

SAUK COUNTY

Baraboo, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

Year Ended December 31, 2009

SAUK COUNTY

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INDEPENDENT AUDITORS' REPORT

To the County Board of Supervisors
Sauk County
Baraboo, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin, as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sauk County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sauk County Housing Authority, the discretely presented component unit of Sauk County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sauk County Housing Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

To the County Board of Supervisors
Sauk County, Wisconsin

The management's discussion and analysis, budgetary comparison schedules, schedule of funding progress, and schedule of employer contributions as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sauk County's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 27, 2010

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

As management of Sauk County, we offer readers of Sauk County's financial statements this narrative overview and analysis of the financial activities of Sauk County for the fiscal year ended December 31, 2009. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained herein will provide information on both the governmental operations and the business-type activities of the County.

FINANCIAL HIGHLIGHTS

- > The County's primary government total net assets increased by \$5.2 million, or 4.9%, from the prior year. The County's investment in capital assets net of related debt increased by \$2.8 million with completion of the County's replacement skilled nursing facility and related debt issuance, removal of the vacated nursing home, purchase of development rights, and routine infrastructure upgrades. Assets increased by a net \$1.7 million, comprised of increases in delinquent taxes and 2008 flood-related loans receivable. Liabilities decreased by \$3.5 million, or 4.4%, from decreases in accrued liabilities and amounts due to other governments, primarily related to Human Services.
- > The County's primary government operating expenses in 2009 were \$2.5 million less than 2008. Expenses included an additional \$3.5 million in public safety due to \$3.0 million of 2008 flood-related grants and loans, and \$3.9 million less in health and human services. Highway expenses decreased \$2.6 million, or 32.1%, with expenses for flooded road repairs and a harsh winter not recurring from 2008.
- > Program revenues decreased by 4.5%, or \$1.7 million, directly related to expense changes. Public safety revenues increased by \$3.6 million, which was related to the 2008 flood-related grants and loans, and health and human services revenues decreased by \$4.7 million. Highway program revenues decreased \$700,000.
- > The County's primary government total debt decreased by \$1,665,000 during the current fiscal year, with decreases of \$1.63 million for scheduled debt service payments. Sauk County also refunded \$5 million of bond anticipation notes with \$4,965,000 of general obligation bonds.

OVERVIEW OF FINANCIAL STATEMENTS

Sauk County's financial statements consist of four parts:

1. Management Discussion and Analysis - This discussion and analysis is intended to serve as an introduction to Sauk County's basic financial statements.
2. Basic Financial Statements - The basic financial statements have three components:
 - > Government-wide financial statements provide both long-term and short-term information about the County's overall financial status.
 - > Fund financial statements focus on individual parts of County government and report on the County's operations in more detail than the government-wide statements.
 - > Notes to financial statements explain some of the information in the financial statements and provide more detailed data.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

3. Required Supplementary Information - The required supplementary information further explains and supports the information in the financial statements.
4. Supplementary Information - The supplementary information contains combining statements that provide details about the non-major governmental and internal service funds. The non-major funds are aggregated and presented in a single column in the basic financial statements, as are the internal service funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The statement of activities presents information showing how Sauk County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving the 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., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of Sauk 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 Sauk County include public safety; public works; health and social services; culture, education and recreation; conservation and development; and general government. The business-type activities of Sauk County include the highway operation and nursing home.

The government-wide financial statements include not only Sauk County itself (known as the primary government), but also a legally separate housing authority for which the County may have a legal responsibility. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

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. Sauk 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 Sauk 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 the near-term inflows and outflows of spendable resources, as well as ongoing balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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.

Sauk County maintains 17 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 Fund and Human Services Fund, both of which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Sauk County adopts an annual budget for all its governmental funds. A budgetary comparison schedule has been provided for the General and Human Services funds to demonstrate compliance with these budgets.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Proprietary Funds: Services for which Sauk County charges customers a fee to provide are reported in proprietary funds. Sauk 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. Sauk County uses enterprise funds to account for its Highway and Health Care Center. Internal service funds are an accounting device used to accumulate and allocate costs internally among Sauk County's various functions. Sauk County uses internal service funds to account for its self-insured deductible payments via the County Insurance Fund and self-insured workers compensation via the Workers Compensation Fund. The services provided by these funds benefit the business-type and governmental functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Highway and Health Care Center, both of which are considered major funds of Sauk County. The County Insurance and Workers Compensation Funds are reported as internal service funds in the proprietary fund financial statements.

Fiduciary Funds: Fiduciary funds are used to account for resources held in trust 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 Sauk County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION

An analysis of the County's financial position begins with a review of the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. These two statements report the County's net assets and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

Sauk County Condensed Statements of Net Assets

	Governmental Activities 2008	Governmental Activities 2009	Business-type Activities 2008	Business-type Activities 2009
Current and other assets	\$ 60,628,586	\$ 60,737,112	\$ 28,299,922	\$ 15,268,547
Capital assets, net of Depreciation	88,320,226	89,861,327	9,096,609	22,162,532
Total Assets	<u>148,948,812</u>	<u>150,598,439</u>	<u>37,396,531</u>	<u>37,431,079</u>
Current and other liabilities	31,804,677	30,342,583	9,759,139	9,433,204
Non-current liabilities	23,630,426	22,091,461	14,528,457	14,336,012
Total Liabilities	<u>55,435,103</u>	<u>52,434,044</u>	<u>24,287,596</u>	<u>23,769,216</u>
Net Assets:				
Invested in capital assets, net of related debt	66,310,226	69,431,327	8,390,294	8,047,532
Restricted	747,132	1,548,037	43,125	41,990
Unrestricted	<u>26,456,351</u>	<u>27,185,031</u>	<u>4,675,516</u>	<u>5,572,341</u>
TOTAL NET ASSETS	<u>\$ 93,513,709</u>	<u>\$ 98,164,395</u>	<u>\$ 13,108,935</u>	<u>\$ 13,661,863</u>

Governmental activities assets increased \$1.6 million, of which \$2.3 million was a decrease in internal balances. The change in assets also contained increases in taxes receivable of \$945,000 (with an equal increase in unearned revenues) and a net increase in receivables of \$110,000 mostly from the extension of loans to assist with recovery from the 2008 floods. There was also an increase in delinquent taxes receivable of \$896,000, or 30%, an indication of the effect of the economy on tax collections. Governmental activities capital assets net of depreciation increased \$1.54 million, about 1.74%, reflecting the final Baraboo Range purchases of development rights of \$400,000 and ongoing replacements of assets including primarily infrastructure. Total governmental activities liabilities decreased by \$3.0 million, or 5.41%. With a transition in Human Services to a managed care model, amounts due to other governments decreased \$2.0 million. Further decreases in noncurrent liabilities reflect planned debt service payments of \$1.58 million. Finally, total governmental activities net assets have increased \$4.65 million, most of which, \$3.1 million, relates to capital assets acquired without the use of debt and an increase in restricted assets, \$800,000, for the flood-related loan programs.

