494)	(8,679,731)	(10,955,225)	-
Net capital assets	<u>13,283,785</u>	<u>8,595,479</u>	<u>21,879,264</u>	<u>-</u>
Total noncurrent assets	<u>13,611,020</u>	<u>8,950,652</u>	<u>22,561,672</u>	<u>1,563,000</u>
Total assets	<u>22,164,409</u>	<u>18,346,376</u>	<u>40,510,785</u>	<u>27,386,025</u>

(Continued)

WALWORTH COUNTY, WISCONSIN

STATEMENT OF NET POSITION (concluded)
 PROPRIETARY FUNDS
 December 31, 2012

	Business-type Activities -			Governmental Activities- Internal Service
	Enterprise Funds			
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 223,758	\$ 228,135	\$ 451,893	\$ 290,166
Accrued interest payable	28,646	-	28,646	-
Accrued liabilities	160,954	150,040	310,994	-
Claims payable	-	-	-	5,230,668
Due to other funds	4,744	5,200	9,944	-
Deposits	27,681	-	27,681	1,387,447
Unearned tax revenues	3,646,931	3,931,595	7,578,526	-
Other unearned revenues	-	6,394	6,394	-
Compensated absences - current	293,871	271,134	565,005	-
General obligation notes payable - current	713,199	-	713,199	-
Retiree health credits - current	-	-	-	142,960
Total current liabilities	<u>5,099,784</u>	<u>4,592,498</u>	<u>9,692,282</u>	<u>7,051,241</u>
Noncurrent liabilities:				
Compensated absences	185,651	142,189	327,840	-
General obligation notes payable (net of unamortized discounts)	2,318,508	-	2,318,508	-
Retiree health credits	-	-	-	789,525
Total noncurrent liabilities	<u>2,504,159</u>	<u>142,189</u>	<u>2,646,348</u>	<u>789,525</u>
Total liabilities	<u>7,603,943</u>	<u>4,734,687</u>	<u>12,338,630</u>	<u>7,840,766</u>
NET POSITION				
Net investment in capital assets	10,252,078	8,595,480	18,847,558	-
Restricted for donations	87,080	-	87,080	4,075
Restricted for solid waste	-	114,604	114,604	-
Unrestricted	4,221,308	4,901,605	9,122,913	19,541,184
Total net position	<u>\$ 14,560,466</u>	<u>\$ 13,611,689</u>	<u>\$ 28,172,155</u>	<u>\$ 19,545,259</u>

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

Internal service funds are used by management to charge the costs of employee benefits and risk management to individual funds. The assets and liabilities of the internal service fund are primarily included in the governmental activities in the statement of net position. Some assets, however, are reported as business-type activities.

2,473,456

Net position of business-type activities as reported on the statement of net position (see page 49)

\$ 30,645,611

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Charges for services	\$ 8,576,634	\$ 3,769,486	\$ 12,346,120	\$ 1,913,494
Interdepartmental	-	-	-	16,828,639
Total operating revenues	<u>\$ 8,576,634</u>	<u>\$ 3,769,486</u>	<u>\$ 12,346,120</u>	<u>\$ 18,742,133</u>
Operating expenses:				
Operation and maintenance	11,154,261	7,391,564	18,545,825	-
Insurance services	-	-	-	17,009,180
Depreciation	325,768	791,039	1,116,807	-
Total operating expenses	<u>11,480,029</u>	<u>8,182,603</u>	<u>19,662,632</u>	<u>17,009,180</u>
Operating income (loss)	<u>(2,903,395)</u>	<u>(4,413,117)</u>	<u>(7,316,512)</u>	<u>1,732,953</u>
Nonoperating revenues (expenses):				
Property taxes	3,567,117	3,714,906	7,282,023	-
Intergovernmental grants	1,135,603	1,914,106	3,049,709	-
Investment income	851	3,410	4,261	45,589
Interest expense	(152,882)	-	(152,882)	-
Debt issuance costs and discounts	(16,427)	-	(16,427)	-
Net loss on disposal of assets	(1,237)	(5,259)	(6,496)	-
Insurance recoveries	-	21,791	21,791	57,206
Legal claim settlement	112	4,760	4,872	94
Rent, rebates, and donations	22,066	415	22,481	5,233
Total nonoperating revenues	<u>4,555,203</u>	<u>5,654,129</u>	<u>10,209,332</u>	<u>108,122</u>
Income before capital contributions and transfers	1,651,808	1,241,012	2,892,820	1,841,075
Capital contributions	-	6,574	6,574	-
Transfers in	500	12,000	12,500	40,000
Transfers out	-	(1,074,788)	(1,074,788)	(55,000)
Change in net position	1,652,308	184,798	1,837,106	1,826,075
Total net position - beginning	12,908,158	13,426,891	26,335,049	17,719,184
Total net position - ending	<u>\$ 14,560,466</u>	<u>\$ 13,611,689</u>	<u>\$ 28,172,155</u>	<u>\$ 19,545,259</u>

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

Net change in net position-total enterprise funds	1,837,106
The net revenue of certain activities of internal service funds is reported within business-type activities	<u>328,625</u>
Net change in net position of business-type activities as reported on the statement of activities (see page 50)	<u>\$ 2,149,618</u>

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

WALWORTH COUNTY, WISCONSIN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012**

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 8,862,003	\$ 3,042,275	\$ 11,904,278	\$ 1,646,228
Receipts from interfund services provided	-	725,076	725,076	16,768,057
Payments to suppliers	(2,758,978)	(2,653,817)	(5,412,795)	(16,215,875)
Payments to employees	(8,627,051)	(4,729,260)	(13,356,311)	-
Payments for interfund services used	(17,844)	(6,192)	(24,036)	-
Payments of patient trust deposits	1,548	-	1,548	-
Net cash provided by (used in) operating activities	<u>(2,540,322)</u>	<u>(3,621,918)</u>	<u>(6,162,240)</u>	<u>2,198,410</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
General property taxes	3,567,117	3,714,906	7,282,023	-
Intergovernmental grants	1,135,603	1,914,106	3,049,709	-
Insurance recovery	-	-	-	57,206
Legal claim settlements	112	4,760	4,872	94
Rent, rebates, and donations	22,066	415	22,481	5,233
Transfer from other funds	500	12,000	12,500	40,000
Transfer to other funds	-	(1,074,788)	(1,074,788)	(55,000)
Net cash provided by non-capital financing activities	<u>4,725,398</u>	<u>4,571,399</u>	<u>9,296,797</u>	<u>47,533</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(66,727)	(193,580)	(260,307)	-
Capital asset insurance recovery	-	21,791	21,791	-
Principal paid on capital debt	(4,072,993)	-	(4,072,993)	-
Interest paid on capital debt	(188,226)	-	(188,226)	-
Net cash used in capital and related financing activities	<u>(4,327,946)</u>	<u>(171,789)</u>	<u>(4,499,735)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	851	3,410	4,261	45,589
Net cash provided by investing activities	<u>851</u>	<u>3,410</u>	<u>4,261</u>	<u>45,589</u>
Net increase (decrease) in cash and investments	(2,142,019)	781,102	(1,360,917)	2,291,532
Cash and investments - beginning	6,171,617	2,970,366	9,141,983	24,144,938
Cash and investments - ending	<u>\$ 4,029,598</u>	<u>\$ 3,751,468</u>	<u>\$ 7,781,066</u>	<u>\$ 26,436,470</u>
Cash and investments on December 31 are reconciled from the Statement of Net Position as follows:				
Cash and investments	\$ 4,001,917	\$ 3,751,468	\$ 7,753,385	\$ 24,489,055
Restricted cash and investments	27,681	-	27,681	1,947,415
	<u>\$ 4,029,598</u>	<u>\$ 3,751,468</u>	<u>\$ 7,781,066</u>	<u>\$ 26,436,470</u>

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

WALWORTH COUNTY, WISCONSIN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012**

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Lakeland Health Care Center	Public Works	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (2,903,395)	\$ (4,413,117)	\$ (7,316,512)	\$ 1,732,953
Noncash items included in operating income (loss)				
Depreciation	325,768	791,039	1,116,807	-
Change in assets and liabilities:				
Accounts receivable	184,250	122,079	306,329	(267,266)
Due from other funds	-	-	-	(4,894)
Due from other governments	101,119	(117,480)	(16,361)	-
Inventories	(236)	82,209	81,973	-
Prepaid items	(99)	(4,005)	(4,104)	106,900
Accounts payable	17,248	4,214	21,462	185,981
Accrued liabilities	(16,483)	(16,594)	(33,077)	-
Due to other funds	1,167	697	1,864	-
Deferred revenues	-	(6,733)	(6,733)	-
Claims payable	-	-	-	523,611
Compensated absences	(55,287)	(32,164)	(87,451)	-
Retiree health credits	-	-	-	(16,114)
Deposits	1,548	-	1,548	(62,761)
Other post employment benefits	(195,922)	(32,063)	(227,985)	-
Net cash provided by (used in) operating activities	<u>\$ (2,540,322)</u>	<u>\$ (3,621,918)</u>	<u>\$ (6,162,240)</u>	<u>\$ 2,198,410</u>
Noncash investing, capital, and financing activities:				
Capital contribution of assets	\$ -	\$ (6,574)	\$ (6,574)	\$ -

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2012

	<u>Other Post Employment Benefits Trust Fund</u>	<u>Private Purpose Trusts</u>	<u>Agency Funds</u>
ASSETS			
Cash and investments	\$ 20,386,779	\$ 39,811	\$ 1,284,562
Total assets	<u>20,386,779</u>	<u>39,811</u>	<u>1,284,562</u>
LIABILITIES			
Accounts payable	-	-	312,374
Due to other governments	-	-	21,133
Deposits	-	-	951,055
Total liabilities	<u>-</u>	<u>-</u>	<u>1,284,562</u>
NET POSITION			
Held in trust for post employment benefits:			
Children with Disabilities Education Board	4,777,972	-	-
Public Works	1,035,352	-	-
Lakeland Health Care Center	1,467,449	-	-
Sworn	9,268,194	-	-
Other	3,837,812	-	-
Held in trust for private purposes	<u>-</u>	<u>39,811</u>	<u>-</u>
 Total net position	 <u>\$ 20,386,779</u>	 <u>\$ 39,811</u>	 <u>\$ -</u>

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

WALWORTH COUNTY, WISCONSIN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2012

	Other Post Employment Benefits Trust Fund	Private Purpose Trusts
ADDITIONS		
Contributions:		
Employer	\$ 3,699,082	\$ -
Investment earnings:		
Interest and dividends	672,355	64
Increase in the fair value of investments	1,206,588	-
Total investment earnings	1,878,943	64
Less investment expense	68,318	-
Net investment earnings	1,810,625	64
Total additions	5,509,707	64
DEDUCTIONS		
Benefits	309,315	-
Educational outreach	-	1,000
Administrative expenses	2,500	-
Total deductions	311,815	1,000
Change in net position	5,197,892	(936)
Net position - beginning	15,188,887	40,747
Net position - ending	\$ 20,386,779	\$ 39,811

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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 position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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, 2012

NOTE A - REPORTING ENTITY (continued)

Government-wide and Fund Financial Statements (continued)

The County reports the following major governmental funds:

GENERAL FUND

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

HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND

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

CHILDREN WITH DISABILITIES EDUCATION BOARD SPECIAL REVENUE FUND

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

DEBT SERVICE FUND

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

The County reports the following major enterprise funds:

LAKELAND HEALTH CARE CENTER FUND

This fund accounts for the provision of health 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, 2012

NOTE A - REPORTING ENTITY (continued)

Government-wide and Fund Financial Statements (continued)

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards

The County has implemented the Governmental Accounting Standards Board Statement No. 63: *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* for the year ended December 31, 2012. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

In addition, the Governmental Accounting Standards Board issued statements 61, 65, 66, 67, 68, 69 and 70, which will be required in future years. The County has not yet implemented these standards.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

A majority of accounts receivables are recorded at gross with uncollectible amounts recognized under the direct write-off method, since it is believed that the amount of such allowances would not be material. For accounts receivables that expect to have material uncollectible amounts, these balances have been shown net of these allowances. The details of these uncollectible amounts are listed in Note E.

Property taxes are due, in the year subsequent to the levy, on the last day of January, and collected by local treasurers through that date, at which time unpaid taxes are assigned to the County and appropriate receivables and payables are recorded. Tax collections become the responsibility of the County and taxes receivable include unpaid taxes levied for all taxing entities within the County. The County makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1.

Restricted Assets/Deposits

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

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet. Noncurrent portions of the interfund receivables described as "advances to" and "advances from" governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation. There are no advances at December 31, 2012.

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

Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased. Inventory quantities are confirmed by physical counts once annually. For 2012, these were completed on December 31, for Lakeland Health Care Center and November 2, 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.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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>	<u>Governmental Activities</u>	<u>Business - Type Activities</u>
	<u>Years</u>	
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/dams	50	N/A

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory time and holiday banked benefits in accordance with county policy and bargaining unit agreements. Unused sick leave is accumulated and reported for those employees who will not convert their banks to other post employment benefits, but are eligible for a cash payout upon retirement. A liability for the sick leave amount is reported within the other post employment benefits liability only if the sick leave banks may be converted to health credits, as a result of employee retirements. Vacation, sick, compensatory and holiday banks subject to payouts or eligible for the other post employment benefits liability are accrued when incurred in the government-wide and proprietary fund financial statements.

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

Deferred 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 position. 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.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

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

1. Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds and related borrowing discounts/premiums.
2. Restricted net position - Amount of net position subject to restrictions imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

In the fund statements, governmental fund 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 which meet the requirement of not in spendable form.
2. Restricted fund balance – Amount constraints requiring use for a specific purpose and are either: 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. Fund balance restrictions are legally enforceable when a third party can enforce the resources to be used appropriately.
3. Committed fund balance – Amounts used for specific purposes based on constraints imposed by formal action of the County Board in an ordinance. The commitment purposes must be made during the County's fiscal year ended December 31, 2012 and can only be amended by the same formal legal action creating the original commitments.
4. Assigned fund balance - Funds that are constrained by the county administrator as established by county ordinance with the intent for the amount to be used for specific purposes, but is neither restricted nor committed.
5. Unassigned fund balance – The balance of General fund's fund balance available for appropriation.

Proprietary fund equity is classified the same as in the government-wide statements.

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

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

Minimum Fund Balance

County ordinance defines minimum available fund balance for the General fund as 15 to 20% of the General fund revenues without transfers plus the property tax revenue allocated to each fund. Children with Disabilities Education Board fund minimum available fund balance is defined as 15 to 20% of the individual fund's revenues without property tax or transfer revenue. Use of available funds is restricted to one-time expenditures, including but not limited to: capital expenditures, prepayment of outstanding debt, start-up costs for new programs, termination costs of ineffective or inefficient programs, advance payment of multi-year obligations or other nonrecurring expenditures. Only the General fund unassigned fund balance may be utilized throughout the County. No formal policy exists to replenish these funds, however funds are typically replenished with lapsing funds in the next year. Required minimum balances are met as of December 31, 2012.

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.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE C - STEWARDSHIP AND COMPLIANCE

Budget and Budgetary Accounting

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

1. During November, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue and debt service funds, with the exception of the Sheriff 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 2012 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 unassigned General fund's fund balance.

Supplemental Appropriations

Supplemental appropriations for expenditures that were necessary for 2012 are as follows:

Department/Fund	Adopted Budget	Modified Budget	Increase/ (Decrease)
County board	\$ 193,852	\$ 193,562	\$ (290)
County clerk	349,604	341,012	(8,592)
Administration	1,606,459	3,188,191	1,581,732
Finance	1,514,177	1,523,683	9,506
Treasurer	864,159	810,606	(53,553)
Coroner	398,231	396,346	(1,885)
Clerk of courts	3,036,844	3,018,586	(18,258)
District attorney	953,143	939,492	(13,651)
Register of deeds	681,278	667,615	(13,663)
Information systems	1,879,619	2,157,873	278,254
Central services	1,399,004	1,406,777	7,773
Non-departmental	5,316,672	8,992,759	3,676,087
Community initiative	246,390	376,390	130,000
Sheriff	27,297,727	28,129,724	831,997
Veterans services	178,903	185,213	6,310
UW extension	586,919	598,200	11,281

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE C - STEWARDSHIP AND COMPLIANCE (continued)

Supplemental Appropriations (continued)

Department/Fund	Adopted Budget	Modified Budget	Increase/ (Decrease)
Parks	135,450	140,080	4,630
Land use & resource management	1,887,713	1,855,516	(32,197)
Total General fund	<u>48,664,423</u>	<u>55,059,904</u>	<u>6,395,481</u>
Health and Human Services fund	24,793,217	27,476,833	2,683,616
Children with Disabilities Education Board fund	16,178,828	15,875,154	(303,674)
Land Information fund	507,496	572,329	64,833

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, 2012.

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, 2012, no department total actual expenditures exceeded total budgeted appropriations.