Business-type activities total assets increased in total by less than 1%, only \$35,000. Within the assets, internal balances increased \$2.3 million. Decreases in amounts due from other governments were \$806,000, primarily related to completed large highway projects for other jurisdictions. Capital assets net of depreciation and the related restricted cash from debt proceeds decreased a total \$1.3 million, with construction complete for the replacement nursing home. Business-type activities liabilities decreased \$518,000, or only 2.13%. Decreases in accounts payable and accrued payroll liabilities totaled about \$550,000. Finally, total business-type activities net assets increased \$550,000, reflective of positive income for the Highway and Health Care Center.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

	Sauk County's Changes in Net Assets			
	Governmental Activities 2008	Governmental Activities 2009	Business-type Activities 2008	Business-type Activities 2009
REVENUES				
Program Revenues				
Charges for services	\$ 6,019,881	\$ 6,096,402	\$ 10,731,872	\$ 9,365,800
Operating grants and contributions	17,908,437	17,162,623	2,827,720	3,386,132
Capital grants and contributions	564,130	445,538	108,892	-
General Revenues				
Property taxes	20,002,902	20,780,637	6,571,717	6,934,034
Sales taxes	7,183,648	6,656,693	-	-
Other taxes	392,374	1,198,856	-	-
Intergovernmental revenues not restricted to specific programs	1,031,349	1,139,407	-	-
Other	1,592,791	767,435	400,202	136,531
Total Revenues	54,695,512	54,247,591	20,640,403	19,822,497
EXPENSES				
General government	6,311,428	6,327,978	-	-
Public safety	16,865,702	20,392,604	-	-
Public works	2,295,235	2,398,119	-	-
Health and social services	24,392,938	20,505,900	-	-
Culture, education and recreation	1,783,814	1,720,895	-	-
Conservation and development	1,997,998	2,371,314	-	-
Interest and fiscal charges	904,342	848,374	-	-
Highway	-	-	7,998,290	5,435,229
Health Care Center	-	-	8,200,422	8,249,849
Total Expenses	54,551,457	54,565,184	16,198,712	13,685,078
Increase (Decrease) in Net Assets Before				
Transfers	144,055	(317,593)	4,441,691	6,137,419
Special item	-	-	-	(616,212)
Transfers	2,874,428	4,968,279	(2,874,428)	(4,968,279)
Increase in Net Assets	3,018,483	4,650,686	1,567,263	552,928
NET ASSETS - Beginning	90,495,226	93,513,709	11,541,672	13,108,935
NET ASSETS - ENDING	\$ 93,513,709	\$ 98,164,395	\$ 13,108,935	\$ 13,661,863

SAUK COUNTY

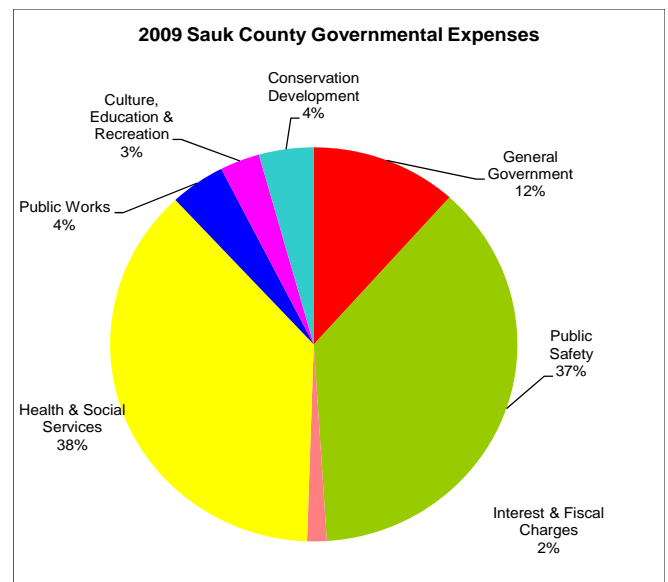
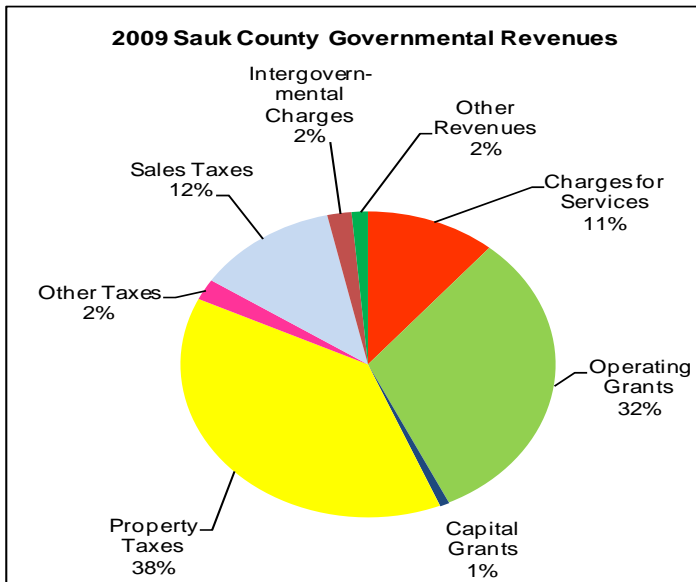
UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

The County's governmental activities program revenues decreased by \$788,000 overall, or 3.22%. This consisted primarily of a decrease in operating grants for Human Services of \$4.6 million due to implementation of Family Care, regionalized managed care for the needy, and an increase of \$3.6 million in public safety grant funds for flood relief assistance. Also contributing to the change was an increase of \$478,000 for conservation and development operating grants. Sales tax collections decreased 7.34%, or \$527,000, which was slightly more favorable than the decrease projected during budget development. Property taxes increased \$778,000, or 3.89%.

Governmental activities expenses increased by only \$14,000 overall, just 0.03%. As described in the revenue section, Human Services expenses decreased by \$4.3 million due to the transfer of services to the regional Family Care organization. Public safety expenses increased \$3.5 million with grants and loans issued for flood recovery. For the remaining functional areas, expense increases were primarily related to labor and benefit costs, which comprise nearly half of the County's non-capital expenditures. There were also decreases in interest and fiscal charges of nearly \$56,000.

The following graphs show the allocation of Sauk County's governmental activities revenues and expenses.



SAUK COUNTY

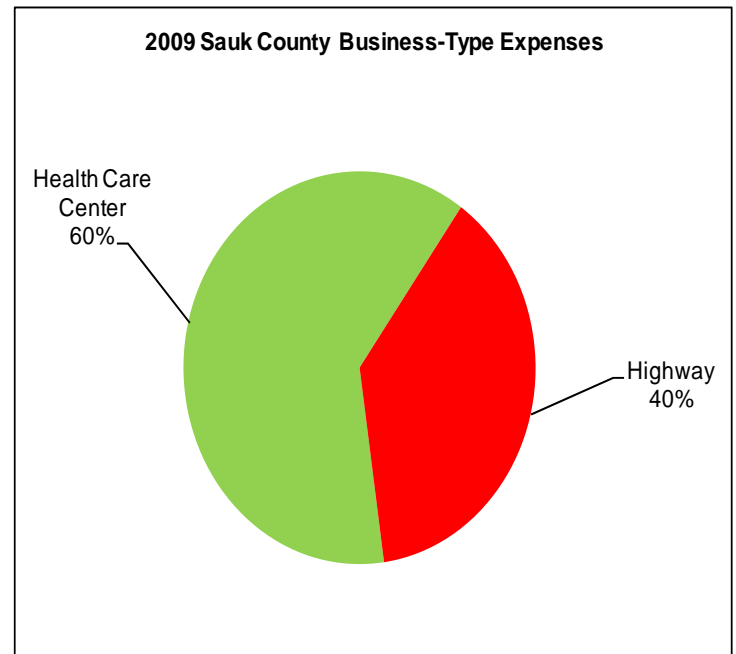
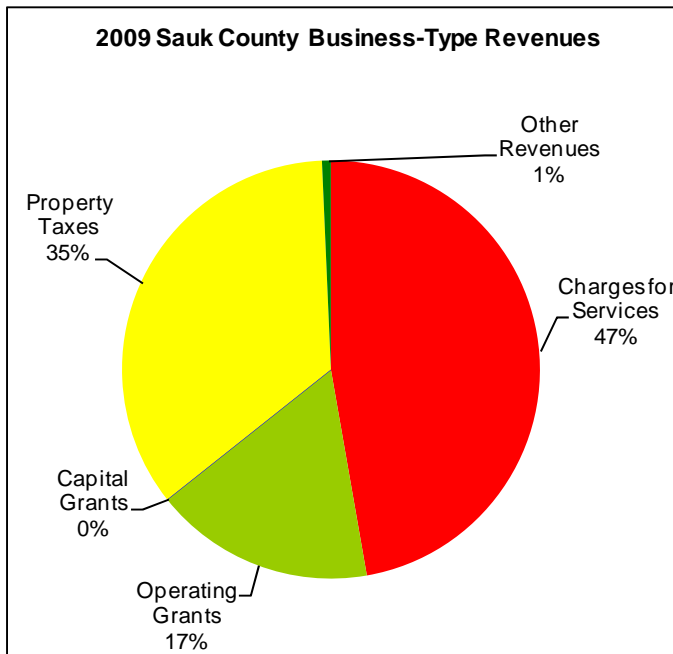
UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

Business-type activities program revenues decreased by 6.71% overall, \$917,000. This decrease was comprised of a decrease in Highway program revenues of \$691,000 from reimbursement of costs related to a severe winter and expenses from repairs to infrastructure in response to record rainfall and flooding in 2008. Decreases in Health Care Center revenues (\$225,000, or 3.59%) were generated from reductions in resident census as the facility downsized to a smaller building. Business-type activities property tax allocations grew 5.51%, or nearly \$362,000.

Business-type activities expenses in total decreased \$2.5 million, or 15.52%. This decrease is directly related to the impact to the Highway budget of a severe winter and flooding repairs in 2008. Health Care Center operational costs increased \$49,127 due to labor cost increases and some expenses related to the move to the new facility in 2009 not being capitalized. A special expense item of \$616,212 is the impairment of the vacated health care center facility.

The following graphs show the allocation of Sauk County's business-type activities revenues and expenses.



SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE FUND PRESENTATION

Sauk County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, Sauk County's governmental funds reported combined ending fund balances of \$31,854,262, an increase of \$1.3 million in comparison to the prior year. Approximately 90% of this total amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to provide for potentially uncollectible delinquent taxes (\$2,375,117), or noncurrent loans receivable (\$562,144), 2) to liquidate contracts of the prior period (\$105,443), 3) to fund expenses in the subsequent period for prepaid items and inventories (\$60,243), 4) to pay debt service (\$35), or 5) to generate income to provide scholarships (\$9,185).

General Fund: The general fund is the chief operating fund of Sauk County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$20.2 million, while total fund balance reached \$22.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditure. Unreserved fund balance represents 66.5% of total general fund expenditures, while total fund balance represents 74.9% of that same amount.

The fund balance of Sauk County's general fund increased by \$1.1 million during the current fiscal year. Key factors in this growth are:

- > Capital expenditures were less than budgeted due to favorable pricing or deferral of projects to 2010 by \$800,000.
- > Transfer of Medicaid supplemental payment funds from the Health Care Center exceeded budget by \$313,000.

Human Services Fund: The other major governmental fund of Sauk County is the Human Services fund. This fund provides services in the area of child protection; juvenile offender assistance; economic support; outpatient mental health and substance abuse; serious mental illness community support; care management for the frail elderly, developmentally disabled and physically disabled; and adult protection. At the end of the current fiscal year, fund balance of the human services fund was \$1.6 million, of which 99% was unreserved. As a measure of the liquidity, fund balance represents 9.9% of total human services fund expenditures of \$16.2 million.

The fund balance of Sauk County's human services fund increased by \$153,000 during the current fiscal year. This is a relatively flat change in fund balance overall, but included a decrease in revenues from the amount budgeted of \$648,000 and decrease in expenditures compared to budget of \$1,033,000. The majority of these differences from budget relate to the implementation of managed care.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE FUND PRESENTATION (cont.)

As of the end of the current fiscal year, Sauk County's enterprise funds reported combined ending net assets of \$12.9 million, an increase of \$400,000 in comparison to the prior year. Approximately 37% of this total amount constitutes unrestricted net assets, which is available for spending at the government's discretion. The majority of the remainder of net assets is invested in capital assets, net of related debt.

Highway Fund: The highway fund reports the operations of Sauk County to maintain the county's roadways and contract with the state and other local municipalities to maintain their roadways. At the end of the current fiscal year, unrestricted net assets of the highway fund was \$2.6 million, while total net assets reached \$8.4 million. Both of these balances are an increase from the prior year of \$600,000, of which \$500,000 is reimbursement from the state and federal governments for 2008 flood damage losses.

Health Care Center Fund: The health care center fund contains the operations of the county's nursing home. In November of 2009, Sauk County occupied a new nursing home facility in the City of Reedsburg. This facility replaces a larger group of buildings located at the county farm. With this change, amounts invested in capital assets, net of related debt decreased by \$476,000, and remaining net assets increased by \$221,000.

BUDGETARY HIGHLIGHTS

Sauk County adopts a budget for all funds of the County at the department level of expenditure. Throughout the year, as additional information becomes available, such as the receipt of funds not originally budgeted or not receiving funds that were anticipated in the original budget, budget amendments can be made. All unspent appropriations lapse to undesignated fund balances at year-end unless specifically re-appropriated by County Board action.

SUPPLEMENTARY APPROPRIATIONS

General Fund: Supplementary appropriations totaled \$2,161,694, much of which (\$2.0 million) was carryforward of funds previously appropriated in 2008 for projects that were not completed. Most of the remainder was appropriation of additional grant funds received.

Special Revenue Funds: Supplementary appropriations totaled \$3,809,294, \$3,428,532 of which was creation of budgets for appropriating flood relief funds. The remainder was carryforward of funds previously appropriated in 2008 for projects that were not completed, or uses of segregated fund balance for specific programs.

Building Projects Fund: Supplementary appropriations totaled \$77,530, all of which was carryforward of funds previously appropriated in 2008 for projects that were not completed.

Enterprise Funds: Supplementary appropriations totaled \$58,029, all of which all was carryforward of funds from 2008.

Internal Service Funds: Supplementary appropriations totaled \$533,047, which was appropriation of additional state funding for Highway projects and creation of a budget for the self-insured workers compensation fund.

Agency Funds: Supplementary appropriations totaled \$5,291, which was Dog License Fund use of fund balance.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

BUDGETARY HIGHLIGHTS (cont.)