NOTE D - CASH AND INVESTMENTS

Cash Investments

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

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

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

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

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE D - CASH AND INVESTMENTS (continued)

Cash Investments (continued)

The carrying amount of the County's cash and investments totaled \$108,993,074 on December 31, 2012 as summarized:

Petty cash	\$ 5,740
Demand deposits	1,113,865
Certificates of deposit	11,252,381
Deposits with fiscal agents	384,415
Wisconsin Municipal Mutual Insurance Company (WMMIC) Deposit	1,563,000
Investments	<u>94,673,673</u>
	<u>\$ 108,993,074</u>
Reconciliation to the basic financial statements:	
Basic financial statements	
Cash and investments	\$ 84,015,096
Restricted cash and investments	1,703,826
Restricted investment - deposit with WMMIC	1,563,000
Fiduciary funds	
Other post employment benefits trust fund	20,386,779
Private purpose trust funds	39,811
Agency funds	<u>1,284,562</u>
	<u>\$ 108,993,074</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 requiring all financial institutions acting as a depository for the County to enter into a depository agreement, requiring the depository to pledge collateral to secure amounts over and above those guaranteed through a combination of the FDIC and state deposit guarantee fund for banks or NCUA for credit unions. The depository agreement requires all securities serving as collateral shall be specifically pledged to the County and placed in a custodial account at a Federal Reserve bank, a trust department of a commercial bank, or through another financial institution.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest bearing demand deposit accounts and unlimited coverage for non-interest bearing accounts. 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, 2012, 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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE D - CASH AND INVESTMENTS (continued)

Custodial Credit Risk (continued)

department or agent but not in the County's name) for its governmental or business-type funds. The OPEB trust does not require collateralization per the County's OPEB investment policy.

Credit Risk

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

Investment Type	Rating as of Year End			
	Amount	AAA	Aa	Not Rated
Federal agency securities	\$ 24,007,647	\$ 24,007,647	\$ -	\$ -
U.S. Treasury Notes	1,601,698	1,601,698	-	-
Wisconsin Municipal Bonds	6,258,664	1,859,345	4,399,319	-
Wisconsin Local Government Investment Pool	9,020,591	-	-	9,020,591
JP Morgan Repurchase	4,031,921	-	-	4,031,921
JP Morgan Money Market fund	3,579,694	-	-	3,579,694
Associated Money Market fund	17,174,893	-	-	17,174,893
M&I Bank Money Market fund	127,332	-	-	127,332
Mid America Money Market fund	8,231,996	-	-	8,231,996
Peoples Bank Money Market fund	252,458	-	-	252,458
	<u>\$ 74,286,894</u>	<u>\$ 27,468,690</u>	<u>\$ 4,399,319</u>	<u>\$ 42,418,885</u>

The OPEB trust has various fixed income mutual funds totaling \$14,006,480. The funds are made up of fixed income bonds and securities with the following average ratings: 40.4% with an AAA average rating, 6.7% with an AA average rating, 14.7% with an A average rating, 18.1% with a BBB average rating, 8.2% with a BB average rating, 5.8% with a B average rating, 4.3% with below a B average rating, and 1.8% not rated. The remaining OPEB trust mutual funds are equity investment funds of \$6,380,299 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 \$24,827,500. 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 2012, no policy limits were exceeded.

At year end, the County held greater than five percent of its total investments (all investments, including certificates of

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE D - CASH AND INVESTMENTS (continued)

Concentration of Credit Risk (continued)

deposit, less OPEB trust investments) in its portfolio (other than money market funds, and external investment pools) from this issuer:

Issuer Type	Percent of Total Investments	Amount
Federal National Mortgage Association (FNMA)	20.74 %	\$ 17,739,048

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 \$13,792,197 with a maturity greater than 60 months due to the long-term nature of the trust fund. The \$6,594,582 remaining in the OPEB trust includes \$214,283 in a cash management fund and \$6,380,299 invested in equity funds that, by definition, do not have maturities.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the investments (excluding the OPEB trust) by maturity:

Investment Type	Amount	Remaining Maturity (in Months)		
		3 Months Or Less	4 to 12 Months	13 to 60 Months
Federal agency securities	\$ 24,007,647	\$ 2,180,101	\$ 3,269,793	\$ 18,557,753
U.S. Treasury Notes	1,601,698	150,405	477,036	974,257
Wisconsin Municipal Bonds	6,258,664	436,022	1,859,345	3,963,297
JP Morgan Repurchase	4,031,921	4,031,921	-	-
Wisconsin Local Government Investment Pool	9,020,591	9,020,591	-	-
JP Morgan Money Market	3,579,694	3,579,694	-	-
Associated Money Market	17,174,893	17,174,893	-	-
M&I Trust Money Market	127,332	127,332	-	-
Mid America Money Market	8,231,996	8,231,996	-	-
Peoples Bank Money Market	252,458	252,458	-	-
Totals	<u>74,286,894</u>	<u>45,185,413</u>	<u>5,606,174</u>	<u>23,495,307</u>
Percent of Total Investments	<u>100.0 %</u>	<u>60.8 %</u>	<u>7.5 %</u>	<u>31.7 %</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County's investments include U.S. government, agency and municipal securities that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above). The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates. The fair value at December 31, 2012 is \$31,868,008. Of this amount, \$11,437,384 are callable, and therefore subject to early payment in a period of declining interest rates. The OPEB trust fund fair value of \$14,006,480 invested in fixed income mutual funds are also highly sensitive to interest rate fluctuations.

Investment in Wisconsin Local Investment Pool

The County has investments in the Wisconsin Local Government Investment Pool of \$9,020,591 at year end. The Wisconsin

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE D - CASH AND INVESTMENTS (continued)

Investment in Wisconsin Local Investment Pool (continued)

Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. Certificates of deposit held in the LGIP are covered by FDIC insurance, which applies to the proportionate public unit account share. At December 31, 2012, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

NOTE E - RECEIVABLES

Allowance for Uncollectible Receivables

An allowance for uncollectible accounts has been provided for the funds listed below. No other allowances have been made, since it is believed that the amount of such allowances would not be material.

<u>Governmental activities</u>	
General fund	
Clerk of courts	\$ 152,782
Sheriff	233,995
Health and Human Services fund	<u>2,022,701</u>
Total	\$ 2,409,478
<u>Business-type activities</u>	
Lakeland Health Care Center fund	\$ 175,000

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 \$60,879,863 is for financing 2013 operations and will be transferred in 2013 from deferred revenue to current revenues of the County's governmental and proprietary funds.

Delinquent Property Taxes - General Fund

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE E - RECEIVABLES (continued)

Delinquent Property Taxes - General Fund (continued)

On December 31, 2012 the General fund showed an investment of \$7,370,356 in delinquent taxes as follows:

Tax certificates	\$ 7,178,661
Tax deeds	187,811
Personal property taxes	3,884
Total	<u>\$ 7,370,356</u>

An aging of the total delinquent taxes of \$7,370,356 on December 31, 2012 follows:

<u>Years Acquired</u>	<u>Tax</u>			
	<u>Total</u>	<u>Certificates</u>	<u>Tax Deeds</u>	<u>Personal Property Taxes</u>
Prior to 2001	\$ 107	\$ -	\$ 107	\$ -
2006	629	629	-	-
2007	3,268	3,268	-	-
2008	8,632	8,632	-	-
2009	11,515	11,515	-	-
2010	536,031	532,147	-	3,884
2011	2,161,810	2,161,806	4	-
2012	4,648,364	4,460,664	187,700	-
	<u>\$ 7,370,356</u>	<u>\$ 7,178,661</u>	<u>\$ 187,811</u>	<u>\$ 3,884</u>

Of the total of \$7,178,661 for delinquent real estate tax certificates, the County collected \$1,078,474 within 60 days after December 31, 2012. The remaining unpaid balance of \$ 6,100,187 is reported as nonspendable fund balance for the General fund for the County purchased portion of \$4,800,971 and reported as unearned/deferred revenue for the County levied portion of \$1,299,216.

The County holds \$187,811 of foreclosed tax deeds with the intent to sell the properties to recoup losses incurred on any tax related payments owed by the former property owners. At December 31, 2012, the properties held by the County have not yet been sold. The County records the tax deeds as delinquent taxes as property owners have the right to reclaim the deed until a sale has been awarded.

NOTE F - RESTRICTED ASSETS/DEPOSITS

Mandatory segregation of assets is presented on the statement of net position as restricted assets. External parties require such segregations. Restricted assets, consisting of patient and student deposits and bonds and unclaimed funds held by various County funds, are offset by a related payable. Land Information deposits and Sheriff trusts have restrictions from state statutes. Internal service fund deposits are restricted as amounts are held by a third party on behalf of the County.

<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Bonds and Unclaimed Funds	\$ 177,742
Health and Human Services	Patient/Client Deposits	214,324
Nonmajor Governmental	Sheriff Trusts	337,182
Nonmajor Governmental	Land information deposits	562,482
Lakeland Health Care Center	Resident Deposits	27,681
Workers Compensation	Held by Fiscal Agent	35,000
Risk Management	Held by Fiscal Agent	349,415
Risk Management	Held with WMMIC	1,563,000
Total Restricted Assets		<u>\$ 3,266,826</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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, 2012 are detailed below.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal service funds-Workers Compensation	General fund	\$ 9,525
	Health and Human Services fund	1,738
	Children with Disabilities Education Board fund	1,854
	Nonmajor Governmental fund	1
	Lakeland Health Care Center fund	4,744
	Public Works fund	<u>5,200</u>
Subtotal - Fund financial statements		23,062
Less: Fund eliminations		(13,118)
Less: interfund receivables created with internal service fund eliminations		<u>(2,473,456)</u>
Total Internal balances-government-wide statement of net position		<u>\$ (2,463,512)</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	
Business-type Activities	Governmental Activities	<u>\$ 2,463,512</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, 2012 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General fund	Health and Human Service fund	\$ 2,119,147
	Nonmajor Governmental funds-Land Information	208,761
	Nonmajor Governmental funds-Sheriff Trusts	264,862
	Internal Service fund-Workers Compensation	1,500
Health and Human Services fund	General fund	170,000
	Internal Service fund-Workers Compensation	500
Children with Disabilities Education Board fund	Internal Service fund-Workers Compensation	500
Debt Service fund	General fund	2,168,674
	Children with Disabilities Education Board fund	1,286,064
Nonmajor Governmental funds-Capital Projects	General fund	3,200,000
	Public Works fund	1,074,788
Lakeland Health Care Center fund	Internal Service fund-Workers Compensation	500
Public Works fund	Internal Service fund-Workers Compensation	12,000
Internal Service fund-Workers Compensation	Internal Service fund-Risk Management	<u>40,000</u>
Subtotal transfers in- Fund financial statements before capital contributions		\$ 10,547,296
Add: Capital contribution of asset from governmental activity to business-type activity		6,574
Less: Fund elimination		<u>(9,498,156)</u>
Total transfer - Government-wide statement of activities		<u>\$ 1,055,714</u>
<u>Transfers To</u>	<u>Transfers From</u>	
Governmental Activities	Business-type Activities	1,074,788
Business-type Activities	Governmental Activities	<u>(19,074)</u>
Total transfer - Government-wide statement of activities		<u>\$ 1,055,714</u>

During the year, County transfers were used to 1) move revenues to the fund that the budget requires to expend them for operating purposes (\$84,685) and capital purposes (\$1,805,177), 2) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due (\$3,454,738), 3) move

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE G -INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

excess/shortage prior year fund balance in accordance with County ordinance related to lapsing funds (\$2,127,908), and 4) move available excess fund balance to the Capital Projects fund authorized for the County's road construction committed fund balance account (\$3,074,788).

NOTE H -CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,092,194	\$ -	\$ 740	\$ 1,091,454
Construction in progress	938,016	1,651,137	298,313	2,290,840
Total capital assets, not being depreciated	<u>2,030,210</u>	<u>1,651,137</u>	<u>299,053</u>	<u>3,382,294</u>
Capital assets, being depreciated				
Buildings	65,651,333	-	-	65,651,333
Improvements other than buildings	4,835,685	65,027	11,158	4,889,554
Machinery and equipment	21,526,472	839,170	1,261,867	21,103,775
Infrastructure	55,927,569	3,050,021	1,077,493	57,900,097
Subtotals	<u>147,941,059</u>	<u>3,954,218</u>	<u>2,350,518</u>	<u>149,544,759</u>
Less accumulated depreciation for:				
Buildings	12,357,705	1,235,296	-	13,593,001
Improvements other than buildings	2,138,907	169,027	-	2,307,934
Machinery and equipment	10,898,132	1,338,957	943,346	11,293,743
Infrastructure	19,269,333	1,578,233	864,052	19,983,514
Subtotals	<u>44,664,077</u>	<u>4,321,513</u>	<u>1,807,398</u>	<u>47,178,192</u>
Total capital assets, being depreciated, net	<u>103,276,982</u>	<u>(367,295)</u>	<u>543,120</u>	<u>102,366,567</u>
Governmental activities capital assets, net	<u>\$ 105,307,192</u>	<u>\$ 1,283,842</u>	<u>\$ 842,173</u>	<u>\$ 105,748,861</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 98,486	\$ -	\$ -	\$ 98,486
Construction in progress	522,395	-	522,368	27
Total capital assets, not being depreciated	<u>620,881</u>	<u>-</u>	<u>522,368</u>	<u>98,513</u>
Capital assets, being depreciated:				
Buildings	19,150,002	530,338	-	19,680,340
Improvements other than buildings	297,421	33,914	-	331,335
Machinery and equipment	12,780,177	271,229	327,105	12,724,301
Subtotals	<u>32,227,600</u>	<u>835,481</u>	<u>327,105</u>	<u>32,735,976</u>
Less accumulated depreciation for:				
Buildings	3,215,684	370,321	-	3,586,005
Improvements other than buildings	143,368	9,802	-	153,170
Machinery and equipment	6,753,742	736,684	274,376	7,216,050
Subtotals	<u>10,112,794</u>	<u>1,116,807</u>	<u>274,376</u>	<u>10,955,225</u>
Total capital assets, being depreciated, net	<u>22,114,806</u>	<u>(281,326)</u>	<u>52,729</u>	<u>21,780,751</u>
Business-type activities capital assets, net	<u>\$ 22,735,687</u>	<u>\$ (281,326)</u>	<u>\$ 575,097</u>	<u>\$ 21,879,264</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE H - CAPITAL ASSETS (continued)

In 2012, \$499,553 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.

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

Governmental activities	
General government	\$ 1,001,651
Public safety	1,024,483
Health and human services	178,276
Culture, recreation and education	344,831
Public works	1,578,233
Conservation and development	194,039
Total depreciation expense - governmental activities	<u>\$ 4,321,513</u>
Business-type activities	
Nursing home	\$ 325,768
Highway/facilities administration	791,039
Total depreciation expense - business-type activities	<u>\$ 1,116,807</u>

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	\$ -	\$ 28,556,830
Health and Human Services	-	11,329,131
Children with Disabilities Education Board	-	8,270,312
Debt Service	-	1,358,777
Nonmajor Governmental funds	-	3,786,287
Delinquent real estate taxes - County share	1,299,216	-
City of Elkhorn long-term receivable	282,771	-
Walworth County Historical Society receivable	100,000	-
Grant funds not received meeting all eligibility requirements	137,686	-
Clerk of Courts fines and penalties	297,375	-
Tax interest and penalty	1,781,231	-
Local charges for services earned, but not yet received	16,924	-
Grant funds received prior to meeting all eligibility requirements	-	73,792
Local charges for services received but not yet earned	-	1,970
Totals	<u>\$ 3,915,203</u>	<u>\$ 53,377,099</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE J - LEASES AND LONG-TERM OBLIGATIONS

Operating Leases

Lease Receivables

The County entered into an operating lease with Aurora Healthcare Southern Lakes, Inc. effective April 1, 2006 for the use of the County's steam plant. The plant was built in 1929 and the portion being used by Aurora Healthcare Southern Lakes, Inc. has a total value of \$2,296,089. The corresponding current carrying value is \$914,378, and the depreciation for year ended December 31, 2012 was \$71,419. The original length of the lease was 5 years. Both parties agreed to exercise an option for a 5-year extension. The lease expires July 31, 2016. Rent payments to the County are \$850/month. In addition, Aurora Healthcare Southern Lakes, Inc. reimburses the County for their share of depreciation and drainage expenses, currently \$5,891/month in 2012.

Remaining annual required future lease payments are as follows:

Year Ended	Rent Amount	Reimbursed	
		Costs	Total
2013	\$ 10,200	\$ 70,692	\$ 80,892
2014	10,200	70,034	80,234
2015	10,200	68,936	79,136
2016	5,950	40,213	46,163
Total:	<u>\$ 36,550</u>	<u>\$ 249,875</u>	<u>\$ 286,425</u>

The County entered into an operating lease with David E. Geils, effective May 20, 2008 for use of the County's farmland. The various parcels were purchased between 1852 and 2000 at a total value of \$624,445. The current carrying value is \$624,445, as land is not depreciated. The original length of the lease was 4 years. Both parties agreed to exercise an option for a 2-year extension. The lease expires December 31, 2014. Remaining annual required future lease payments to the County are \$120,000/year for 2013 and 2014 for a total of \$240,000.

Lease Obligations

The County leases copy/scan/fax machines and services for day to day operations of the County. The contract was awarded to Rhyme Business Group as part of a state contract awarded October 25, 2010. The lease expires September 30, 2013. Total cost of the lease was \$103,727 for the year ended December 31, 2012. The lease payment varies by product and number of copies made. The future minimum lease payment for this lease is \$77,428 in 2013 based on the equipment in place as of December 31, 2012.

The County leases electronic monitoring and alcohol monitoring equipment, services, and support for the Walworth County Law Enforcement Center for offenders on supervised probation. The original agreement was dated November 15, 2007, and was later amended July 1, 2011. The lease agreement has been extended to December 31, 2013. Total cost of the lease was \$158,819 for the year ended December 31, 2012. The lease payment varies by service provided and/or number of monitors issued for a particular month. The future minimum lease payment for this lease is \$248,833 in 2013 based on the equipment in place as of December 31, 2012.

General Obligation Notes Called

On April 13, 2012, the County called the 2013 and 2014 principal payments of the 2004 general obligation promissory notes in the amounts of \$695,000 and \$725,000 respectively. Savings on interest payments for 2012 through 2014 total \$73,795. Available funds from the County's General fund were used to call this debt.

On April 13, 2012, the County called the 2013, 2014, and 2015 principal payments of the 2005 general obligation promissory notes in the amounts of \$1,070,000, \$1,110,000 and \$1,155,000 respectively. Savings on interest payments for 2012 through 2015 total \$229,059. Available funds from the County's General fund in the amount of \$748,673 and from the Lakeland Health Care Center in the amount of \$2,586,327 were used to call this debt.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

Long-term Obligations

Total interest and fees paid during the year on long-term debt totaled \$1,310,608, with \$188,227 of the interest paid attributable to the Lakeland Health Care Center fund. The County's 2009 debt issuance resulted in a 2012 reimbursement of interest payment by the federal Build America Bonds program in the amount of \$58,380.

The following table is a summary of changes in long-term obligations of the County for the year ended December 31, 2012:

	<u>Outstanding 1/1/12</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 12/31/12</u>	<u>Due Within One Year</u>
Governmental Activities:					
<u>By Type:</u>					
General obligation debt					
Bonds	\$ 15,500,000	\$ -	\$ 690,000	\$ 14,810,000	\$ 1,290,000
Notes	17,967,450	-	5,257,007	12,710,443	470,986
Unamortized debt premium	95,472	-	28,518	66,954	8,852
Total general obligation debt	<u>33,562,922</u>	<u>-</u>	<u>5,975,525</u>	<u>27,587,397</u>	<u>1,769,838</u>
Compensated absences	2,530,190	5,072,925	5,204,541	2,398,574	1,688,573
	<u>\$ 36,093,112</u>	<u>\$ 5,072,925</u>	<u>\$ 11,180,066</u>	<u>\$ 29,985,971</u>	<u>\$ 3,458,411</u>
<u>By Purpose:</u>					
General government	\$ 2,964,155	\$ 702,712	\$ 3,242,720	\$ 424,147	\$ 317,747
Public safety	906,023	2,511,499	2,603,260	814,262	737,993
Health and human services	571,990	1,159,460	1,150,343	581,107	424,584
Culture, recreation and education	15,941,149	524,400	1,258,367	15,207,182	822,293
Public works	15,562,378	-	2,751,502	12,810,876	1,052,140
Conservation and development	147,417	174,854	173,874	148,397	103,654
	<u>\$ 36,093,112</u>	<u>\$ 5,072,925</u>	<u>\$ 11,180,066</u>	<u>\$ 29,985,971</u>	<u>\$ 3,458,411</u>
Business-type activities:					
<u>By Type:</u>					
General obligation notes	\$ 7,107,550	\$ -	\$ 4,072,993	\$ 3,034,557	\$ 714,014
Unamortized debt discount	(7,179)	-	(4,329)	(2,850)	(815)
Total general obligation debt	<u>7,100,371</u>	<u>-</u>	<u>4,068,664</u>	<u>3,031,707</u>	<u>713,199</u>
Compensated absences	980,295	1,225,915	1,313,365	892,845	565,005
	<u>\$ 8,080,666</u>	<u>\$ 1,225,915</u>	<u>\$ 5,382,029</u>	<u>\$ 3,924,552</u>	<u>\$ 1,278,204</u>
<u>By Purpose:</u>					
Nursing home	\$ 7,635,179	\$ 698,236	\$ 4,822,186	\$ 3,511,229	\$ 1,007,070
Highway/facilities administration	445,487	527,679	559,843	413,323	271,134
	<u>\$ 8,080,666</u>	<u>\$ 1,225,915</u>	<u>\$ 5,382,029</u>	<u>\$ 3,924,552</u>	<u>\$ 1,278,204</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

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, 2007 Interest: 4.00% to 4.20% Purpose: Children with Disabilities Education Board new school building construction	\$ 7,510,000
\$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	7,300,000

Notes:

\$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	3,485,000
\$1,400,000; due in various annual installments of \$30,000 to \$200,000 through 2017; Issued: August 1, 2007 Interest: 4.00% to 4.15% Purpose: Road construction	910,000
\$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	4,355,000
\$7,740,000; due in various annual installments of \$200,000 to \$945,000 through 2021; Issued: July 6, 2011 Interest: 2.00% to 3.00% Purpose: Road construction	6,995,000
Total Outstanding General Obligation Debt	<u>\$ 30,555,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$30,555,000 on December 31, 2012 are detailed in the following table.

Year Ended December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 1,760,986	\$ 891,483	\$ 714,014	\$ 101,196
2014	2,390,510	832,941	744,490	73,849
2015	2,464,389	764,690	770,611	45,249
2016	2,554,558	691,908	805,442	15,303
2017	2,520,000	614,979	-	-
2018-2022	9,790,000	1,978,938	-	-
2023-2027	6,040,000	641,390	-	-
	<u>\$ 27,520,443</u>	<u>\$ 6,416,329</u>	<u>\$ 3,034,557</u>	<u>\$ 235,597</u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2012 was \$656,177,136 as follows:

Equalized valuation of the County		\$ 13,720,420,300
Statutory limitation percentage		5 %
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>686,021,015</u>
Total outstanding general obligation debt applicable	\$ 30,555,000	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>(711,121)</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>29,843,879</u>
Legal Margin for New Debt		<u><u>\$ 656,177,136</u></u>

NOTE K - EQUITY CLASSIFICATIONS

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2012 include the following:

Net investment in capital assets		
Land		\$ 1,091,454
Construction in progress		2,290,840
Buildings, net of accumulated depreciation		52,058,332
Improvements other than buildings, net of accumulated depreciation		2,581,620
Machinery and equipment, net of accumulated depreciation		9,810,032
Infrastructure, net of accumulated depreciation		<u>37,916,583</u>
Subtotal		105,748,861
Less: related long-term debt outstanding and debt premium		<u>(27,587,397)</u>
Total Net investment in capital assets		<u>78,161,464</u>
Restricted		
Alpine Valley concert fee surplus		154,774
Employee wellness donation		4,075
Barn quilt donations		406
Health and Human Services donations		204,428
Land modernization fees		312,697
Non-metallic mining fees		18,566
Park donations		3,825
Public access fees		250,303
Redaction fees		150,207
School donations		97,329
Sheriff donations		43,240
Sheriff grant related encumbrances		12,500
Sheriff trusts		668,547
UW-Extension grant related carryforward project		<u>1,284</u>
Total Restricted		1,922,181
Unrestricted		<u>79,838,764</u>
Total governmental activities net position		<u><u>\$ 159,922,409</u></u>

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2012

NOTE K -EQUITY CLASSIFICATIONS (continued)

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 their standards 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 does not issue separate, audited financial statements for this defined benefit plan. The County provides other post employment benefits (OPEB) by offering health insurance to retired employees. This liability encompasses the County’s share of the costs associated with the Sheriff Deputies Sworn personnel and 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 Health Insurance fund. The retirees pay monthly premiums for this service equal to employee premiums for single or family coverage and at a reduced rate once reaching Medicare eligible age. The County incurs a liability for these benefits offered as the cost of claims is greater than the cost of monthly premiums received. This benefit is only available to those employees hired before the dates listed below.

<u>Employee Group/Bargaining Unit</u>	<u>Hired Before</u>
Deputy Sheriffs' Association	01/01/2005
Association of Human Services Professionals	11/11/2005
Non-represented Employees not included in a current or former bargaining unit	12/01/2005
Former AFSCME Local 1925C - Health and Human Services Employees	12/02/2005
Former AFSCME Local 1925 - Highway Employees	12/20/2005
Former AFSCME Local 1925A - Nonclerical Lakeland Health Care Center Employees	12/22/2005
Former AFSCME Local 1925B - Courthouse Employees	12/22/2005
Lakeland Education Association	10/10/2006

Sick Leave/ Health Credit Benefit

In addition to the County benefit to purchase health insurance, employees hired prior to the dates above who at termination apply for an immediate retirement annuity from the Wisconsin Retirement System, or have reached the age of 50 or older and have a minimum of 20 years of service with Walworth County, will have their sick leave balance converted at 60% of their base pay rate at the time of retirement to pay for county health insurance until the credits are exhausted. Currently, 45 retirees meet the eligibility requirements for this benefit. During 2012, approximately \$197,915 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, 2012, 17 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 2012, \$162,720 was expended for retirees currently receiving this benefit.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE L - OTHER POST EMPLOYMENT BENEFITS (continued)

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, 2012, 15 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 2012, \$146,595 was expended for retirees currently receiving this benefit.

Funding Policy

On September 7, 2006, the County elected to amortize its postemployment health benefits over a 30-year period such that this benefit will be fully amortized by December 31, 2034. 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, 2012, the County’s investment held in trust was \$20,386,779 of which \$1,522,816 was due to realized interest earned, net of investment expense, and \$1,364,150 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.

Annual required contribution	\$ 932,769
Interest on annual required contribution	(189,558)
Adjustment to annual required contribution	<u>(48,597)</u>
Annual OPEB cost	694,614
Contributions made	<u>(3,699,082)</u>
Decrease in net OPEB Obligation	(3,004,468)
Net OPEB (asset) - beginning of year	<u>(4,212,386)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (7,216,854)</u></u>
Governmental activities net OPEB obligation (asset)	\$ (6,541,144)
Business-type activities net OPEB obligation (asset)	<u>(675,710)</u>
	<u><u>\$ (7,216,854)</u></u>

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 Public Works fund contributions, Lakeland Health Care Center (LHCC) reserve funded from LHCC fund contributions, sworn deputies reserve funded from General fund contributions, and all other county departments reserve funded from General fund and Health and Human Services fund contributions. It is the intention of the County that the assets contributed and earned under each of these reserve accounts will be used to pay benefits for that particular beneficiary group; however, assets may be transferred between reserve accounts if necessary. The OPEB trust is therefore considered one plan.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE L - OTHER POST EMPLOYMENT BENEFITS (continued)

Annual OPEB Cost (continued)

The government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation/(asset) for 2012 and the two preceding years were as follows for each individual reserve account.

<u>Reserve Account</u>	<u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u> <u>(Asset)</u>
CDEB	2010	\$ 336,463	149%	\$ (1,879,813)
	2011	57,433	668%	(2,205,883)
	2012	68,017	489%	(2,470,659)
Public Works	2010	76,139	127%	(337,634)
	2011	23,452	38%	(323,110)
	2012	19,861	261%	(355,173)
LHCC	2010	121,458	208%	50,101
	2011	34,648	604%	(124,615)
	2012	44,284	542%	(320,537)
Sworn Deputies	2010	965,478	204%	1,548,971
	2011	393,239	827%	(1,309,263)
	2012	287,598	936%	(3,712,437)
Other Departments	2010	387,774	162%	(376,755)
	2011	239,744	47%	(249,515)
	2012	274,854	139%	(358,048)
Total County	2010	1,887,312	183%	(995,130)
	2011	748,516	530%	(4,212,386)
	2012	\$ 694,614	533%	\$ (7,216,854)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2012 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)	\$ 4,315,476	\$ 656,971	\$ 1,191,621	\$ 8,134,490	\$ 4,019,170	\$18,317,728
Actuarial value of plan assets	4,777,972	1,035,352	1,467,449	9,268,194	3,837,812	20,386,779
Unfunded actuarial accrued liability (UAAL)	(462,496)	(378,381)	(275,828)	(1,133,704)	181,358	(2,069,051)
Funded ratio (actuarial value of plan assets/AAL)	111 %	158 %	123 %	114 %	95 %	111 %
Covered payroll	5,062,566	3,061,696	5,235,859	5,699,255	20,171,230	39,230,606
UAAL as a percentage of covered payroll	(9)%	(12)%	(5)%	(20)%	1 %	(5)%

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,

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE L - OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions (continued)

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 calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the January 1, 2012 actuarial valuation the projected unit credit actuarial cost method is used as the basis to establish the December 31, 2012 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 its 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, 2012 liability calculation. An annual healthcare cost trend rate of 8.5 percent initially, increased at various increments each year thereafter between 5.5% and 8%. 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. 2012 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 December 31, 2012 over 22 years.

NOTE M - TERMINATION BENEFITS

There were no new termination benefit agreements or activity during 2012.

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 hired after July 1, 2011 expected to work over 1,200 hours per year (600 hours if hired prior to July 1, 2011) or teachers and school district educational support personnel expected to work over 880 hours (440 hours if hired prior to July 1, 2011) and expected to be employed for at least one year from employee's date of hire are eligible to participate in WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE N - WISCONSIN RETIREMENT SYSTEM (continued)

pay the employee required contribution unless provided for by an existing collective bargaining agreement.

Contributions for 2012 are:

	Employee	Employer
General (including teachers)	5.90%	5.90%
Executives and elected officials	7.05%	7.05%
Protective with social security	5.90%	9.00%
Protective without social security	5.90%	11.30%

The payroll for County employees covered by WRS for the year ended December 31, 2012 was \$38,651,266; the employer's total payroll was \$39,175,143. The total required contribution for the year ended December 31, 2012 was \$5,125,150 or 13.2% of covered payroll. This amount consisted of \$3,175,956 (8.2%) from the employer and \$1,949,194 (5.0%) from employees. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2011 and 2010 were \$5,135,807 and \$4,626,490, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. The final average earnings are the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 or after April 24, 1998 through June 30, 2011 are immediately vested. For participants employed after July 1, 2011, five years of creditable service is required for vesting of employer contributions.

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

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

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.

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

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE O -RISK MANAGEMENT (continued)

Self Insurance of Employee Benefits (continued)

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>
2010	\$ 1,495,388
2011	832,011
2012	1,432,277
Total	<u>\$ 3,759,676</u>

The County has recognized a total of \$4,155,974 in claims liabilities in the Health, Dental and Workers Compensation internal service funds at December 31, 2012. This actuarial determined liability amount was based on reviewing the 2012 claim settlements recorded during the first three months of 2012 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, 2011 claims liabilities	\$ 1,747,000	\$ 40,000	\$ 1,901,752	\$ 3,688,752
2011 claims incurred during the period	15,078,415	755,078	195,919	16,029,412
2011 discounts, rebates, and refunds	(843,272)	-	-	(843,272)
2011 claims payments	<u>(14,257,143)</u>	<u>(741,078)</u>	<u>(278,740)</u>	<u>(15,276,961)</u>
January 1, 2012 claims liabilities	1,725,000	54,000	1,818,931	3,597,931
2012 claims incurred during the period	15,243,550	761,435	1,526,896	17,531,881
2012 discounts, rebates, and refunds	(1,452,670)	-	-	(1,452,670)
2012 claims payments	<u>(13,636,880)</u>	<u>(748,435)</u>	<u>(1,135,853)</u>	<u>(15,521,168)</u>
Unpaid claims - end of year	<u>\$ 1,879,000</u>	<u>\$ 67,000</u>	<u>\$ 2,209,974</u>	<u>\$ 4,155,974</u>

Investment in Wisconsin Municipal Mutual Insurance Company

Effective January 1, 2008 the County became a member with certain other units of government within the State of Wisconsin, of the Wisconsin Municipal Mutual Insurance Company (WMMIC), a non-assessable mutual company which provides liability insurance and risk management services to its members. The scope of insurance protection provided by WMMIC is broad, covering automobile liability, general liability, law enforcement liability, public official's errors and omissions, civil rights, incidental medical malpractice, personal injury, equal rights, and Americans with Disabilities Act at policy limits of \$10,000,000 per occurrence with a \$10,000,000 aggregate for general and automobile liability claims and a \$30,000,000 aggregate for errors or omissions claims. At this time, settled claims have not exceeded the commercial coverage in any of the past three years. WMMIC's exposure in its layer of insurance is limited to \$1,000,000 per occurrence in that the company purchases \$4,000,000 per occurrence in reinsurance for losses in excess of its retained layer of coverage.

WMMIC is governed by one entity-one vote. Member entities include Walworth County, and the counties of Brown, Chippewa, Dane, Dodge, Eau Claire, Jefferson, Kenosha, LaCrosse, Manitowoc, Marathon, Outagamie, Rock, St. Croix, Waukesha, and the cities of Eau Claire 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, 2012 this amount is valued at \$1,849,619. A list of other members and their share of participation is in the WMMIC report. Separate financial statements can be obtained from WMMIC at

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE O -RISK MANAGEMENT (continued)

Investment in Wisconsin Municipal Mutual Insurance Company (continued)
their address of 4785 Hayes Road, Madison, Wisconsin, 53704.