BUDGET TO ACTUAL COMPARISONS – MAJOR GOVERNMENTAL FUNDS

Sauk County's general fund budget was constructed to use of \$3.3 million of general fund balance. Slightly more than \$1.0 million of this was budgeted use in the originally adopted budget for contingent costs, such as less vacancy and turnover of staff than expected; these funds were not needed. The remaining \$2.3 million was for expenditure of previously received grants funds or previously appropriated funds for capital outlays. Capital projects were either deferred to 2010 or accomplished within budget, showing a favorable budget variance of \$1.9 million. Also, with the lagging economy and likelihood of difficult future budgets, position cuts and strategic decisions to leave vacant positions vacant generated other positive budget variances. In all, general fund balance increased by \$1.1 million.

The human services budget increased by \$153,000, even though the budget anticipated a decrease in fund balance of \$233,000. Although revenues lagged budget by \$650,000, expenditures lagged projections by \$1,033,000. Mid-2009 implementation of a managed care model for service provision was the largest driver of these variances.

CAPITAL ASSETS AND DEBT

CAPITAL ASSETS

Sauk County's investment in governmental activities capital assets as of December 31, 2009 amounted to \$89.9 million (net of depreciation), a net increase of \$1.54 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment. Major additions were reconstructed roadways and other infrastructure totaling \$1.8 million.

The County's investment in business-type activities capital assets as of December 31, 2009 was \$22.2 million (net of depreciation), a net increase of \$13.1 million. The health care center completed construction and occupied their new facility during 2009. The new facility added buildings, furnishings and equipment of \$15.5 million, of which nearly \$2 million was included in the business-type activities construction in progress at the end of 2008.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

CAPITAL ASSETS AND DEBT (cont.)

Sauk County's Capital Assets (Net of Depreciation)				
	<u>Governmental Activities 2008</u>	<u>Governmental Activities 2009</u>	<u>Business-type Activities 2008</u>	<u>Business-type Activities 2009</u>
Land	\$ 1,236,871	\$ 1,236,871	\$ 576,718	\$ 576,718
Purchased development rights	5,900,284	6,302,739	-	-
Construction in progress	18,141	104,692	2,016,380	5,924
Land improvements	360,473	352,423	198,389	114,779
Buildings	38,933,566	38,479,743	1,227,857	15,205,814
Building improvements	4,640,254	4,560,338	140,267	4,678
Machinery, equipment, and vehicles	3,091,086	2,888,458	4,936,998	6,183,023
Infrastructure	<u>34,139,551</u>	<u>35,936,063</u>	<u>-</u>	<u>71,596</u>
Totals	<u>\$ 88,320,226</u>	<u>\$ 89,861,327</u>	<u>\$ 9,096,609</u>	<u>\$ 22,162,532</u>

More detailed capital asset information can be found in the notes to the financial statements.

DEBT

Sauk County had \$34,545,000 in general obligation notes, bonds and bond anticipation notes outstanding as of December 31, 2009. \$20,430,000 of this amount is for governmental activities. The remaining \$14,115,000 was issued as financing for construction of a replacement skilled nursing facility. During 2009, the County refunded \$5 million of \$10 million in bond anticipation notes with \$4.965 million general obligation bonds.

The County's general obligation bonds and notes ratings by Moody's Investor Services, Inc. are both Aa3. The bond anticipation note was also rated by Moody's Investor Services, Inc., and it was rated as MIG1.

More detailed debt information can be found in the notes to the financial statements.

SAUK COUNTY

UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Sauk County's years of steady growth in equalized valuations have slowed in recent years, and the County saw a decrease in valuation in 2009. Even though much of the decrease can be directly attributed to a not-for-profit exercising its tax exempt status and losses in valuation due to the 2008 floods, the County is carefully monitoring this trend. Growth in the Wisconsin Dells/Lake Delton area, including three major tax incremental financing districts in these municipalities, continues to be a strong driver for Sauk County. Also, an artery from Madison to Wisconsin Dells through Sauk County is Highway 12, which is scheduled to be widened and expanded over the next few years. With this growth comes additional costs for infrastructure maintenance and government services that are provided by the County.

Sauk County's 2010 budget includes a 3.41% increase in property tax dollars levied, from \$27.7 million to \$28.7 million. Total expenditures, for all County funds, are budgeted to be \$79.4 million, including approximately \$1.0 million for extension of the County's fiber optics network to other local units of government within the County. In development of the budget, all known factors were included in the projections. As additional information becomes available throughout the year, the budget will likely be amended by the County Board.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Sauk County's finances and to provide a glimpse at plans for the future and how those plans may affect the financial health of the County. Questions concerning any of the information provided in this report or requests for additional financial information can be directed to the Sauk County Accounting Department, 505 Broadway, Baraboo, WI 53913, 608-355-3237, www.co.sauk.wi.us.

SAUK COUNTY

STATEMENT OF NET ASSETS December 31, 2009

	Primary Government			
	Governmental	Business-		Component
	Activities	type	Totals	Unit
		Activities		
ASSETS				
Cash and investments	\$ 32,141,470	\$ 18,443	\$ 32,159,913	\$ 192,854
Taxes receivable	21,726,126	6,932,994	28,659,120	-
Delinquent taxes receivable	3,880,176	-	3,880,176	-
Accounts receivable	751,766	905,101	1,656,867	109,327
Accrued interest receivable	4,570	-	4,570	308
Loans receivable	1,161,637	-	1,161,637	193,280
Due from other governments	5,441,237	918,535	6,359,772	-
Internal balances	(4,442,253)	4,442,253	-	-
Prepaid items and inventories	60,243	1,643,994	1,704,237	12,785
Advances to other governments	12,140	-	12,140	-
Investment in joint venture	-	-	-	209,998
Restricted cash and investments	-	317,958	317,958	137,511
Other assets	-	89,269	89,269	-
Land	1,236,871	576,718	1,813,589	-
Purchased development rights	6,302,739	-	6,302,739	-
Construction in progress	104,692	5,924	110,616	-
Other capital assets, net of depreciation	82,217,025	21,579,890	103,796,915	2,541,573
Total Assets	150,598,439	37,431,079	188,029,518	3,397,636
LIABILITIES				
Accounts payable	2,109,206	861,024	2,970,230	41,342
Accrued liabilities	1,806,051	339,472	2,145,523	62,319
Due to other governments	564,121	1,272	565,393	-
Deposits	326,141	17,586	343,727	21,252
Unearned revenue	21,726,126	6,943,355	28,669,481	12,275
Noncurrent liabilities due within one year	3,810,938	1,270,495	5,081,433	39,450
Noncurrent liabilities due in more than one year	22,091,461	14,336,012	36,427,473	1,379,014
Total Liabilities	52,434,044	23,769,216	76,203,260	1,555,652
NET ASSETS				
Invested in capital assets, net of related debt	69,431,327	8,047,532	77,478,859	1,123,109
Restricted				
Trust activities	9,185	-	9,185	-
Loan programs	1,423,975	-	1,423,975	-
Aging programs	29,732	-	29,732	-
Law enforcement activities	85,145	-	85,145	-
Health care activities	-	41,990	41,990	-
Housing programs	-	-	-	131,792
Unrestricted	27,185,031	5,572,341	32,757,372	587,083
TOTAL NET ASSETS	\$ 98,164,395	\$ 13,661,863	\$ 111,826,258	\$ 1,841,984

See accompanying notes to financial statements.

SAUK COUNTY

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
<i>Governmental Activities</i>				
General government	\$ 6,327,978	\$ 668,820	\$ 6,974	\$ -
Public safety	20,392,604	3,973,307	4,244,989	-
Health and social services	20,505,900	986,782	11,650,472	-
Public works	2,398,119	10,077	-	-
Culture, education and recreation	1,720,895	122,645	50,991	3,545
Conservation and development	2,371,314	334,771	1,209,197	441,993
Interest and fiscal charges	848,374	-	-	-
Total Governmental Activities	54,565,184	6,096,402	17,162,623	445,538
<i>Business-type Activities</i>				
Highway	5,435,229	4,130,256	2,572,972	-
Health care	8,249,849	5,235,544	813,160	-
Total Business-type Activities	13,685,078	9,365,800	3,386,132	-
Total Primary Government	\$ 68,250,262	\$ 15,462,202	\$ 20,548,755	\$ 445,538
Component Unit				
Housing authority	\$ 1,820,759	\$ 1,676,182	\$ -	\$ 7,827
<i>General Revenues and Transfers</i>				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for highway purposes				
Property taxes, levied for the health care center				
Sales taxes				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Public gifts and/or grants				
Investment income				
Miscellaneous				
Special item				
Transfers				
Total General Revenues, Special Item, and Transfers				
Change in Net Assets				
NET ASSETS - Beginning				
NET ASSETS - ENDING				

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Totals	Component Unit
\$ (5,652,184)	\$ -	\$ (5,652,184)	\$ -
(12,174,308)	-	(12,174,308)	-
(7,868,646)	-	(7,868,646)	-
(2,388,042)	-	(2,388,042)	-
(1,543,714)	-	(1,543,714)	-
(385,353)	-	(385,353)	-
(848,374)	-	(848,374)	-
<u>(30,860,621)</u>	<u>-</u>	<u>(30,860,621)</u>	<u>-</u>
-	1,267,999	1,267,999	-
-	(2,201,145)	(2,201,145)	-
-	(933,146)	(933,146)	-
<u>(30,860,621)</u>	<u>(933,146)</u>	<u>(31,793,767)</u>	<u>-</u>
-	-	-	(136,750)
20,530,637	-	20,530,637	-
250,000	-	250,000	-
-	3,617,530	3,617,530	-
-	3,316,504	3,316,504	-
6,656,693	-	6,656,693	-
1,198,856	-	1,198,856	-
-	-	-	-
1,139,407	-	1,139,407	-
14,597	-	14,597	-
493,471	122,529	616,000	8,723
259,367	14,002	273,369	-
-	(616,212)	(616,212)	-
<u>4,968,279</u>	<u>(4,968,279)</u>	<u>-</u>	<u>-</u>
<u>35,511,307</u>	<u>1,486,074</u>	<u>36,997,381</u>	<u>8,723</u>
4,650,686	552,928	5,203,614	(128,027)
<u>93,513,709</u>	<u>13,108,935</u>	<u>106,622,644</u>	<u>1,970,011</u>
<u>\$ 98,164,395</u>	<u>\$ 13,661,863</u>	<u>\$ 111,826,258</u>	<u>\$ 1,841,984</u>

See accompanying notes to financial statements.

SAUK COUNTY

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2009

	General	Human Services	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and investments	\$ 28,201,380	\$ 251,353	\$ 3,186,257	\$ 31,638,990
Receivables				
Taxes	13,827,409	7,484,537	414,180	21,726,126
Delinquent taxes	3,880,176	-	-	3,880,176
Accounts	420,347	315,612	15,807	751,766
Interest	4,570	-	-	4,570
Loans	-	-	1,161,637	1,161,637
Due from other funds	630,458	2,028,932	1,409,535	4,068,925
Due from other governments	1,595,214	468,974	3,377,049	5,441,237
Inventories	27,913	-	-	27,913
Prepaid items	21,614	9,616	1,100	32,330
Advances to other governments	12,140	-	-	12,140
TOTAL ASSETS	\$ 48,621,221	\$ 10,559,024	\$ 9,565,565	\$ 68,745,810
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 895,038	\$ 989,260	\$ 224,908	\$ 2,109,206
Accrued liabilities	1,485,422	106,364	13,480	1,605,266
Due to other funds	8,381,796	-	630,458	9,012,254
Due to other governments	433,560	129,076	1,485	564,121
Deposits	75,338	250,803	-	326,141
Deferred revenue	14,585,629	7,484,537	1,204,393	23,274,559
Total Liabilities	<u>25,856,783</u>	<u>8,960,040</u>	<u>2,074,724</u>	<u>36,891,547</u>
Fund Balances				
Reserved for				
Trust activities	-	-	9,185	9,185
Inventories and prepaid items	49,527	9,616	1,100	60,243
Long-term receivables	2,387,257	-	550,004	2,937,261
Encumbrances	105,433	-	-	105,433
Debt service	-	-	35	35
Unreserved, reported in				
General fund - designated	15,522,650	-	-	15,522,650
General fund - undesignated	4,699,571	-	-	4,699,571
Special revenue funds - undesignated	-	1,589,368	6,636,735	8,226,103
Capital projects funds - undesignated	-	-	293,782	293,782
Total Fund Balances	<u>22,764,438</u>	<u>1,598,984</u>	<u>7,490,841</u>	<u>31,854,263</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,621,221	\$ 10,559,024	\$ 9,565,565	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	89,861,327
Some receivables that are not currently available are reported as unearned revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	1,548,433
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A.	(26,103,184)
Internal service net assets allocated to governmental activities	848,349
Long-term liabilities recorded in internal service funds	155,207
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 98,164,395

See accompanying notes to financial statements.

SAUK COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the Year Ended December 31, 2009

	General	Human Services	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	\$ 20,727,702	\$ 7,272,413	\$ 419,754	\$ 28,419,869
Intergovernmental	4,650,701	8,579,576	5,348,419	18,578,696
Licenses and permits	331,153	-	30,999	362,152
Fines, forfeitures and penalties	433,874	121,200	257	555,331
Public charges for services	1,994,866	379,210	200,880	2,574,956
Intergovernmental charges for services	3,872,356	-	27,007	3,899,363
Regulation and compliance	-	-	130,007	130,007
Investment income	376,093	-	118,139	494,232
Miscellaneous	237,434	9,785	210,727	457,946
Total Revenues	<u>32,624,179</u>	<u>16,362,184</u>	<u>6,486,189</u>	<u>55,472,552</u>
EXPENDITURES				
Current				
General government	5,575,260	-	59,190	5,634,450
Public safety	17,145,067	-	3,035,764	20,180,831
Health and social services	3,255,815	16,209,400	1,550,594	21,015,809
Public works	57,338	-	192,172	249,510
Culture, education and recreation	1,613,316	-	250	1,613,566
Conservation and development	1,956,039	-	438,892	2,394,931
Capital Outlay	802,518	-	651,783	1,454,301
Debt Service				
Principal retirement	-	-	1,580,000	1,580,000
Interest and fiscal charges	-	-	863,328	863,328
Total Expenditures	<u>30,405,353</u>	<u>16,209,400</u>	<u>8,371,973</u>	<u>54,986,726</u>
Excess (deficiency) of revenues over expenditures	<u>2,218,826</u>	<u>152,784</u>	<u>(1,885,784)</u>	<u>485,826</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	839,025	-	2,190,634	3,029,659
Transfers out	(1,993,364)	-	(242,636)	(2,236,000)
Total Other Financing Sources (Uses)	<u>(1,154,339)</u>	<u>-</u>	<u>1,947,998</u>	<u>793,659</u>
Net Change in Fund Balances	1,064,487	152,784	62,214	1,279,485
FUND BALANCES - Beginning of Year	<u>21,699,951</u>	<u>1,446,200</u>	<u>7,428,627</u>	<u>30,574,778</u>
FUND BALANCES - END OF YEAR	\$ 22,764,438	\$ 1,598,984	\$ 7,490,841	\$ 31,854,263

See accompanying notes to financial statements.