The risk management internal service fund is funded by charges to the County's other funds and is based primarily upon the contributing funds claims experience. Both liability claims and premiums are paid out of the Risk Management internal service fund and are reimbursed by the appropriate County department in the following year. The County maintains a reserve that will then be replenished in the following year. Liabilities of the the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The known claims liability reported in the fund at December 31, 2012 is \$1,074,694. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as, inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually by an actuary to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The County's objective is to provide a reserve confidence level between 75% and 95% for liability claims as a reflection of the County's risk tolerance. At December 31, 2012, the County's liability claims reserve is recorded at a 95% confidence level. Changes in the fund's claim liability amount for 2012 and 2011 follow:

January 1, 2011 Claims liabilities	\$ 1,471,069
2011 claims incurred during the period	11,767
2011 change in estimates of prior years	(320,072)
2011 claims payments	<u>(53,638)</u>
Unpaid claims - December 31, 2011	1,109,126
2012 claims incurred during the period	7,664
2012 change in estimates of prior years	(8,332)
2012 claims payments	<u>(33,764)</u>
Unpaid claims - December 31, 2012	<u><u>\$ 1,074,694</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. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

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.

Legal Proceedings

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

Construction Commitments

The County has active construction projects as of December 31, 2012 in its Nonmajor Governmental - Capital Project fund. Tax levy, grants and other funds authorized by the Board will be utilized for these projects. There are no projects funded by

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE P -CONTINGENCIES AND COMMITMENTS (continued)

Construction Commitments (continued)

bonds that are currently open or planned in the near future. At year-end, the County has encumbered all outstanding contract commitments listed in the following Outstanding Encumbrances note.

Outstanding Encumbrances

At December 31, 2012, the County's governmental funds had encumbered commitments under various goods and service agreements which provide for payments in the amount of \$1,401,048. The service agreement payments are subject to adjustment resulting from changes in cost of living and other factors. The encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year. Encumbrance accounting assures effective budgetary control and accountability and facilitates effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 561,745
Health and Human Services fund	11,502
Children with Disabilities Education Board fund	384
Nongovernmental fund-Capital Projects	376,419
Lakeland Health Care Center fund	6,023
Public Works fund	12,018
Internal Service fund - Workers Compensation	<u>5,555</u>
	<u>\$ 973,646</u>

Children with Disabilities Education Board Transfer Agreement

The County has entered an agreement with the school districts to transfer teaching and student aide duties provided at the school district sites previously provided by County personnel to the individual school districts. This agreement will transfer these duties over a 10-year period ending in 2016. The Lakeland Education Association 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 State Statute 66.0602, imposes a limit on the property tax levies for all Wisconsin counties. The Act limits the increase for 2012 tax levy collected in 2013 to the greater of 0.0% growth plus terminated TID (0.0%) or the percentage of change in equalized value due to net new construction (0.42%) plus terminated TID (0.0%). The limit for the County for the 2013 budget was 0.42%. The levy limit is applied to both operations and debt service. However, the Statute allows the limit to exclude increases in debt service, the Children with Disabilities Education Board (CDEB) tax levy, bridge & culvert repair under s. 82.08(2), library payments under s. 43.12, charitable and penal charges, and countywide EMS. The County was under the levy limit for its 2013 budget by \$70,709.

NOTE Q -SUBSEQUENT EVENTS

Management Monitoring of Subsequent Events

Management evaluated subsequent events through June 12, 2013, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2012, but prior to June 12, 2013 that provided additional evidence about conditions that existed at December 31, 2012, have been recognized in the financial statements for the year ended December 31, 2012. Events or transactions that provided evidence about conditions that did not exist at December 31, 2012, 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, 2012.

WALWORTH COUNTY, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE Q -SUBSEQUENT EVENTS (continued)

General Obligation Promissory Notes Called

On April 12, 2013, the County called the 2014, 2015 and 2016 principal payments of the 2006 general obligation promissory notes in the amounts of \$855,000, \$885,000 and \$925,000 respectively. Savings on interest payments for 2013 through 2016 total \$201,691. Available funds from the County's General fund in the amount of \$344,456 and from the Lakeland Health Care Center in the amount of \$2,320,544 were used to call this debt.

Of the Lakeland Health Care Center funded portion, \$1,515,102 has been advanced from the General fund to the Lakeland Health Care Center. This advance will be paid back to the General fund over 2 years at 0% interest with expected payments equivalent to the 2014 and 2015 Lakeland Health Care Center debt principal amounts.

Park Acquisition

On February 12, 2013, Walworth County approved an option to purchase a 194.5 acre property in the Town of Lyons for the acquisition and development of a public outdoor recreational use park in the eastern portion of the County along the White River for \$1.91 million. The County is seeking a State of Wisconsin Department of Natural Resources (DNR) Knowles-Nelson Stewardship Local Assistance grant to assist with the purchase. The grant, if awarded, would pay for one-half of the DNR qualified real estate appraisal amount (yet to be determined.) The offer to purchase this property will expire on August 16, 2013, and as of the date of the financial statements, no decision has been finalized.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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WALWORTH COUNTY, WISCONSIN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS

<u>Reserve</u>	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)** (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Children with Disabilities Education Board							
	12/31/2010*	\$ 3,878,551	\$ 4,933,631	\$ 1,055,080	79 %	\$ 5,823,654	18 %
	12/31/2011	4,142,557	4,142,259	(298)	100 %	5,310,443	0 %
	12/31/2012	4,777,972	4,315,476	(462,496)	111 %	5,062,566	(9)%
Public Works							
	12/31/2010*	816,996	1,080,297	263,301	76 %	3,448,665	8 %
	12/31/2011	883,916	598,234	(285,682)	148 %	3,294,614	(9)%
	12/31/2012	1,035,352	656,971	(378,381)	158 %	3,061,696	(12)%
Lakeland Health Care Center							
	12/31/2010*	837,956	1,742,863	904,907	48 %	5,647,772	16 %
	12/31/2011	1,097,130	1,097,774	644	100 %	5,686,894	0 %
	12/31/2012	1,467,449	1,191,621	(275,828)	123 %	5,235,859	(5)%
Deputies-Sworn							
	12/31/2010*	3,345,292	11,014,487	7,669,195	30 %	5,906,223	130 %
	12/31/2011	5,968,261	7,604,108	1,635,847	78 %	5,775,963	28 %
	12/31/2012	9,268,194	8,134,490	(1,133,704)	114 %	5,699,255	(20)%
Other County Departments							
	12/31/2010*	2,783,325	4,672,222	1,888,897	60 %	20,344,733	9 %
	12/31/2011	3,097,023	3,654,523	557,500	85 %	20,307,131	3 %
	12/31/2012	3,837,812	4,019,170	181,358	95 %	20,171,230	1 %
Total County							
	12/31/2010*	11,662,120	23,443,500	11,781,380	50 %	41,171,047	29 %
	12/31/2011	15,188,887	17,096,898	1,908,011	89 %	40,375,045	5 %
	12/31/2012	\$20,386,779	\$18,317,728	\$ (2,069,051)	111 %	\$39,230,606	(5)%

12/31/2011 and 12/31/2012 valuations based on reports as of 1/1/2012.
12/31/2010 valuation based on reports as of 1/1/2010.

*12/31/2010 actuarial value of assets and unfunded AAL amounts between reserves have been restated to correctly report market investment adjustments. Total value of assets and unfunded AAL do not change.

**Projected unit credit actuarial method used.

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**OTHER
SUPPLEMENTAL
INFORMATION**

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GENERAL FUND

The general fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

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WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
TAXES				
Real and personal property taxes	\$ 31,240,583	\$ 31,779,402	\$ 32,228,499	\$ 449,097
Retail sales and use taxes	6,900,120	7,043,870	7,509,543	465,673
Other taxes	240,000	240,000	294,084	54,084
TOTAL	38,380,703	39,063,272	40,032,126	968,854
INTERGOVERNMENTAL				
State shared taxes	315,363	313,444	327,119	13,675
Federal grants	98,238	2,253,744	2,083,481	(170,263)
State grants	988,173	1,074,970	984,319	(90,651)
TOTAL	1,401,774	3,642,158	3,394,919	(247,239)
LICENSES AND PERMITS				
Licenses	68,715	68,715	68,681	(34)
Permits	185,654	185,654	189,643	3,989
TOTAL	254,369	254,369	258,324	3,955
FINES, FORFEITURES AND PENALTIES				
Law and ordinance violations	641,600	640,875	598,528	(42,347)
Court fees and costs	725,200	726,883	671,572	(55,311)
TOTAL	1,366,800	1,367,758	1,270,100	(97,658)
PUBLIC CHARGES FOR SERVICES				
Public charges for services	2,434,461	2,346,509	2,330,865	(15,644)
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State and federal	272,769	433,913	451,039	17,126
Local districts	65,568	57,336	69,896	12,560
Interdepartmental revenues	1,068,745	1,075,623	1,045,931	(29,692)
TOTAL	1,407,082	1,566,872	1,566,866	(6)

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
INVESTMENT INCOME				
Investment income	\$ 503,600	\$ 505,439	\$ 530,253	\$ 24,814
MISCELLANEOUS				
Rental revenue	221,980	205,780	205,692	(88)
Property sales and loss compensation	56,110	48,225	85,577	37,352
Donations and contributions	1,603	13,708	18,539	4,831
Rebates, refunds and reimbursements	56,500	90,505	178,009	87,504
Other	1,000	-	-	-
TOTAL	337,193	358,218	487,817	129,599
TOTAL REVENUES	46,085,982	49,104,595	49,871,270	766,675
OTHER FINANCING SOURCES				
Transfers in	340,967	2,616,260	2,594,270	(21,990)
Sale of capital assets	68,800	44,288	46,000	1,712
TOTAL	409,767	2,660,548	2,640,270	(20,278)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 46,495,749	\$ 51,765,143	\$ 52,511,540	\$ 746,397

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CURRENT:				
GENERAL GOVERNMENT				
County board	\$ 193,852	\$ 193,562	\$ 160,652	\$ 32,910
County clerk	349,604	341,012	311,312	29,700
Elections	138,279	138,279	133,154	5,125
Administration	1,606,459	3,184,353	2,926,038	258,315
Finance	1,514,177	1,523,683	1,438,259	85,424
Treasurer	464,159	561,606	510,679	50,927
Coroner	398,231	396,346	326,335	70,011
Clerk of courts	3,036,844	3,018,586	2,674,645	343,941
District attorney	953,143	939,492	837,541	101,951
Register of deeds	681,278	622,615	575,257	47,358
Information technology	1,759,619	1,727,832	1,533,854	193,978
Central services	961,904	1,027,218	864,726	162,492
Non-departmental	3,147,998	3,454,085	2,397,619	1,056,466
Community initiative	246,390	376,390	369,475	6,915
TOTAL	15,451,937	17,505,059	15,059,546	2,445,513
PUBLIC SAFETY				
Sheriff	26,732,357	27,064,136	25,664,890	1,399,246
HEALTH AND HUMAN SERVICES				
Veterans services	178,903	185,213	179,133	6,080
CULTURE, RECREATION, AND EDUCATION				
UW extension	586,919	598,200	563,008	35,192
Parks	108,930	113,560	69,776	43,784
TOTAL	695,849	711,760	632,784	78,976
CONSERVATION AND DEVELOPMENT				
Land use and resource management	1,887,713	1,855,516	1,724,764	130,752
TOTAL CURRENT EXPENDITURES	44,946,759	47,321,684	43,261,117	4,060,567

(Continued)

WALWORTH COUNTY, WISCONSIN

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - GENERAL FUND (concluded)
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CAPITAL OUTLAY:				
GENERAL GOVERNMENT				
Administration	\$ -	\$ 3,838	\$ -	\$ 3,838
Treasurer	400,000	249,000	174,300	74,700
Clerk of courts	-	-	7,732	(7,732)
Register of deeds	-	45,000	41,215	3,785
Information technology	120,000	430,041	426,316	3,725
Central services	437,100	379,559	230,827	148,732
TOTAL	957,100	1,107,438	880,390	227,048
PUBLIC SAFETY				
Sheriff	565,370	1,065,588	774,211	291,377
CULTURE, RECREATION, AND EDUCATION				
Parks	26,520	26,520	26,520	-
TOTAL CAPITAL OUTLAY	1,548,990	2,199,546	1,681,121	518,425
TOTAL EXPENDITURES	46,495,749	49,521,230	44,942,238	4,578,992
OTHER FINANCING USES:				
Transfers out	2,168,674	5,538,674	5,538,674	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 48,664,423	\$ 55,059,904	\$ 50,480,912	\$ 4,578,992

DEBT SERVICE FUND

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

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WALWORTH COUNTY, WISCONSIN

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

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,558,522	\$ 3,558,522	\$ 3,558,522	\$ -
Intergovernmental	58,380	58,380	58,380	-
Investment income	-	-	4,797	4,797
Total revenues	<u>3,616,902</u>	<u>3,616,902</u>	<u>3,621,699</u>	<u>4,797</u>
EXPENDITURES				
Debt service:				
Principal retirement	5,947,006	5,947,006	5,947,007	(1)
Interest and fiscal charges	1,124,634	1,124,634	1,122,381	2,253
Total expenditures	<u>7,071,640</u>	<u>7,071,640</u>	<u>7,069,388</u>	<u>2,252</u>
Excess (deficiency) of revenues over expenditures	<u>(3,454,738)</u>	<u>(3,454,738)</u>	<u>(3,447,689)</u>	<u>7,049</u>
OTHER FINANCING SOURCES				
Transfers in	3,454,738	3,454,738	3,454,738	-
Total other financing sources	<u>3,454,738</u>	<u>3,454,738</u>	<u>3,454,738</u>	<u>-</u>
Net change in fund balances	-	-	7,049	7,049
Fund balances - beginning	704,072	704,072	704,072	-
Fund balances - ending	<u>\$ 704,072</u>	<u>\$ 704,072</u>	<u>\$ 711,121</u>	<u>\$ 7,049</u>

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NONMAJOR GOVERNMENTAL FUNDS

- ◆ **Land Information Fund** - to account for the financial activity of the the Wisconsin Land Information Board. Its services are funded with retained filing fees and debt proceeds to coordinate land records modernization activities.
- ◆ **Sheriff Trusts Fund** - to account for several sheriff trust funds for use by the County:
 - ◆ **County Jail Trust** - to account for the accumulation of jail assessments awarded by the courts. Funds are held within the Sheriff's Department and used for building remodeling and construction.
 - ◆ **Federal Confiscated** - to account for the accumulation of money confiscated from federal crimes. Funds have been used to purchase drug-sniffing dogs and drug equipment.
 - ◆ **State Confiscated** - to account for the accumulation of money confiscated from state crimes.
- ◆ **Capital Projects Fund** - to account for the financing and construction of general capital projects. Financing for these projects is provided by general obligation debt proceeds, intergovernmental revenues, and donations.