SAUK COUNTY

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, 2009

Net change in fund balances - total governmental funds	\$ 1,279,485
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of net assets the cost of these assets is capitalized and they are
depreciated over their estimated useful lives with depreciation expense reported
in the statement of activities.

Capital asset additions are reported as capital outlay in the fund financial statements, but are capitalized in the government-wide financial statements	1,454,300
Some items reported as capital outlay in the fund financial statements are not capitalized in the government-wide statements	(288,626)
Depreciation is reported in the government-wide statements	(3,317,759)
Infrastructure financed by the highway fund	4,174,621
Net book value of assets retired	(481,435)

Receivables not currently available are reported as unearned revenue in the fund financial
statements but are recognized as revenue when earned in the government-wide
financial statements.

Government charges	5,951
Government grants	169,652
Investment income	(3,239)
Delinquent taxes	120,092
Loans	(117,852)
Other	(697)

Debt and lease proceeds provide current financial resources to governmental funds,
but issuing these obligations increases long-term liabilities in the statement of net
assets. Repayment of principal is an expenditure in the governmental funds, but the
repayment reduces long-term liabilities in the statement of net assets.

Principal repaid	1,580,000
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Some expenses in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures
in the governmental funds.

Compensated absences	(222,538)
Health insurance - retirees credit	18,332
Other postemployment benefits	(89,646)
Accrued interest on debt	14,952
Landfill post-closure care	110,972

Change in internal service fund net assets attributable to governmental activities	<u>244,121</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ <u>4,650,686</u>

See accompanying notes to financial statements.

SAUK COUNTY

STATEMENT OF NET ASSETS PROPRIETARY FUNDS December 31, 2009

	Business-type Activities			Internal Service Funds
	Enterprise Funds			
	Highway	Health Care Center	Totals	
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 112	\$ 18,331	\$ 18,443	\$ 502,480
Taxes receivable	3,673,792	3,259,202	6,932,994	-
Accounts receivable	130,379	774,722	905,101	-
Interest receivable	-	-	-	-
Due from other funds	1,138,076	2,553,231	3,691,307	1,252,022
Due from other governments	918,535	-	918,535	-
Prepaid items	776	6,458	7,234	-
Inventories	1,534,086	102,674	1,636,760	-
Restricted Assets				
Cash and investments	-	17,586	17,586	-
Total Current Assets	<u>7,395,756</u>	<u>6,732,204</u>	<u>14,127,960</u>	<u>1,754,502</u>
NONCURRENT ASSETS				
Restricted Assets				
Cash and investments	-	300,372	300,372	-
Deferred Charges	-	89,269	89,269	-
Capital Assets				
Land	66,973	509,745	576,718	-
Construction in progress	5,924	-	5,924	-
Other capital assets	13,554,399	16,379,096	29,933,495	-
Less: Accumulated depreciation	<u>(7,756,639)</u>	<u>(596,966)</u>	<u>(8,353,605)</u>	-
Total Non-Current Assets	<u>5,870,657</u>	<u>16,681,516</u>	<u>22,552,173</u>	-
Total Assets	<u>13,266,413</u>	<u>23,413,720</u>	<u>36,680,133</u>	<u>1,754,502</u>

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Highway	Health Care Center	Totals	
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 503,374	\$ 357,650	\$ 861,024	\$ -
Accrued liabilities	36,577	176,919	213,496	-
Accrued interest payable	-	125,976	125,976	-
Due to other funds	-	-	-	-
Due to other governments	1,272	-	1,272	-
Unearned revenue	3,680,153	3,263,202	6,943,355	-
Claims payable	-	-	-	12,325
Compensated absences	416,222	514,421	930,643	-
Health insurance - retirees credit	6,327	-	6,327	-
General obligation debt payable - current	-	385,000	385,000	-
Unamortized premium - current	-	37,157	37,157	-
Unamortized loss on refunding - current	-	(88,632)	(88,632)	-
Liabilities Payable From Restricted Assets				
Deposits	-	17,586	17,586	-
Total Current Liabilities	<u>4,643,925</u>	<u>4,789,279</u>	<u>9,433,204</u>	<u>12,325</u>
NON-CURRENT LIABILITIES				
Long-Term Debt				
General obligation debt payable	-	8,730,000	8,730,000	-
Bond anticipation notes payable	-	5,000,000	5,000,000	-
Unamortized premium	-	262,359	262,359	-
Unamortized loss on refunding	-	(22,158)	(22,158)	-
Other Liabilities				
Claims payable	-	-	-	142,882
Compensated absences	173,298	135,355	308,653	-
Health insurance - retirees credit	2,502	-	2,502	-
Other postemployment benefits	24,307	30,349	54,656	-
Total Non-Current Liabilities	<u>200,107</u>	<u>14,135,905</u>	<u>14,336,012</u>	<u>142,882</u>
Total Liabilities	<u>4,844,032</u>	<u>18,925,184</u>	<u>23,769,216</u>	<u>155,207</u>
NET ASSETS				
Invested in capital assets, net of related debt	5,870,657	2,176,875	8,047,532	-
Restricted	-	41,990	41,990	-
Unrestricted	<u>2,551,724</u>	<u>2,269,671</u>	<u>4,821,395</u>	<u>1,599,295</u>
TOTAL NET ASSETS	<u>\$ 8,422,381</u>	<u>\$ 4,488,536</u>	12,910,917	1,599,295
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			750,946	(750,946)
Net Assets of Business-type Activities			<u>\$ 13,661,863</u>	
Net Internal service funds reported in the statement of net assets as governmental activities				\$ 848,349

SAUK COUNTY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS PROPRIETARY FUNDS

For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Highway	Health Care Center	Totals	
OPERATING REVENUES				
Charges for services	\$ 4,130,256	\$ 5,235,544	\$ 9,365,800	\$ 809,976
Miscellaneous	-	1,338	1,338	14,147
Total Operating Revenues	<u>4,130,256</u>	<u>5,236,882</u>	<u>9,367,138</u>	<u>824,123</u>
OPERATING EXPENSES				
Operation and maintenance	9,082,535	7,954,049	17,036,584	433,881
Depreciation	588,013	249,948	837,961	-
Total Operating Expenses	<u>9,670,548</u>	<u>8,203,997</u>	<u>17,874,545</u>	<u>433,881</u>
Operating Income (Loss)	<u>(5,540,292)</u>	<u>(2,967,115)</u>	<u>(8,507,407)</u>	<u>390,242</u>
NONOPERATING REVENUES				
General property taxes	3,617,530	3,316,504	6,934,034	-
Intergovernmental grants	2,572,972	813,160	3,386,132	-
Investment income	-	122,529	122,529	2,480
Interest expense	-	(122,307)	(122,307)	-
Amortization costs	-	(11,446)	(11,446)	-
Miscellaneous	8,505	4,159	12,664	-
Total Nonoperating Revenues	<u>6,199,007</u>	<u>4,122,599</u>	<u>10,321,606</u>	<u>2,480</u>
Income (Loss) Before Special Item and Transfers	658,715	1,155,484	1,814,199	392,722
Special item	-	(616,212)	(616,212)	-
Transfers in	-	19,501	19,501	-
Transfers out	-	(813,160)	(813,160)	-
Change in Net Assets	658,715	(254,387)	404,328	392,722
NET ASSETS - Beginning of Year	<u>7,763,666</u>	<u>4,742,923</u>	<u>12,506,589</u>	<u>1,206,573</u>
NET ASSETS - END OF YEAR	<u>\$ 8,422,381</u>	<u>\$ 4,488,536</u>	<u>\$ 12,910,917</u>	<u>\$ 1,599,295</u>
Change in net assets of enterprise funds			\$ 404,328	
Change in internal service fund net assets allocable to business-type activities			<u>148,600</u>	
Change in net assets of business-type activities			<u>\$ 552,928</u>	

See accompanying notes to financial statements.

SAUK COUNTY

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Highway	Health Care Center	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 3,887,017	\$ 4,534,779	\$ 8,421,796	\$ 824,123
Paid to employees and suppliers for goods and services	(9,365,542)	(8,142,333)	(17,507,875)	(874,545)
Net Cash Flows From Operating Activities	(5,478,525)	(3,607,554)	(9,086,079)	(50,422)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	19,501	19,501	-
Transfers out	-	(813,160)	(813,160)	-
Miscellaneous revenues	8,505	4,159	12,664	-
General property taxes	3,617,530	3,316,504	6,934,034	-
Intergovernmental grants	2,572,972	744,160	3,317,132	-
Net Cash Flows From Non-Capital Financing Activities	6,199,007	3,271,164	9,470,171	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	-	130,389	130,389	2,480
Net Cash Flows From Investing Activities	-	130,389	130,389	2,480
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt issued	-	4,965,000	4,965,000	-
Debt issuance costs paid	-	(53,440)	(53,440)	-
Premium on debt received	-	236,754	236,754	-
Principal paid	-	(5,050,000)	(5,050,000)	-
Interest paid	-	(650,071)	(650,071)	-
Acquisition of capital assets	(721,135)	(13,589,243)	(14,310,378)	-
Net Cash Flows From Capital and Related Financing Activities	(721,135)	(14,141,000)	(14,862,135)	-
Change in Cash and Cash Equivalents	(653)	(14,347,001)	(14,347,654)	(47,942)
CASH AND CASH EQUIVALENTS - Beginning of Year	765	14,683,290	5,432,503	550,422
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 112	\$ 336,289	\$ 336,401	\$ 502,480

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Highway	Health Care Center	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (5,540,292)	\$ (2,967,115)	\$ (8,507,407)	\$ 390,242
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities				
Depreciation expense	588,013	249,946	837,959	-
Changes in Noncash Components of Working Capital				
Accounts receivable	(114,870)	(30,969)	(145,839)	-
Due from other funds	(934,663)	(668,198)	(1,602,861)	(392,824)
Due from other governmental units	806,294	-	806,294	-
Inventories	(178,853)	(18,685)	(197,538)	-
Prepaid items	34	(98)	(64)	-
Accounts payable	29,057	(209,626)	(180,569)	-
Accrued liabilities	(94,638)	(35,549)	(130,187)	-
Due to other governmental units	828	-	828	-
Due to other funds	-	-	-	(72,441)
Deposits	-	(2,936)	(2,936)	-
Unearned revenue	(88,538)	-	(88,538)	-
Claims payable	-	-	-	24,601
Compensated absences	41,102	57,226	98,328	-
Health insurance - retirees credit	(5,674)	-	(5,674)	-
Other postemployment benefits	13,675	18,450	32,125	-
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ (5,478,525)</u>	 <u>\$ (3,607,554)</u>	 <u>\$ (9,086,079)</u>	 <u>\$ (50,422)</u>
 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and investments - statement of net assets - proprietary fund	\$ 112	\$ 18,331	\$ 18,443	\$ 502,480
Restricted cash and investments - statement of net assets - proprietary fund	<u>-</u>	<u>317,958</u>	<u>317,958</u>	<u>-</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 112</u>	 <u>\$ 336,289</u>	 <u>\$ 336,401</u>	 <u>\$ 502,480</u>
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Loss on impairment of the county health care building	\$ -	\$ 616,212	\$ 616,212	\$ -
Capitalized interest	\$ -	\$ 357,990	\$ 357,990	\$ -

SAUK COUNTY

STATEMENT OF FIDUCIARY NET ASSETS AGENCY FUNDS December 31, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 926,182
Accounts receivable	3,905
Property taxes receivable	1,193,023
Due from other governments	<u>2,313</u>
TOTAL ASSETS	<u>\$ 2,125,423</u>
LIABILITIES	
Accounts payable	\$ 2,160
Accrued liabilities	873
Deposits	922,336
Due to other governments	<u>1,200,054</u>
TOTAL LIABILITIES	<u>\$ 2,125,423</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

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SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Sauk County, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of Sauk County. The reporting entity for the county consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the primary government.

Discretely Presented Component Unit

Sauk County Housing Authority

The government-wide financial statements include the Sauk County Housing Authority (Housing Authority) as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the county board chairperson. Wisconsin Statutes provide for circumstances whereby the county can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the county. See Note IV.J. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended June 30, 2009. Separately issued financial statements of the Sauk County Housing Authority may be obtained from the Housing Authority's office at 708 Elizabeth Street, Baraboo, WI 53913.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The county does not allocate indirect expenses to functions in the statement of activities. 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 or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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% 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% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or proprietary fund that the county believes is particularly important to financial statement users may be reported as a major fund.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The county reports the following major governmental funds:

- General Fund – accounts for the county's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Human Services Fund – accounts for resources legally restricted to supporting expenditures for the human services program.

The county reports the following major enterprise funds:

- Highway Fund – accounts for the maintenance and repair of infrastructure assets in the county.
- Health Care Center Fund – accounts for operations of the county's health care facility.

The county reports the following non-major governmental and enterprise funds:

- Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Aging and Disability Resource Center
- County Jail
- Land Records Modernization
- Landfill Remediation
- Forest Management
- Baraboo Range
- Drug Seizures
- Community Development Block Grant – Economic Development (CDBG-ED)
 - Revolving Loans
- Community Development Block Grant – Flood Relief Small Business (CDBG FRSB) Revolving Loans
- Community Development Block Grant – Emergency Assistance Program (CDBG EAP)
- Rental Properties
- Alice in Dairyland
- Dog License

- Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than enterprise fund debt.

- Capital Projects Fund – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

- Building Projects

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

In addition, the county reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the county, or to other governmental units, on a cost-reimbursement basis.

Self-Insurance
Workers' Compensation

Agency funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Officers' Range Association
Tri-County Airport
Clerk of Courts
Huber Trust
Tax Collection

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 except for human services reimbursable grants, for which available is defined as 180 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Sales taxes are recognized as revenues in the year in which the underlying sales relating to it take place.