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WALWORTH COUNTY, WISCONSIN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2012

	Special Revenue Funds			Totals
	Land Information	Sheriff Trusts	Capital Projects	
ASSETS				
Cash and investments	\$ 34,152	\$ 323,695	\$ 5,593,160	\$ 5,951,007
Restricted cash and investments	562,482	337,182	-	899,664
Taxes receivable	172,637	-	3,613,650	3,786,287
Accounts receivable	-	321	-	321
Due from other governments	80	7,670	16,849	24,599
Total assets	<u>\$ 769,351</u>	<u>\$ 668,868</u>	<u>\$ 9,223,659</u>	<u>\$ 10,661,878</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 19,125	\$ 321	\$ 632,724	\$ 652,170
Accrued liabilities	1,472	-	-	1,472
Due to other governments	4	-	-	4
Due to other funds	1	-	-	1
Unearned tax revenues	172,637	-	3,613,650	3,786,287
Other unearned revenues	-	-	16,849	16,849
Total liabilities	<u>193,239</u>	<u>321</u>	<u>4,263,223</u>	<u>4,456,783</u>
Fund balances:				
Restricted for:				
Modernization fees	312,697	-	-	312,697
Public access fees	250,303	-	-	250,303
Sheriff trusts	-	668,547	-	668,547
Committed for:				
Encumbrances	-	-	376,419	376,419
Road construction	-	-	3,075,168	3,075,168
Transfer to General fund	13,112	-	-	13,112
Assigned for:				
Carryforward projects	-	-	1,351,929	1,351,929
Capital projects	-	-	156,920	156,920
Total fund balance	<u>576,112</u>	<u>668,547</u>	<u>4,960,436</u>	<u>6,205,095</u>
Total liabilities and fund balances	<u>\$ 769,351</u>	<u>\$ 668,868</u>	<u>\$ 9,223,659</u>	<u>\$ 10,661,878</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Land Information</u>	<u>Sheriff Trusts</u>	<u>Capital Projects</u>	
REVENUES				
Taxes	\$ 168,800	\$ -	\$ 337,238	\$ 506,038
Intergovernmental	300	-	399,740	400,040
Public charges for services	197,560	-	-	197,560
Intergovernmental charges for services	11,412	-	698	12,110
Investment income	852	-	-	852
Miscellaneous	-	288,107	-	288,107
Total revenues	<u>378,924</u>	<u>288,107</u>	<u>737,676</u>	<u>1,404,707</u>
EXPENDITURES				
Current:				
Public safety	-	58,078	-	58,078
Conservation and development	232,185	-	-	232,185
Capital outlay:				
General government	-	-	365	365
Conservation and development	74,062	-	-	74,062
Public works	-	-	3,557,891	3,557,891
Total expenditures	<u>306,247</u>	<u>58,078</u>	<u>3,558,256</u>	<u>3,922,581</u>
Excess (deficiency) of revenues over expenditures	<u>72,677</u>	<u>230,029</u>	<u>(2,820,580)</u>	<u>(2,517,874)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,274,788	4,274,788
Transfers out	(208,761)	(264,862)	-	(473,623)
Total other financing sources (uses)	<u>(208,761)</u>	<u>(264,862)</u>	<u>4,274,788</u>	<u>3,801,165</u>
Net change in fund balances	(136,084)	(34,833)	1,454,208	1,283,291
Fund balances - beginning	712,196	703,380	3,506,228	4,921,804
Fund balances - ending	<u>\$ 576,112</u>	<u>\$ 668,547</u>	<u>\$ 4,960,436</u>	<u>\$ 6,205,095</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 169,916	\$ 168,800	\$ 168,800	\$ -
Intergovernmental	300	300	300	-
Public charges for services	158,600	158,600	197,560	38,960
Intergovernmental charges for services	7,000	7,000	11,412	4,412
Investment income	600	600	852	252
Total revenues	<u>336,416</u>	<u>335,300</u>	<u>378,924</u>	<u>43,624</u>
EXPENDITURES				
Current:				
Conservation and development	262,496	287,380	232,185	55,195
Capital outlay:				
Conservation and development	<u>45,000</u>	<u>76,188</u>	<u>74,062</u>	<u>2,126</u>
Total expenditures	<u>307,496</u>	<u>363,568</u>	<u>306,247</u>	<u>57,321</u>
Excess (deficiency) of revenues over expenditures	<u>28,920</u>	<u>(28,268)</u>	<u>72,677</u>	<u>100,945</u>
OTHER FINANCING USES				
Transfers out	<u>(200,000)</u>	<u>(208,761)</u>	<u>(208,761)</u>	<u>-</u>
Net change in fund balances	<u>(171,080)</u>	<u>(237,029)</u>	<u>(136,084)</u>	<u>100,945</u>
Fund balances - beginning	<u>712,196</u>	<u>712,196</u>	<u>712,196</u>	<u>-</u>
Fund balances - ending	<u>\$ 541,116</u>	<u>\$ 475,167</u>	<u>\$ 576,112</u>	<u>\$ 100,945</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 674,476	\$ 337,238	\$ 337,238	\$ -
Intergovernmental	-	598,872	399,740	(199,132)
Intergovernmental charges for services	-	26,973	698	(26,275)
Total revenues	<u>674,476</u>	<u>963,083</u>	<u>737,676</u>	<u>(225,407)</u>
EXPENDITURES				
Capital outlay:				
General government	-	200,000	365	199,635
Public works	-	5,318,796	3,557,891	1,760,905
Total expenditures	<u>-</u>	<u>5,518,796</u>	<u>3,558,256</u>	<u>1,960,540</u>
Excess (deficiency) of revenues over expenditures	<u>674,476</u>	<u>(4,555,713)</u>	<u>(2,820,580)</u>	<u>1,735,133</u>
OTHER FINANCING SOURCES				
Transfers in	-	4,274,788	4,274,788	-
Net change in fund balances	<u>674,476</u>	<u>(280,925)</u>	<u>1,454,208</u>	<u>1,735,133</u>
Fund balances - beginning	<u>3,506,228</u>	<u>3,506,228</u>	<u>3,506,228</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,180,704</u>	<u>\$ 3,225,303</u>	<u>\$ 4,960,436</u>	<u>\$ 1,735,133</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.

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WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012

	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Workers Compensation</u>	<u>Risk Management</u>	<u>Totals</u>
ASSETS					
Current assets:					
Cash and investments	\$ 17,223,400	\$ 586,256	\$ 2,522,684	\$ 4,156,715	\$ 24,489,055
Restricted cash and investments:					
Deposits held with fiscal agents	-	-	35,000	349,415	384,415
Accounts receivable	917,629	-	-	-	917,629
Due from other funds	-	-	23,062	-	23,062
Prepaid items	-	-	-	8,864	8,864
Total current assets	<u>18,141,029</u>	<u>586,256</u>	<u>2,580,746</u>	<u>4,514,994</u>	<u>25,823,025</u>
Noncurrent assets:					
Restricted cash and investments:					
Deposit held with Wisconsin Municipal Mutual Insurance Company (WMMIC)	-	-	-	1,563,000	1,563,000
Total assets	<u>18,141,029</u>	<u>586,256</u>	<u>2,580,746</u>	<u>6,077,994</u>	<u>27,386,025</u>
LIABILITIES					
Current liabilities:					
Accounts payable	269,597	12,571	7,998	-	290,166
Claims payable	1,879,000	67,000	2,209,974	1,074,694	5,230,668
Deposits	1,318,036	69,411	-	-	1,387,447
Retiree health credits - current	142,960	-	-	-	142,960
Total current liabilities	<u>3,609,593</u>	<u>148,982</u>	<u>2,217,972</u>	<u>1,074,694</u>	<u>7,051,241</u>
Noncurrent liabilities:					
Retiree health credits	789,525	-	-	-	789,525
Total liabilities	<u>4,399,118</u>	<u>148,982</u>	<u>2,217,972</u>	<u>1,074,694</u>	<u>7,840,766</u>
NET POSITION					
Restricted for donations	4,075	-	-	-	4,075
Unrestricted	13,737,836	437,274	362,774	5,003,300	19,541,184
Total net position	<u>\$ 13,741,911</u>	<u>\$ 437,274</u>	<u>\$ 362,774</u>	<u>\$ 5,003,300</u>	<u>\$ 19,545,259</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUND
For the Year Ended December 31, 2012

	Health Insurance	Dental Insurance	Workers Compensation	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 1,889,585	\$ 23,909	\$ -	\$ -	\$ 1,913,494
Interdepartmental	15,203,567	783,923	623,236	217,913	16,828,639
Total operating revenues	<u>17,093,152</u>	<u>807,832</u>	<u>623,236</u>	<u>217,913</u>	<u>18,742,133</u>
Operating expenses:					
Insurance services	15,158,226	753,071	875,596	222,287	17,009,180
Total operating expenses	<u>15,158,226</u>	<u>753,071</u>	<u>875,596</u>	<u>222,287</u>	<u>17,009,180</u>
Operating income (loss)	<u>1,934,926</u>	<u>54,761</u>	<u>(252,360)</u>	<u>(4,374)</u>	<u>1,732,953</u>
Nonoperating revenues:					
Investment income	25,278	840	3,905	15,566	45,589
Insurance recoveries	-	-	-	57,206	57,206
Legal claim settlement	-	-	-	94	94
Rent, rebates, and donations	5,233	-	-	-	5,233
Total nonoperating revenues	<u>30,511</u>	<u>840</u>	<u>3,905</u>	<u>72,866</u>	<u>108,122</u>
Income before transfers	1,965,437	55,601	(248,455)	68,492	1,841,075
Transfers in	-	-	40,000	-	40,000
Transfers out	-	-	(15,000)	(40,000)	(55,000)
Total transfers	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>(40,000)</u>	<u>(15,000)</u>
Change in net position	1,965,437	55,601	(223,455)	28,492	1,826,075
Total net position - beginning	11,776,474	381,673	586,229	4,974,808	17,719,184
Total net position - ending	<u>\$ 13,741,911</u>	<u>\$ 437,274</u>	<u>\$ 362,774</u>	<u>\$ 5,003,300</u>	<u>\$ 19,545,259</u>

WALWORTH COUNTY, WISCONSIN

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012**

	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Workers Compensation</u>	<u>Risk Management</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,622,319	\$ 23,909	\$ -	\$ -	\$ 1,646,228
Receipts from interfund services provided	15,123,947	784,668	618,342	241,100	16,768,057
Payments to suppliers	<u>(14,725,749)</u>	<u>(727,694)</u>	<u>(478,304)</u>	<u>(284,128)</u>	<u>(16,215,875)</u>
Net cash provided by (used in) operating activities	<u>2,020,517</u>	<u>80,883</u>	<u>140,038</u>	<u>(43,028)</u>	<u>2,198,410</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Insurance recovery	-	-	-	57,206	57,206
Legal claim settlements	-	-	-	94	94
Rent, rebates, and donations	5,233	-	-	-	5,233
Transfer from other funds	-	-	40,000	-	40,000
Transfer to other funds	-	-	<u>(15,000)</u>	<u>(40,000)</u>	<u>(55,000)</u>
Net cash provided non-capital financing activities	<u>5,233</u>	<u>-</u>	<u>25,000</u>	<u>17,300</u>	<u>47,533</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	25,278	840	3,905	15,566	45,589
Net cash provided from investing activities	<u>25,278</u>	<u>840</u>	<u>3,905</u>	<u>15,566</u>	<u>45,589</u>
Net increase (decrease) in cash and investments	2,051,028	81,723	168,943	(10,162)	2,291,532
Cash and investments - beginning	15,172,372	504,533	2,388,741	6,079,292	24,144,938
Cash and investments - ending	<u>\$ 17,223,400</u>	<u>\$ 586,256</u>	<u>\$ 2,557,684</u>	<u>\$ 6,069,130</u>	<u>\$ 26,436,470</u>
Cash and investments	\$ 17,223,400	\$ 586,256	\$ 2,522,684	\$ 4,156,715	\$ 24,489,055
Restricted cash and investments	-	-	35,000	1,912,415	1,947,415
	<u>\$ 17,223,400</u>	<u>\$ 586,256</u>	<u>\$ 2,557,684</u>	<u>\$ 6,069,130</u>	<u>\$ 26,436,470</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	1,934,926	54,761	(252,360)	(4,374)	1,732,953
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Change in assets and liabilities:					
Accounts receivable	(267,266)	-	-	-	(267,266)
Due from other funds	-	-	(4,894)	-	(4,894)
Prepaid items	111,122	-	-	(4,222)	106,900
Accounts payable	167,355	12,377	6,249	-	185,981
Claims payable	154,000	13,000	391,043	(34,432)	523,611
Retiree health credits	(16,114)	-	-	-	(16,114)
Deposits	(63,506)	745	-	-	(62,761)
Net cash provided by operating activities	<u>\$ 2,020,517</u>	<u>\$ 80,883</u>	<u>\$ 140,038</u>	<u>\$ (43,028)</u>	<u>\$ 2,198,410</u>

Noncash investing, capital and financing activities:

None

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FIDUCIARY FUNDS

Private Purpose Trust Funds

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

Agency Funds

- ◆ **Pending Court Cases** - to account for the receipt of forfeitures, fines, and court costs in advance of a trial; held for the court until the disposition of such funds can be determined.
- ◆ Other Agency Funds:
 - ◆ **Dog License Fund** - to account for the accumulation of proceeds from the sale of dog licenses. Payments are made to the State, Lakeland Animal Welfare Society, Inc. for various administrative and claims expenses.
 - ◆ **Marriage License Trust** - to account for the accumulation of marriage license fees; payments are made to the State Treasurer, the County, and the Clerk of Courts who provide counseling services.
 - ◆ **Probate Court Trust** - to account for the accumulation of estate filing fees due the County and the State of Wisconsin.
 - ◆ **Real Estate Transfer Fees** - to account for the accumulation of real estate transfer revenues charged at the rate of \$3.00 per \$1,000 of valuation, 80% of which are turned over to the State of Wisconsin.
 - ◆ **Other Register of Deed Deposits** - to account for the accumulation of recording and copying fees which are subsequently divided between the County and the State.
 - ◆ **Huber/Inmate Trust** - to account for the holding of funds for Huber prisoners and jail inmates.
 - ◆ **Gang Intelligence Deposits** - to account for gang related activity deposits and payments to be used by the county and local governments.
 - ◆ **Sheriff Bond Collections** - to account for the accumulation of bond, writ, or warrant fees turned over to local governments or court ordered services.

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WALWORTH COUNTY, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2012

	Private Purpose Trusts		
	G. Charter Harrison Trust	Tricentennial Trust	Fiduciary Funds Total
ASSETS			
Cash and investments	\$ 39,176	\$ 635	\$ 39,811
NET POSITION			
Held in trust for private purposes	\$ 39,176	\$ 635	\$ 39,811

WALWORTH COUNTY, WISCONSIN

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2012**

	<u>Private Purpose Trusts</u>		Fiduciary
	<u>G. Charter Harrison Trust</u>	<u>Tricentennial Trust</u>	<u>Funds Total</u>
ADDITIONS			
Interest and dividends	\$ 63	\$ 1	\$ 64
	-	-	-
DEDUCTIONS			
Educational outreach	1,000	-	1,000
Change in net position	(937)	1	(936)
Net position - beginning	40,113	634	40,747
Net position - ending	<u>\$ 39,176</u>	<u>\$ 635</u>	<u>\$ 39,811</u>

WALWORTH COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Year Ended December 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<u>PENDING COURT CASES</u>				
ASSETS				
Cash and investments	\$ 1,498,045	\$ 2,475,592	\$ 2,914,753	\$ 1,058,884
Total assets	<u>\$ 1,498,045</u>	<u>\$ 2,475,592</u>	<u>\$ 2,914,753</u>	<u>\$ 1,058,884</u>
LIABILITIES				
Accounts payable	\$ 162,708	\$ 2,237,674	\$ 2,264,859	\$ 135,523
Deposits	1,335,337	237,918	649,894	923,361
Total liabilities	<u>\$ 1,498,045</u>	<u>\$ 2,475,592</u>	<u>\$ 2,914,753</u>	<u>\$ 1,058,884</u>
<u>OTHER</u>				
ASSETS				
Cash and investments	\$ 215,183	\$ 1,379,977	\$ 1,369,482	\$ 225,678
Accounts receivable	-	274,805	274,805	-
Total assets	<u>\$ 215,183</u>	<u>\$ 1,654,782</u>	<u>\$ 1,644,287</u>	<u>\$ 225,678</u>
LIABILITIES				
Accounts payable	\$ 150,846	\$ 316,638	\$ 290,633	\$ 176,851
Due to other governments	20,981	1,284,601	1,284,449	21,133
Deposits	43,356	53,543	69,205	27,694
Total liabilities	<u>\$ 215,183</u>	<u>\$ 1,654,782</u>	<u>\$ 1,644,287</u>	<u>\$ 225,678</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 1,713,228	\$ 3,855,569	\$ 4,284,235	\$ 1,284,562
Accounts receivable	-	274,805	274,805	-
Total assets	<u>\$ 1,713,228</u>	<u>\$ 4,130,374</u>	<u>\$ 4,559,040</u>	<u>\$ 1,284,562</u>
LIABILITIES				
Accounts payable	\$ 313,554	\$ 2,554,312	\$ 2,555,492	\$ 312,374
Due to other governments	20,981	1,284,601	1,284,449	21,133
Deposits	1,378,693	291,461	719,099	951,055
Total liabilities	<u>\$ 1,713,228</u>	<u>\$ 4,130,374</u>	<u>\$ 4,559,040</u>	<u>\$ 1,284,562</u>

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

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WALWORTH COUNTY, WISCONSIN

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CAPITAL ASSETS BY SOURCE
 December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Capital assets:		
Land	\$ 1,091,454	\$ 1,092,194
Buildings	65,651,333	65,651,333
Improvements other than buildings	4,889,554	4,835,685
Infrastructure	57,900,097	55,927,569
Machinery and equipment	21,103,775	21,526,472
Construction in progress	2,290,840	938,016
TOTAL CAPITAL ASSETS	<u>\$ 152,927,053</u>	<u>\$ 149,971,269</u>
Investment in capital assets by source:		
Bonds	\$ 84,512,444	\$ 82,635,661
Donations	1,621,895	1,615,941
Grants	5,453,895	5,178,809
Tax levy	28,047,611	26,248,358
Capital projects **	33,291,208	34,292,500
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$ 152,927,053</u>	<u>\$ 149,971,269</u>

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 position.

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

WALWORTH COUNTY, WISCONSIN

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 December 31, 2012

<u>FUNCTION AND ACTIVITY</u>	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	INFRASTRUCTURE	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
General Government							
County clerk	\$ -	\$ -	\$ -	\$ -	\$ 11,886	\$ -	\$ 11,886
Elections	-	-	-	-	18,750	-	18,750
Administration	-	-	-	-	61,427	-	61,427
Finance	-	-	-	-	675,766	-	675,766
Treasurer	-	-	-	-	-	174,300	174,300
Clerk of courts	-	-	-	-	530,051	-	530,051
District attorney	-	-	-	-	54,812	-	54,812
Register of deeds	-	-	-	-	93,818	-	93,818
Information technology	-	-	-	-	2,187,399	-	2,187,399
Purchasing	-	-	-	-	6,046	-	6,046
Central services	-	21,287,338	2,598,308	-	2,327,140	182,681	26,395,467
Non-departmental	708,190	90,530	405,278	-	27,500	-	1,231,498
TOTAL GENERAL GOVERNMENT	708,190	21,377,868	3,003,586	-	5,994,595	356,981	31,441,220
Public Safety							
Sheriff	-	21,873,634	1,321,345	-	8,262,726	923,125	32,380,830
TOTAL PUBLIC SAFETY	-	21,873,634	1,321,345	-	8,262,726	923,125	32,380,830
Health and Human Services							
Veterans	-	-	-	-	13,117	-	13,117
Human services	-	5,224,544	98,466	-	738,509	455,771	6,517,290
TOTAL HEALTH AND HUMAN SERVICES	-	5,224,544	98,466	-	751,626	455,771	6,530,407
Culture, Recreation, and Education							
Children with Disabilities Education Board	-	16,730,643	-	-	344,833	-	17,075,476
Parks	383,264	444,644	466,157	-	-	-	1,294,065
TOTAL CULTURE, RECREATION AND EDUCATION	383,264	17,175,287	466,157	-	344,833	-	18,369,541
Public Works							
Capital projects	-	-	-	-	-	547,463	547,463
Infrastructure	-	-	-	57,900,097	-	-	57,900,097
TOTAL PUBLIC WORKS	-	-	-	57,900,097	-	547,463	58,447,560
Conservation and Development							
Land use and resource management	-	-	-	-	113,764	-	113,764
Land information	-	-	-	-	5,636,231	7,500	5,643,731
TOTAL CONSERVATION AND DEVELOPMENT	-	-	-	-	5,749,995	7,500	5,757,495
TOTAL CAPITAL ASSETS	\$ 1,091,454	\$ 65,651,333	\$ 4,889,554	\$ 57,900,097	\$ 21,103,775	\$ 2,290,840	\$ 152,927,053

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

WALWORTH COUNTY, WISCONSIN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2012**

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS JANUARY 1, 2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS December 31, 2012</u>
General Government				
County clerk	\$ 11,886	\$ -	\$ -	\$ 11,886
Elections	18,750	-	-	18,750
Administration	61,427	-	-	61,427
Finance	675,766	-	-	675,766
Treasurer	-	174,300	-	174,300
Clerk of courts	522,319	7,732	-	530,051
District attorney	54,812	-	-	54,812
Register of deeds	93,818	-	-	93,818
Information technology	2,991,198	425,382	1,229,181	2,187,399
Purchasing	6,046	-	-	6,046
Central services	26,175,798	284,816	65,147	26,395,467
Non-departmental	1,232,238	-	740	1,231,498
TOTAL GENERAL GOVERNMENT	31,844,058	892,230	1,295,068	31,441,220
Public Safety				
Sheriff	31,944,529	638,883	202,582	32,380,830
TOTAL PUBLIC SAFETY	31,944,529	638,883	202,582	32,380,830
Health and Human Services				
Veterans	13,117	-	-	13,117
Human services	6,049,373	467,958	41	6,517,290
TOTAL HEALTH AND HUMAN SERVICES	6,062,490	467,958	41	6,530,407
Culture, Recreation and Education				
Children with Disabilities Education Board	17,075,476	-	-	17,075,476
Parks	1,294,065	-	-	1,294,065
TOTAL CULTURE, RECREATION AND EDUCATION	18,369,541	-	-	18,369,541
Public Works				
Capital projects	98,087	523,763	74,387	547,463
Infrastructure	55,927,569	3,050,021	1,077,493	57,900,097
TOTAL PUBLIC WORKS	56,025,656	3,573,784	1,151,880	58,447,560
Conservation and Development				
Land use and resource management	113,764	-	-	113,764
Land information	5,611,231	32,500	-	5,643,731
TOTAL CONSERVATION AND DEVELOPMENT	5,724,995	32,500	-	5,757,495
TOTAL CAPITAL ASSETS	\$ 149,971,269	\$ 5,605,355	\$ 2,649,571	\$ 152,927,053

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

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STATISTICAL SECTION

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**STATISTICAL SECTION
(UNAUDITED)**

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

	Page
FINANCIAL TRENDS	141 - 148
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
REVENUE CAPACITY	149 - 152
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
DEBT CAPACITY	153 - 156
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	157 - 158
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
OPERATING INFORMATION	159 - 163
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.

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TABLE 1
WALWORTH COUNTY, WISCONSIN
 Net Position by Component
 Last Ten 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	Fiscal Year 2011	Fiscal Year 2012
Governmental activities										
Net investment in capital assets	\$ 39,965,835	\$ 45,152,949	\$ 49,641,480	\$ 40,139,193	\$ 59,418,254	\$ 57,401,851	\$ 64,608,829	\$ 71,632,627	\$ 73,774,252	\$ 78,161,464
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	1,978,134	1,922,181
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	68,434,042	79,838,764
Subtotal governmental activities net position	<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>	<u>\$ 144,186,428</u>	<u>\$ 159,922,409</u>
Business-type activities										
Net investment in capital assets	\$ 8,439,267	\$ 8,214,914	\$ 7,674,254	\$ 20,108,504	\$ 7,582,462	\$ 8,910,256	\$ 12,061,594	\$ 14,190,480	\$ 15,635,317	\$ 18,847,558
Restricted	-	-	250,998	121,838	128,927	144,269	433,244	266,883	235,849	201,684
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	12,624,827	11,596,369
Subtotal business-type activities net position	<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>	<u>\$ 28,495,993</u>	<u>\$ 30,645,611</u>
Primary government										
Net investment in capital assets	\$ 48,405,102	\$ 53,367,863	\$ 57,315,734	\$ 60,247,697	\$ 67,000,716	\$ 66,312,107	\$ 76,670,423	\$ 85,823,107	\$ 89,409,569	\$ 97,009,022
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	2,213,983	2,123,865
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	81,058,869	91,435,133
Total primary government net position	<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>	<u>\$ 172,682,421</u>	<u>\$ 190,568,020</u>

TABLE 2
WALWORTH COUNTY, WISCONSIN
Changes in Net Position
Last Ten 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	Fiscal Year 2011	Fiscal Year 2012
Expenses										
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	\$ 14,023,579	\$ 16,328,073
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	23,882,453	23,751,633
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	23,461,950	22,981,571
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	13,277,101	12,261,349
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	2,408,323	1,850,532
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	2,152,632	2,112,685
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	1,147,971	1,017,013
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>	<u>80,354,009</u>	<u>80,302,856</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	12,123,385	11,431,737
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	8,802,977	8,094,188
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>	<u>20,926,362</u>	<u>19,525,925</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>	<u>\$ 101,280,371</u>	<u>\$ 99,828,781</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 2,508,176	\$ 2,928,960	\$ 2,654,039	\$ 3,509,042	\$ 2,788,985	\$ 3,455,029	\$ 3,107,475	\$ 2,882,433	\$ 2,837,631	\$ 2,976,971
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	1,285,248	1,193,001
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	2,577,202	3,034,084
Culture, recreation and education	381,141	314,965	173,618	154,992	160,090	174,430	203,711	337,201	451,602	378,695
Public works	-	-	26,180	137,782	-	-	-	4,259	698	16,850
Conservation and development	1,097,225	1,055,950	1,029,192	988,825	856,256	724,190	653,502	629,506	630,145	620,678
Operating grants and contributions										
General government	512,487	603,549	542,107	557,570	652,215	574,195	831,676	683,474	871,920	717,068
Public safety	743,317	815,674	803,228	953,121	851,120	852,400	793,455	1,022,525	957,714	1,255,858
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	11,546,247	11,460,943
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	8,168,834	6,834,631
Public works	-	-	-	-	-	-	-	151,548	-	399,740
Conservation and development	338,588	426,495	363,915	290,133	293,649	323,639	345,300	313,749	340,873	368,219
Capital grants and contributions										
General government	-	-	-	640,305	6,979	-	-	423,388	-	1,302,049
Public safety	152,553	317,136	542,469	86,275	93,555	70,674	207,118	142,399	286,687	80,500
Health and human services	-	-	-	-	-	3,732	-	3,563	2,667	4,055
Culture, recreation and education	-	14,395	-	14,702	421,773	282,352	72,298	22,500	13,866	-
Public works	390,427	5,084	922,761	756,813	150,712	-	220,491	2,222,380	25,000	-
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>	<u>29,996,334</u>	<u>30,643,342</u>

(Continued)

TABLE 2
WALWORTH COUNTY, WISCONSIN
Changes in Net Position (continued)
Last Ten 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	Fiscal Year 2011	Fiscal Year 2012
Program Revenues (continued)										
Business-type activities:										
Charges for services:										
Nursing home	\$ 11,233,355	\$ 9,447,784	\$ 10,452,940	\$ 6,159,046	\$ 7,362,680	\$ 7,690,184	\$ 8,601,097	\$ 8,735,483	\$ 8,739,899	\$ 8,576,634
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	3,899,705	3,769,486
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	555,797	1,135,603
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	2,173,460	1,914,106
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>	<u>15,368,861</u>	<u>15,395,829</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>	<u>\$ 45,365,195</u>	<u>\$ 46,039,171</u>
Net (Expense) Revenue by Function:										
Governmental activities:										
General government	\$ (8,659,941)	\$ (9,851,938)	\$ (9,838,769)	\$ (10,453,067)	\$ (11,860,265)	\$ (9,784,240)	\$ (10,076,948)	\$ (10,401,043)	\$ (10,314,028)	\$ (11,331,985)
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)	(21,352,804)	(21,222,274)
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)	(9,335,834)	(8,482,489)
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)	(4,642,799)	(5,048,023)
Public works	(931,600)	(1,281,500)	(663,078)	(2,722,032)	(3,575,446)	(2,175,607)	(2,049,085)	937,907	(2,382,625)	(1,433,942)
Conservation and development	(904,898)	(757,650)	(726,341)	(1,130,930)	(1,329,781)	(1,392,024)	(1,297,640)	(1,244,122)	(1,181,614)	(1,123,788)
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)	(1,147,971)	(958,633)
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>	<u>(50,357,675)</u>	<u>(49,601,134)</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)	(2,827,689)	(1,719,500)
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)	(2,729,812)	(2,410,596)
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>	<u>(5,557,501)</u>	<u>(4,130,096)</u>
Total primary government net (expenses)/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>	<u>\$ (55,915,176)</u>	<u>\$ (53,731,230)</u>

(Continued)

TABLE 2
WALWORTH COUNTY, WISCONSIN
Changes in Net Position (concluded)
Last Ten 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	Fiscal Year 2011	Fiscal Year 2012
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
General property taxes	\$ 35,453,371	\$ 37,150,309	\$ 38,031,659	\$ 36,352,921	\$ 39,470,341	\$ 42,011,107	\$ 44,880,244	\$ 49,395,052	\$ 51,744,402	\$ 52,160,876
Property taxes for debt service	4,690,152	5,242,764	6,051,593	7,716,392	7,875,781	6,714,271	6,642,168	5,190,603	4,177,192	3,558,522
County share of sales taxes	6,556,865	7,336,138	7,303,638	7,535,343	7,597,303	7,807,117	6,951,954	7,067,728	7,300,040	7,509,543
Real estate transfer fees	455,045	573,046	648,518	-	-	-	-	-	-	-
Other taxes	-	81,920	90,475	77,710	82,751	76,789	64,719	87,930	71,607	70,546
Grants and contributions not restricted to specific programs										
Unrestricted investment earnings	89,923	367,357	325,169	341,622	341,038	331,464	347,144	381,381	375,478	327,119
Gain on sale of assets	776,327	839,240	2,873,982	4,480,264	4,642,076	2,992,572	2,056,156	849,201	724,442	595,493
Miscellaneous	853,927	-	-	-	-	-	-	4,804	-	-
Transfers	190,113	30,360	7,225	13,925	124,731	46,561	108,223	74,594	69,213	59,302
Transfers	23,528	(1,554)	(1,688,014)	(14,643,794)	(1,290,254)	49,714	31,400	30,000	441,486	1,055,714
Subtotal governmental activities general revenues	<u>49,089,251</u>	<u>51,619,580</u>	<u>53,644,245</u>	<u>41,874,383</u>	<u>58,843,767</u>	<u>60,029,595</u>	<u>61,082,008</u>	<u>63,081,293</u>	<u>64,903,860</u>	<u>65,337,115</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	7,499,486	7,282,023
Unrestricted investment earnings	4,768	31,223	75,608	134,101	129,806	63,731	11,997	5,486	6,542	4,261
Gain/(loss) on sale of capital assets	6,109	-	-	-	-	98,145	-	6,128	165,790	-
Miscellaneous	47,135	13,968	25,590	-	36,247	46,055	36,704	256,053	638,888	49,144
Transfers	380,895	1,554	1,688,014	14,643,794	1,290,254	(49,714)	(31,400)	(30,000)	(441,485)	(1,055,714)
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>	<u>7,869,221</u>	<u>6,279,714</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>	<u>\$ 72,773,081</u>	<u>\$ 71,616,829</u>
Change in Net Position										
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	\$ 14,546,185	\$ 15,735,981
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	2,311,721	2,149,618
Total primary government change in net position	<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>	<u>\$ 16,857,906</u>	<u>\$ 17,885,599</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Reserved	\$ 3,180,879	\$ 2,506,336	\$ 2,995,254	\$ 3,649,929	\$ 8,898,910	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	5,058,891	4,809,609
Restricted	-	-	-	-	-	194,371	301,795	220,625	311,935	384,802
Committed	-	-	-	-	-	269,797	642,254	1,055,834	2,302,078	4,219,940
Assigned	-	-	-	-	-	5,182,772	3,346,237	3,713,293	7,818,552	6,792,650
Unassigned	-	-	-	-	-	18,471,322	18,883,279	23,113,817	21,493,566	22,808,649
Total general fund	\$ 28,591,558	\$ 23,747,523	\$ 26,844,518	\$ 26,448,366	\$ 28,159,193	\$ 27,873,596	\$ 28,169,146	\$ 32,511,366	\$ 36,985,022	\$ 39,015,650
All other governmental funds										
Reserved	\$ 5,627,188	\$ 7,526,442	\$ 7,418,986	\$ 3,389,038	\$ 4,896,463	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Special revenue funds	1,558,663	524,073	199,376	1,901,176	2,562,710	-	-	-	-	-
Capital projects funds	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	3,693,933	1,533,304
Committed	-	-	-	-	-	421,560	583,755	4,581,036	5,279,657	10,245,796
Assigned, specifically*	-	-	-	-	-	1,493,221	1,281,030	514,276	909,994	1,699,774
Assigned, non-specific**	-	-	-	-	-	6,056,580	5,680,452	2,827,290	3,551,139	3,316,819
Total all other governmental funds	\$ 8,784,952	\$ 10,157,870	\$ 10,277,604	\$ 7,214,089	\$ 3,620,795	\$ 9,451,888	\$ 11,246,114	\$ 10,999,232	\$ 13,434,723	\$ 16,795,693
Total governmental funds, fund balances	\$ 37,376,510	\$ 33,905,393	\$ 37,122,122	\$ 33,662,455	\$ 31,779,988	\$ 37,325,484	\$ 39,415,260	\$ 43,510,598	\$ 50,419,745	\$ 55,811,343

Note: With the conversion of GASB 54, 2003 to 2007 have not been converted to the new fund balance terminology.

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

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 47,333,317	\$ 50,615,811	\$ 53,048,694	\$ 53,109,631	\$ 56,064,682	\$ 57,300,471	\$ 59,277,331	\$ 61,916,489	\$ 63,332,863	\$ 63,726,578
Intergovernmental	24,290,647	24,092,046	24,962,700	25,579,590	26,146,651	27,748,565	27,552,748	22,799,880	21,247,096	21,821,406
Licenses and permits	387,352	399,561	359,380	351,552	376,192	309,766	258,150	257,319	262,145	258,324
Fines, forfeitures and penalties	1,437,647	1,357,723	1,233,647	1,379,320	1,315,006	1,425,845	1,337,605	1,318,351	1,290,652	1,270,100
Charges for service	6,410,038	6,712,146	6,738,175	7,509,204	8,191,723	8,034,880	9,931,953	7,693,031	7,321,853	7,635,496
Miscellaneous	2,159,660	2,290,721	2,971,299	4,085,271	4,690,726	2,827,721	1,778,428	2,063,316	1,669,091	1,612,751
Total revenues	82,018,661	85,468,008	89,313,895	92,014,568	96,784,980	97,647,248	100,136,215	96,048,386	95,123,700	96,324,655
Expenditures										
General government	9,710,912	12,410,128	11,594,328	11,780,358	12,590,192	12,914,743	13,452,827	13,346,811	13,153,880	15,059,546
Public safety	18,384,651	19,030,720	19,740,148	20,137,931	22,015,542	22,495,773	23,791,636	25,603,310	25,985,205	25,722,968
Health and human services	29,434,868	29,992,775	28,981,077	28,903,629	30,961,410	30,096,850	30,492,456	23,510,532	23,812,483	23,059,334
Culture, recreation and education	11,264,203	11,726,546	12,261,159	13,333,312	15,345,841	19,063,558	15,420,296	16,091,316	14,980,511	13,381,565
Conservation and development	2,365,568	2,254,858	2,148,494	2,059,547	2,178,892	2,216,851	2,173,794	2,070,729	2,007,488	1,956,949
Capital outlay	11,051,109	9,659,829	13,155,446	18,525,611	16,537,505	6,535,211	7,906,951	3,321,750	9,857,517	5,806,595
Debt service										
Interest and fiscal charges	1,522,521	1,589,718	1,715,428	1,851,914	1,378,174	1,815,130	1,470,670	1,349,891	1,147,767	1,122,381
Principal	3,619,483	3,695,000	4,625,000	6,145,000	6,126,156	9,403,810	8,769,898	6,804,864	5,666,598	5,947,007
Total expenditures	87,353,315	90,359,574	94,221,080	102,737,302	107,133,712	104,541,926	103,478,528	92,099,203	96,611,449	92,056,345
Excess (deficiency) of revenues over expenditures	(5,334,654)	(4,891,566)	(4,907,185)	(10,722,734)	(10,348,732)	(6,894,678)	(3,342,313)	3,949,183	(1,487,749)	4,268,310
Other Financing Sources (Uses)										
Proceeds from borrowing, net	9,318,413	6,122,999	9,787,053	7,340,642	9,857,652	8,596,300	5,319,895	-	7,877,854	-
Proceeds from refunding, net	-	-	-	-	-	3,319,441	-	-	-	-
Capital leases	-	-	-	-	-	-	-	10,200	10,200	-
Sale of capital assets	-	-	-	-	-	474,719	111,194	106,955	67,357	46,000
Transfers in	3,443,750	3,734,982	5,131,859	5,102,390	5,335,664	7,032,104	7,983,740	6,508,068	6,434,216	10,494,796
Transfers out	(3,788,263)	(8,437,532)	(6,794,998)	(5,179,965)	(6,727,051)	(6,982,390)	(7,983,740)	(6,478,068)	(5,992,731)	(9,417,508)
Total other financing sources	8,973,900	1,420,449	8,123,914	7,263,067	8,466,265	12,440,174	5,431,089	147,155	8,396,896	1,123,288
Net change in fund balances^(a)	\$ 3,639,246	\$ (3,471,117)	\$ 3,216,729	\$ (3,459,667)	\$ (1,882,467)	\$ 5,545,496	\$ 2,088,776	\$ 4,096,338	\$ 6,909,147	\$ 5,391,598
Debt service as a percentage of non-capital expenditures	6.74 %	6.55 %	7.82 %	9.50 %	8.28 %	11.45 %	10.72 %	9.19 %	7.85 %	8.20 %

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	
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 %	2.2 %	3.6 %	7.4	1.5	100.0
2011	\$ 13,153,880	\$ 25,985,205	\$ 23,812,483	\$ 14,980,511	\$ 2,007,488	\$ 9,857,517	5,666,598	1,147,767	96,611,449
% of Total	13.6 %	27.0 %	24.6 %	15.5 %	2.0 %	10.2 %	5.9	1.2	100.0
2012	\$ 15,059,546	\$ 25,722,968	\$ 23,059,334	\$ 13,381,565	\$ 1,956,949	\$ 5,806,595	5,947,007	1,122,381	92,056,345
% of Total	16.4 %	28.0 %	25.0 %	14.5 %	2.1 %	6.3 %	6.5	1.2	100.0

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

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

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Inter- governmental</u>	<u>Licenses and Permits</u>	<u>Fines, Forfeits & Penalties</u>	<u>Charges for Services</u>	<u>Miscellaneous</u>	<u>Total</u>
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 %
2011	\$ 63,332,863	\$ 21,247,096	\$ 262,145	\$ 1,290,652	\$ 7,321,853	\$ 1,669,091	\$ 95,123,700
% of Total	66.5 %	22.3 %	0.3 %	1.4 %	7.7 %	1.8 %	100.0 %
2012	\$ 63,726,578	\$ 21,821,406	\$ 258,324	\$ 1,270,100	\$ 7,635,496	\$ 1,612,751	\$ 96,324,655
% of Total	66.2 %	22.7 %	0.3 %	1.3 %	7.9 %	1.6 %	100.0 %

Note: This summary includes the general fund, special revenue funds, debt service fund, capital project 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				
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
2011	12,182,071,700	1,674,527,600	223,390,600	51,110,800	27,161,000	55,568,400	295,400,800	153,478,300	374,843,400	14,287,865,800	4.26
2012	11,279,643,400	1,620,991,100	223,149,800	49,645,400	29,477,300	61,244,800	300,320,100	155,948,400	382,906,300	13,337,514,000	4.56

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 district such as counties are required to use equalized value for levying property taxes. Equalize 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 increment for apportioning the county levy.
- (c) Average mill rate per \$1,000 of total county equalized value. The average mill rate in this table will be less than the sum of direct rates in table 8 due to the specific and lesser tax bases of the library and CDEB.

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

<u>DISTRICT</u>	2012 TOTAL EQUALIZED VALUE (a)	NET TAX RATE - YEAR LEVIED									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>County Direct Rates</u>											
Library	\$ 7,958,023,400	0.20	0.18	0.16	0.09	0.09	0.09	0.09	0.11	0.12	0.11
Children with Disabilities Education Board	12,994,776,362	0.64	0.60	0.60	0.59	0.61	0.64	0.63	N/A	N/A	N/A
County Debt Service	13,337,514,000	0.10	0.25	0.29	0.35	0.45	0.48	0.62	0.69	0.61	0.58
County Operating	13,337,514,000	3.72	3.32	3.23	2.93	2.74	2.70	2.76	3.60	4.02	4.25
Total of County Direct Rates (b)		4.66	4.35	4.28	3.96	3.89	3.91	4.10	4.40	4.75	4.94
<u>CITY</u>											
Burlington	\$ 539,400	\$23.11	\$22.93	\$22.72	\$20.30	\$19.95	\$16.51	\$19.43	\$20.28	\$21.36	\$22.36
Delavan	567,790,400	22.91	21.37	21.22	20.20	19.28	19.90	19.43	20.28	21.36	22.36
Elkhorn	592,405,200	21.95	20.99	20.49	18.75	17.83	16.72	16.96	18.15	20.43	21.30
Lake Geneva	1,136,849,600	20.67	18.55	18.57	17.20	17.17	17.35	18.00	19.60	21.62	21.43
Whitewater	492,661,800	20.87	19.90	19.98	18.29	17.46	17.39	17.24	19.16	20.06	20.57
CITY TOTAL	\$ 2,790,246,400										
<u>TOWN</u>											
Bloomfield	\$ 100,814,800	\$19.47	\$16.63	\$16.67	\$15.76	\$15.48	\$15.21	\$15.28	\$17.26	\$19.30	\$18.84
Darien	192,888,400	14.67	13.73	13.46	12.66	11.91	11.64	11.55	12.46	12.92	13.23
Delavan	966,258,600	15.27	14.55	14.21	13.53	12.89	13.04	13.66	15.14	16.47	16.79
East Troy	728,937,500	16.21	15.08	15.00	13.99	13.14	13.16	12.69	13.84	15.23	15.77
Geneva	825,649,600	16.17	14.69	14.66	13.59	13.35	13.39	13.88	15.32	16.93	17.06
La Fayette	246,194,500	17.57	15.91	15.92	14.77	13.66	13.76	13.43	14.46	16.11	16.04
La Grange	736,090,300	15.51	14.74	14.62	13.63	12.65	12.44	13.17	13.81	15.12	15.70
Linn	1,699,277,500	14.95	13.58	13.62	12.76	12.54	12.88	13.37	14.99	16.38	17.10
Lyons	440,008,200	16.63	15.06	14.76	13.49	13.05	13.08	13.01	13.70	15.16	16.51
Richmond	238,918,500	16.09	15.33	15.17	14.08	13.20	13.03	12.84	13.98	14.93	15.25
Sharon	78,534,200	18.83	17.75	17.25	16.27	15.72	16.30	16.80	18.12	19.31	19.80
Spring Prairie	226,955,000	18.23	16.69	16.51	15.30	14.68	14.74	14.89	15.87	14.66	17.87
Sugar Creek	367,426,300	16.19	15.30	15.06	13.85	13.13	12.73	12.64	13.79	15.15	15.45
Troy	248,608,500	17.50	16.25	16.05	14.99	14.17	13.76	13.86	15.09	16.73	16.51
Walworth	222,800,700	14.23	13.54	13.14	12.50	12.07	12.28	13.22	14.68	15.32	15.77
Whitewater	306,400,300	16.48	15.74	15.83	14.44	13.44	13.14	12.93	14.45	15.61	15.80
TOWN TOTAL	\$ 7,625,762,900										
<u>VILLAGE</u>											
Bloomfield	\$ 332,260,500	\$20.38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darien	84,242,200	28.10	\$26.92	\$26.25	\$24.33	\$22.95	\$22.89	\$22.37	\$23.87	\$24.87	\$25.71
East Troy	302,077,100	21.90	19.87	20.07	19.05	17.46	17.30	16.84	18.21	19.82	20.13
Fontana	1,117,850,800	14.59	13.64	13.38	12.94	12.52	12.57	13.71	15.35	16.58	17.54
Genoa City	89,955,900	28.71	24.00	24.89	24.11	22.75	20.31	21.69	22.44	27.57	23.62
Mukwonago	11,200,600	20.43	17.29	12.25	19.37	17.83	17.54	18.41	18.73	20.16	21.59
Sharon	73,178,000	27.13	25.39	24.40	21.44	20.87	21.98	22.43	25.36	26.47	27.24
Walworth	194,124,200	20.73	19.00	18.89	18.13	16.68	16.55	17.67	18.79	20.32	21.24
Williams Bay	716,615,400	15.08	14.02	13.51	12.61	12.70	12.97	14.07	15.43	16.77	18.02
VILLAGE TOTAL	\$ 2,921,504,700										
COUNTY TOTAL	\$ 13,337,514,000										

Source: Walworth County Treasurer's Office

(a) The Total Equalized Value is shown less Tax Incremental Districts (TIDS).

(b) The sum of direct rates is greater than the county average mill rate in table 7 due to the specific and lesser tax bases of the library and CDEB.

N/A - The Children with Disabilities Education Board began to levy separately in 2006.

N/A - 2012 is the first year with the Village of Bloomfield as a taxing district.

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

TABLE 9
WALWORTH COUNTY, WISCONSIN
Principal Property Tax Payers
For December 31, 2012 and Nine Years Prior

Taxpayer	2012			2003		
	Equalized Value	Rank*	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
DLK Enterprises, Inc.	\$ 28,489,635	1	0.21 %	\$ 34,389,311	1	0.36 %
Grand Geneva, LLC	28,690,189	2	0.21 %	32,337,654	2	0.34 %
Art Mortgage Borrower	33,292,987	3	0.24 %			
Kikkoman Foods, Inc.	22,429,751	4	0.16 %	16,190,276	5	0.17 %
Lake Geneva Investors, LLC	16,049,175	5	0.12 %			
Lake Geneva Shopping Center	13,888,212	6	0.10 %			
Wal-Mart Real Estate Business	13,098,704	7	0.10 %	20,035,756	3	0.21
Honey Creek of East Troy, LLP	11,067,856	8	0.08 %			
Paloma Geneva National, LLC	13,937,344	9	0.10 %	15,451,934	6	0.16 %
Fettig Industries, Inc.	7,810,236	10	0.06 %			
Delavan Lake Lawn, LLC (Lake Lawn Lodge, Inc.)				16,202,737	4	0.17 %
Geneva Lakes Cold Storage				14,529,623	7	0.15 %
Home Depot USA, Inc.				12,131,547	8	0.13 %
Edwin Kowalski				10,398,466	9	0.11 %
Abbey/Abka				9,907,778	10	0.10 %
Total	<u>\$ 188,754,089</u>		<u>1.38 %</u>	<u>\$ 181,575,082</u>		<u>1.90 %</u>

*Note: Rank is based on actual property taxes determined.

Source: Walworth County Treasurer's Office

TABLE 10
WALWORTH COUNTY, WISCONSIN
 Property Taxes 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
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%	\$ 1,988,282	\$ 49,194,441	99.99%	\$ 629	0.00%
2006	2007	\$ 52,238,866	\$ 49,481,298	94.7%	\$ 2,754,300	\$ 52,232,251	99.99%	\$ 3,268	0.01%
2007	2008	\$ 54,753,860	\$ 50,648,952	92.5%	\$ 4,096,276	\$ 54,740,848	99.98%	\$ 8,632	0.02%
2008	2009	\$ 57,426,336	\$ 51,840,251	90.3%	\$ 5,574,570	\$ 57,409,986	99.97%	\$ 11,515	0.02%
2009	2010	\$ 59,087,867	\$ 54,048,583	91.5%	\$ 4,507,137	\$ 58,548,536	99.09%	\$ 532,147	0.90%
2010	2011	\$ 60,793,425	\$ 56,132,950	92.3%	\$ 2,498,669	\$ 58,631,619	96.44%	\$ 2,161,806	3.56%
2011	2012	\$ 60,880,052	\$ 56,419,388	92.7%	\$ -	\$ 56,419,388	92.67%	\$ 4,460,664	7.33%

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, 2012		<u>\$ 13,720,420,300</u>
Legal debt margin:		
Debt limitation, 5% of total equalized value (Wisconsin Statutory Limitation)		686,021,015
Debt applicable to limitation:		
General obligation bonds	14,810,000	
General obligation notes	<u>15,745,000</u>	
Total debt applicable to limitation at December 31, 2012	30,555,000	
Less amount available in debt service fund	<u>(711,121)</u>	<u>(29,843,879)</u>
Legal debt margin for year ending December 31, 2012		<u>\$ 656,177,136</u>

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total equalized value - 12/31	<u>\$ 9,478,615,400</u>	<u>\$10,242,367,900</u>	<u>\$11,417,096,000</u>	<u>\$13,207,425,100</u>	<u>\$12,599,872,200</u>	<u>\$15,466,199,300</u>	<u>\$15,610,583,100</u>	<u>\$15,004,870,300</u>	<u>\$14,662,709,200</u>	<u>\$13,720,420,300</u>
Legal debt margin (5% of equalized value)	473,930,770	512,118,395	570,854,800	660,371,255	729,993,610	773,309,965	780,529,155	750,243,515	733,135,460	686,021,015
Debt applicable to limitation										
General Obligation Bonds	8,940,000	6,070,000	3,720,000	2,970,000	10,725,000	21,885,000	19,230,000	16,160,000	15,500,000	14,810,000
General Obligation Notes	31,045,000	36,290,000	43,815,000	45,770,000	40,940,000	30,995,000	28,890,000	23,775,000	25,075,000	15,745,000
Authorized debt, not yet issued	-	-	-	-	-	5,300,000	-	7,740,000	-	-
Total debt applicable to limitation - 12/31	<u>39,985,000</u>	<u>42,360,000</u>	<u>47,535,000</u>	<u>48,740,000</u>	<u>51,665,000</u>	<u>58,180,000</u>	<u>48,120,000</u>	<u>47,675,000</u>	<u>40,575,000</u>	<u>30,555,000</u>
Less amount available in debt service fund	<u>(468,389)</u>	<u>(503,487)</u>	<u>(453,929)</u>	<u>(413,600)</u>	<u>(420,897)</u>	<u>(594,982)</u>	<u>(638,844)</u>	<u>(600,009)</u>	<u>(566,218)</u>	<u>(711,121)</u>
Total debt applicable to limitation - 12/31	<u>39,516,611</u>	<u>41,856,513</u>	<u>47,081,071</u>	<u>48,326,400</u>	<u>51,244,103</u>	<u>57,585,018</u>	<u>47,481,156</u>	<u>47,074,991</u>	<u>40,008,782</u>	<u>29,843,879</u>
Legal debt margin - 12/31	<u>\$ 434,414,159</u>	<u>\$ 395,377,368</u>	<u>\$ 434,414,159</u>	<u>\$ 470,261,882</u>	<u>\$ 523,773,729</u>	<u>\$ 612,044,855</u>	<u>\$ 678,749,507</u>	<u>\$ 715,724,947</u>	<u>\$ 733,047,999</u>	<u>\$ 656,177,136</u>
Total net debt applicable to the limit as a percentage of debt limit	8 %	8 %	8 %	7 %	7 %	7 %	6 %	6 %	5 %	4 %

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

Fiscal Year	Population (a)	Equalized Value (b)	Governmental Gross Bonded Debt	Business- Type Gross Bonded Debt	Total Gross Bonded Debt	Less Debt Service Fund (c)	Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Value	Percentage of Personal Income (a)	Net Bonded Debt Per Capita
2003	95,630	\$ 9,478,615,400	\$ 39,985,000	\$ -	\$ 39,985,000	\$ 468,389	\$ 39,516,612	0.42 %	1.41 %	\$ 413
2004	37,052	\$ 10,242,367,900	\$ 42,360,000	\$ -	\$ 42,360,000	\$ 503,487	\$ 41,856,513	0.41 %	1.43 %	\$ 431
2005	98,496	\$ 11,565,232,700	\$ 39,935,000	\$ 7,600,000	\$ 47,535,000	\$ 453,989	\$ 47,081,071	0.41 %	1.56 %	\$ 478
2006	99,761	\$ 13,207,425,100	\$ 34,740,000	\$ 14,000,000	\$ 48,740,000	\$ 413,600	\$ 48,326,400	0.37 %	1.51 %	\$ 484
2007	100,674	\$ 14,599,872,200	\$ 38,373,776	\$ 13,391,224	\$ 51,765,000	\$ 420,897	\$ 51,344,103	0.35 %	1.54 %	\$ 510
2008	101,315	\$ 15,466,199,300	\$ 40,337,620	\$ 12,542,380	\$ 52,880,000	\$ 594,892	\$ 52,285,108	0.34 %	1.52 %	\$ 516
2009	101,808	\$ 15,610,583,100	\$ 38,198,912	\$ 9,921,088	\$ 48,120,000	\$ 638,844	\$ 47,481,156	0.30 %	1.44 %	\$ 466
2010	102,228	\$ 15,004,870,300	\$ 31,394,048	\$ 8,540,952	\$ 39,935,000	\$ 600,009	\$ 39,334,991	0.26 %	1.15 %	\$ 385
2011	102,485	\$ 14,662,709,200	\$ 33,467,449	\$ 7,107,551	\$ 40,575,000	\$ 566,218	\$ 40,008,782	0.27 %	1.12 %	\$ 390
2012	102,530	\$ 13,720,420,300	\$ 27,520,443	\$ 3,034,557	\$ 30,555,000	\$ 711,121	\$ 29,843,879	0.22 %	N/A	\$ 291

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

(a) From Table 15

(b) From Table 7

(c) Amount available for repayment of general obligation debt

N/A - Information not yet available

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

Fiscal Year	Principal	Interest and Fiscal Charges ^(a)	Total Debt Service ^(a)	Total Governmental Expenditures ^(b)	Ratio of Debt Service to Governmental Expenditures
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%
2011	\$ 5,666,598	\$ 1,147,767	\$ 6,814,365	\$ 96,611,449	7.1%
2012	\$ 5,947,007	\$ 1,122,381	\$ 7,069,388	\$ 92,056,345	7.7%

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, 2012

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Walworth County	Amount Applicable to Government
Direct:			
Walworth County	\$ 27,520,443	100.00 %	\$ 27,520,442
Overlapping:			
City:			
Burlington	23,845,000	0.10 %	23,845
Delavan	21,310,545	100.00 %	21,310,545
Elkhorn	19,675,000	100.00 %	19,675,000
Lake Geneva	6,375,000	100.00 %	6,375,000
Whitewater	22,700,000	87.80 %	19,930,600
CITY TOTAL	93,905,545		67,314,990
Town:			
Delavan	4,297,811	100.00 %	4,297,811
East Troy	414,182	100.00 %	414,182
La Grange	48,799	100.00 %	48,799
Spring Prairie	305,000	100.00 %	305,000
Sugar Creek	110,896	100.00 %	110,896
Troy	1,104,016	100.00 %	1,104,016
Walworth	513,000	100.00 %	513,000
TOWN TOTAL	6,793,704		6,793,704
Village:			
Darien	4,180,699	100.00 %	4,180,699
East Troy	6,695,000	100.00 %	6,695,000
Fontana	25,870,895	100.00 %	25,870,895
Genoa City	4,840,000	100.00 %	4,840,000
Mukwonago	29,530,648	1.50 %	442,960
Sharon	1,723,534	100.00 %	1,723,534
Walworth	762,169	100.00 %	762,169
Williams Bay	6,105,796	100.00 %	6,105,796
VILLAGE TOTAL	79,708,741		50,621,053
School Districts:			
Big Foot	3,220,556	100.00 %	3,220,556
Clinton	10,950,000	0.41 %	44,527
Delavan-Darien	5,770,000	99.70 %	5,752,789
East Troy	6,028,120	99.46 %	5,995,404
Elkhorn	21,390,000	100.00 %	21,390,000
Fontana	1,500,000	100.00 %	1,500,000
Lake Geneva Jt 4	1,453,000	100.00 %	1,453,000
Genoa City Jt 2	8,460,000	100.00 %	8,460,000
Lake Geneva Jt 1	14,783,333	100.00 %	14,783,333
Lake Geneva-Genoa City Unified High School	16,540,000	100.00 %	16,540,000
Linn Jt 4	1,545,000	100.00 %	1,545,000
Linn Jt 6	149,189	100.00 %	149,189
Mukwonago	16,901,987	0.03 %	5,681
Palmyra-Eagle	12,480,000	3.74 %	466,968
Sharon Jt 11	5,616,442	100.00 %	5,616,442
Walworth	246,745	100.00 %	246,745
Whitewater	9,165,000	83.64 %	7,665,526
Williams Bay	2,325,000	100.00 %	2,325,000
SCHOOL DISTRICT TOTAL	138,524,372		97,160,160
Technical College:			
Gateway	49,235,000	34.30 %	16,887,605
Special Districts:			
County Estates	243,279	100.00 %	243,279
Geneva National	6,256	100.00 %	6,256
Lake Beulah	170,000	100.00 %	170,000
Lake Benedict/Lake Tombeau	34,393	41.64 %	14,322
Lake Como Sanitary	8,462,614	100.00 %	8,462,614
Lauderdale Lakes Lake Management	370,435	100.00 %	370,435
Lyons Sanitary	2,381,523	100.00 %	2,381,523
WALCOMET	36,164,541	100.00 %	36,164,541
SPECIAL DISTRICT TOTAL	47,833,041		47,812,970
Subtotal of Direct Debt	27,520,443		27,520,442
Subtotal of Overlapping Debt	416,000,403		286,590,482
TOTAL DEBT APPLICABLE TO WALWORTH COUNTY	\$ 443,520,846		\$ 314,110,924

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

Source: Robert W. Baird & Company

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

Fiscal Year	Population ^(a)	Personal Income ^(b) <i>thousands of dollars</i>	Per Capita Personal Income ^(b)	School Enrollment ^(c)	Annual Unemployment Rate ^(d)	Total Residential Housing Units ^(a)
2003	95,630	\$ 2,806,171	\$ 28,904	17,483	4.8 %	46,535
2004	97,052	\$ 2,919,235	\$ 29,749	17,010	4.4 %	47,479
2005	98,496	\$ 3,026,201	\$ 30,308	17,699	4.2 %	48,575
2006	99,761	\$ 3,207,696	\$ 31,751	17,710	4.3 %	49,560
2007	100,672	\$ 3,342,296	\$ 32,946	17,868	4.5 %	50,174
2008	101,315	\$ 3,447,728	\$ 33,829	17,819	4.7 %	50,666
2009	101,808	\$ 3,297,367	\$ 32,303	17,736	9.2 %	50,958
2010	102,228	\$ 3,412,709	\$ 33,339	17,651	8.8 %	51,531
2011	102,485	\$ 3,585,050	\$ 34,830	17,758	7.9 %	51,601
2012	102,530	N/A	N/A	17,551	6.9 %	51,664

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 is not yet available

TABLE 16
WALWORTH COUNTY, WISCONSIN
Principal Employers
For December 31, 2012 and Nine Years Prior

Employer	Type of Business	2012			2003		
		Employees	Rank	Percentage of Total County Labor Force	Employees	Rank	Percentage of Total County Labor Force
University of Wisconsin - Whitewater	College	1000+	1	1.82 %	1000+	1	1.79 %
Grand Geneva LLC	Resort	500-999	2	1.81 %	500-999	4	1.78 %
County of Walworth	Governmental Agency	500-999	3	1.81 %	1000+	2	1.79 %
Wal-Mart Associates	Discount Department Store	500-999	4	1.81 %	500-999	5	1.78 %
Miniature Precision Components Inc.	Manufacturer - Plastics	500-999	5	1.81 %	500-999	7	1.78 %
Sta-Rite Industries LLC	Manufacturer - Pumps	500-999	6	1.81 %	500-999	3	1.78 %
Aurora Health Care of Southern Lakes	Medical/Surgical Hospital	500-999	7	1.81 %	500-999	6	1.78 %
Birds Eye Foods LLC	Manufacturer - Fruits & Vegetables	250-499	8	0.91 %			
Live Nation Worldwide Inc.	Event Promoter	250-499	9	0.91 %			
Elkhorn Area School District	Elementary/Secondary School	250-499	10	0.91 %	250-499	9	0.89 %
Trostel Ltd.	Manufacturer - Packing Devices				250-499	8	0.89 %
School District of Delavan-Darien	Elementary/Secondary School				250-499	10	0.89 %
Total							
				<u>15.41 %</u>			<u>15.15 %</u>

Source:

Wisconsin Department of Workforce Development, Office of Economic Advisors - March, 2012 Report
US Department of Labor Statistics

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
County Board	-	-	0.50	0.50	0.50	0.75	0.75	0.50	0.50	0.50
County Clerk	4.16	4.00	4.00	4.20	4.20	4.20	4.00	4.00	4.00	4.00
Administration	7.50	18.50	15.00	15.00	10.50	10.50	12.50	11.50	11.50	11.50
Human Resources	10.00	-	-	-	-	-	-	-	-	-
Finance	12.00	12.00	16.00	16.00	14.00	14.00	14.50	14.50	14.50	14.50
Treasurer	4.98	4.99	4.99	4.99	5.99	5.88	4.88	4.93	5.33	5.33
Coroner	1.34	1.32	1.32	1.44	1.44	1.44	0.77	0.77	0.77	0.77
Clerk of Courts	30.05	29.49	30.30	30.30	29.86	29.61	29.61	29.61	29.61	29.61
District Attorney	11.05	11.55	11.55	11.55	11.55	11.50	11.50	11.50	11.50	11.50
Register of Deeds	6.50	6.50	6.50	8.00	8.00	8.00	8.00	7.00	7.00	6.50
Information Technology	11.00	17.00	17.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00
Land Information	4.00	-	-	-	-	-	-	-	-	-
	<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>	<u>97.71</u>	<u>97.21</u>
Public Safety										
Sheriff	<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>	<u>212.90</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>	<u>212.90</u>
Health and Human Services										
Health and Human Services	156.59	158.21	158.34	156.32	162.12	162.62	166.12	164.63	163.74	161.74
Veterans	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	<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>	<u>165.74</u>	<u>163.74</u>
Culture, Recreation, and Education										
UW Extension	3.00	3.00	3.00	3.00	3.00	2.75	2.75	4.00	3.00	2.00
Lakeland School	182.81	183.16	188.89	196.90	180.72	167.51	149.05	134.64	118.22	113.72
	<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>	<u>121.22</u>	<u>115.72</u>

(Continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Register of deeds										
Real estate documents processed	51,110	38,136	36,987	32,937	29,225	25,513	28,078	26,146	23,170	24,764
Birth records processed	1,496	1,447	1,548	1,646	1,649	161,668	1,613	1,544	N/A	-
Death records processed	838	911	925	897	851	860	892	883	958	898
Marriage records processed	798	793	825	841	811	809	745	826	856	844
Domestic partnership declarations recorded	N/A	N/A	N/A	N/A	N/A	N/A	11	-	6	-
Vital Record copies issued	N/A	N/A	11,230	11,890	11,774	11,829	11,909	11,725	12,026	12,169
County Clerk										
Marriage licenses issued	761	714	788	755	739	745	693	748	758	769
Domestic Partnership declarations issued	N/A	N/A	N/A	N/A	N/A	N/A	12	-	6	1
Single dog tags issued	4,711	4,917	4,962	5,085	5,065	5,038	4,803	4,759	4,724	4,626
Kennel tags (12 each) issued	12	10	8	6	6	12	7	9	9	8
Single kennel tags issued	25	33	17	19	13	13	11	15	4	5
Clerk of courts										
Case filings	21,814	24,758	22,492	22,458	17,971	19,058	21,742	25,313	51,634	25,460
District Attorney										
Felony cases	629	593	691	642	551	566	515	510	565	572
Misdemeanor cases	744	653	764	820	777	756	701	620	617	619
Juvenile delinquency cases	126	134	120	157	94	124	85	116	79	99
Criminal traffic cases	1,047	1,067	1,080	1,131	1,028	1,124	1,011	1,042	945	940
Victim/witness contacts	1,107	1,185	1,270	1,698	1,505	1,097	1,575	1,498	1,276	1,499
Coroner										
Death investigations	573	644	868	887	891	879	1,014	1,016	1,122	1,102
Autopsies performed	94	76	106	75	88	86	101	82	105	82
Cremation permit issues	256	303	333	345	318	337	386	391	421	408
Treasurer										
Tax parcels	59,745	60,545	61,250	62,312	63,764	64,945	68,760	69,037	69,038	69,033
Information Technology										
Help desk requests received	N/A	3,265	6,985	6,969	5,488	6,243	6,447	5,614	6,229	5,966
Public Safety										
Traffic citations	6,964	4,545	3,649	5,035	3,605	3,370	3,697	3,456	4,083	4,685
Ordinances citations	1,846	1,862	1,029	1,322	1,093	1,025	1,461	917	648	852
Traffic accidents reported	811	811	833	704	783	801	506	537	733	701
Jail admissions	5,405	5,319	5,759	5,662	5,578	5,719	5,296	4,999	4,763	3,868
Average daily population - jail	162	146	163	163	170	176	188	175	145	169
Average daily population - huber	162	160	178	181	181	208	204	179	169	99
Average daily population - electronic monitoring	N/A	N/A	N/A	5	11	19	20	12	14	45

(Continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Health and human services										
Veterans office										
Phone calls received	7,134	8,175	8,369	9,205	9,311	10,293	11,354	7,181	6,998	6,252
Office visits	3,820	3,940	4,020	4,438	4,824	5,116	5,322	1,828	2,124	2,146
New clients	N/A	N/A	N/A	N/A	N/A	139	150	140	132	141
VA compensation/pension claims filed	N/A	N/A	237	262	243	246	240	262	287	292
VA health care applications filed	N/A	N/A	90	101	93	34	129	112	108	102
Culture, recreation, and education										
School										
Students (onsite)	239	240	258	270	251	231	219	209	208	226
Students (outlying districts)	1,651	1,714	1,785	1,786	943	779	679	581	511	416
Parks										
Trail: Yearly passes sold	502	559	703	750	754	619	684	761	684	753
Trail: Daily passes sold	33	545	1,187	1,614	1,344	1,732	1,581	1,738	1,950	2,085
Conservation and Development										
Land Use and Resource Management										
Zoning permits issued	1,359	1,471	1,352	1,141	1,016	804	706	595	670	725
Sanitation permits issued	501	536	458	348	292	203	195	173	151	98
Certified survey mas reviewed	104	103	107	83	45	48	28	22	35	26
Seperation of farm structures from farmland	23	19	14	20	15	9	9	7	14	12
Lot line/parcel split reviews	89	59	75	78	70	65	52	41	42	45
Highway/facilities administration										
Hazardous waste collected-agricultural (lbs)	N/A	N/A	14,812	N/A	3,411	N/A	N/A	14,173	N/A	N/A
Hazardous waste collected-household (lbs)	27,512	35,151	26,512	28,531	25,927	28,153	34,877	31,312	36,403	34,113
Hazardous waste collected-computer equip (lbs)	23,474	29,178	38,346	55,727	62,304	80,286	57,711	8,063	11,805	5,523
State lane miles maintained	N/A	N/A	656	689	689	689	694	694	698	699
County lane miles maintained	405	405	405	405	405	406	405	405	405	405
Nursing Home										
Licensed beds	235	235	235	120	120	120	120	120	120	120
Payor mix:										
Medicaid	83.38	87.94	89.69	87.91	83.37	76.75	71.85	74.79	70.17	71.04
Private pay	12.56	10.10	8.35	7.92	10.90	16.15	19.93	17.40	22.02	19.99
Medicare	3.96	1.38	1.57	4.17	5.73	7.10	8.22	7.81	7.81	8.97
Hospice	0.10	0.58	0.39	0.02	N/A	N/A	N/A	N/A	N/A	N/A

Source: Statistics obtained from departments.

N/A = not readily available

* Represents county owned equipment only, as no computer roundup held for County residents in 2011.

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Information Technology										
Desktop systems	N/A	N/A	N/A	720	755	769	801	867	829	817
Computer servers	N/A	N/A	N/A	23	27	36	40	49	52	56
Multi-user applications	N/A	N/A	N/A	N/A	N/A	95	99	112	121	122
Public Safety										
Vehicles insured	64	74	61	57	51	54	54	57	55	56
Boats/trailers/ATV/snowmobiles	N/A	N/A	N/A	N/A	N/A	12	12	12	15	12
Culture, recreation, and education										
Acreage (park)	237	237	237	237	237	237	237	237	237	237
Highway/facilities administration										
County lane miles	405	405	405	405	405	406	405	405	405	405
County bridges	26	26	26	26	26	26	26	26	26	26
Vehicles insured	82	85	86	94	125	124	123	95	92	92
County facility buildings (sq ft)	686,658	686,658	1,033,450	861,450	861,450	867,780	881,882	881,882	887,682	977,329

Source: Statistics obtained from departments.

N/A - information not available

Walworth County
Wisconsin

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