Intergovernmental aids and grants are recognized as revenues in the period the county is entitled to the resources and the amounts are available. Amounts owed to the county which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues. Delinquent special assessments being held for collection by the county are reported as receivables and reserved fund balance in the general fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The county reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the county has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the county has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

***Fund Financial Statements* (cont.)**

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The 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 Highway Fund and Health Care Center are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the county considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of county funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
- c. Bonds or securities issued or guaranteed by the federal government.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian holding the county's deposits and investments, the deposits and investments may not be returned. County policy minimizes this risk by requiring all principal and interest outside the Wisconsin Local Government Investment Pool to be insured or collateralized to their full value. Any bank account including certificates of deposit with a balance greater than the bank's deposit insurance or the State Deposit Guarantee Fund must be collateralized at 100% of the collateral's market value by written agreement with the bank. The county did have uncollateralized deposits at December 31, 2009 due to tax collections.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. County policy limits investments to the unrated Wisconsin Local Government Investment Pool or investments rated in the highest or second highest rating categories as issued by nationally recognized statistical rating organizations, unless properly collateralized or insured.

Interest Rate Risk

The county's investment policies seek to ensure preservation of capital in the county's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. County policy limits the county to investments with a remaining maturity of no more than three years. The policy further limits the weighted average maturity of the county's investment portfolio to no more than one year.

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, regulatory, geographic or credit developments. County policy states that the county will generally invest no more than 5% of its funds that are not properly collateralized or insured in a single issuer. Obligations of the U.S. government, mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Foreign Currency Risk

The county does not invest in securities of foreign issuers or in securities denominated in a currency other than the U.S. dollar.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2009, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the county, taxes are collected for and remitted to the state and municipal governments as well as the local school district and technical college district. Taxes for the state billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund statement of fiduciary net assets.

Property tax calendar – 2009 tax roll:

Lien date and levy date	December 2009
Tax bills mailed	December 2009
Payment in full, or	January 31, 2010
First installment due	January 31, 2010
Second installment due	July 31, 2010
Personal property taxes in full	January 31, 2010
Tax sale – 2009 delinquent real estate taxes	October 2012

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. No allowance for uncollectible delinquent taxes has been provided because of the county's demonstrated ability to recover any losses through the sale of the applicable property.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The county has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the county monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2009, the county has accrued two months of the subsequent year's collections as receivable.

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost using the first-in, first-out method, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

4. Restricted Assets

Mandatory segregation of assets are presented as restricted assets. Such segregation is required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 - \$80,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$357,990 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50-150 Years
Building Improvements	5-80 Years
Land Improvements	20-50 Years
Machinery and Equipment	5-50 Years
Vehicles	5-20 Years
Infrastructure	10-100 Years

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

7. Compensated Absences

Under terms of employment, employees are granted sick leave, vacation, executive leave, and comp time in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation, sick, executive, compensatory and holiday pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation, sick, executive, compensatory and holiday leaves will be made at rates in effect when the benefits are used. Accumulated compensated absence liabilities at December 31, 2009 are determined on the basis of 2010 current salary rates and include salary related payments.

8. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet.

The county does not engage in conduit debt transactions.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. The liability for claims and judgments is only reported in governmental funds if it has matured. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

10. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled “designated”. The balance of unreserved fund balance is labeled “undesignated”, which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets.

Long-term liabilities applicable to the county's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net assets.

Bonds and notes payable	\$ 20,430,000
Compensated absences	2,523,353
Workers compensation	155,207
Post employment benefits	184,097
Landfill post-closure liability	2,609,742
Accrued interest	<u>200,785</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 26,103,184</u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

A budget has been adopted for the general fund and all other funds.

The budgeted amounts presented include any amendments made (or the budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year). The finance committee may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by the finance committee or a two-thirds board action, if the transfer exceeds 10% of the department's budget.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$2,158,627 in the general fund. Budgets are adopted at the department level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

The county controls expenditures at the department level.

Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the county's year-end budget to actual report.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2009, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Baraboo Range	\$ 88,309	Purchases of development rights in this fund are made before reimbursements from the State of Wisconsin are available to the county.
Dog license	7,653	License sales lagged behind projections.

D. LIMITATIONS ON THE COUNTY'S TAX LEVY RATE AND ITS ABILITY TO ISSUE NEW DEBT

As part of Wisconsin's State Budget Bill (1993 Act 16), new legislation was passed that limits the county's future tax levy rates. Generally, the county is limited to its 1992 tax levy rate, based upon current legislation (State Statutes 59.605(2)). However, this limitation does not affect debt authorized prior to August 12, 1993 or refunding bonds.

The county may also exceed the limitation by holding a referendum (according to state statutes) authorizing the county board to approve a higher rate. The county may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

The State Budget Bill also imposes restrictions on the county's ability to issue new debt. Generally, referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions:

- > Refunding debt issues
- > 75% approval by the county board
- > A reasonable expectation that the new debt can be accommodated within the existing tax rate
- > Other exceptions as listed in State Statutes Section 67.045

The county is in compliance with the limitation.

E. LIMITATIONS ON THE COUNTY'S TAX LEVY

As part of Wisconsin's Act 28 (2009), legislation was passed that limits the county's future tax levies. Generally the county is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the county's equalized value due to new construction, or 3.00% for the 2009 levy collected in 2010 and 3% for the 2010 levy collected in 2011. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2010 levy.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The county's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 27,330,470	\$ 27,581,395	Custodial credit risk
LGIP	6,068,374	6,068,374	Credit risk, interest rate risk
Petty cash and cash on hand	5,209	5,718	N/A
Total Cash and Investments	<u>\$ 33,404,053</u>	<u>\$ 33,655,487</u>	
Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 32,159,913		
Restricted cash and investments	317,958		
Per statement of net assets	926,182		
Fiduciary Funds			
Total Cash and Investments	<u>\$ 33,404,053</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited for noninterest bearing accounts.

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

The county maintains collateral agreements with some of its banks. As of December 31, 2009, the banks had pledged various government securities in the amount of \$6,781,164 to secure the county's deposits.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

As of December 31, 2009, the carrying amount of the county's deposits and investments was \$27,330,470 and the bank balance was \$27,581,395. \$26,778,311 of the bank balance was covered by Federal and State depository insurance or by collateral held by the county's agent in the county's name. \$803,084 of the bank balance was uninsured or uncollateralized at year-end.

Uninsured and collateral held by the pledging financial institution	\$ 789,139
Uninsured and uncollateralized	<u>13,945</u>
Total	<u>\$ 803,084</u>

Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The county does not have any investments exposed to custodial credit risk.

Credit Risk

As of December 31, 2009, the county had investments in the following external pool which is not rated:

Local government investment pool

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2009, the county's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Local government investment pool	<u>\$ 6,068,374</u>	88

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

All receivables as of year end are expected to be collected within one year except for the funds listed as follows:

	<u>General</u>	<u>Non-Major Funds</u>	<u>Health Care Center</u>
Amounts not expected to be collected within one year	<u>\$ 1,330,051</u>	<u>\$ 1,200,137</u>	<u>\$ 11,621</u>

Revenues of the county are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to the Health Care Center	<u>\$ 133,500</u>
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Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable	\$ -	\$ 21,726,126	\$ 21,726,126
Delinquent property taxes receivable	734,209	-	734,209
Accounts and grants receivable not received within 60 days of year end	<u>814,224</u>	<u>-</u>	<u>814,224</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 1,548,433</u>	<u>\$ 21,726,126</u>	<u>\$ 23,274,559</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Delinquent property taxes purchased from other taxing authorities are reflected as reservations of fund balance at year-end. Delinquent property taxes collected within sixty days subsequent to year-end are considered to be available for current expenditures and are therefore excluded from the reservation of fund balances. For the year ended December 31, 2009, such collections aggregated \$770,849 of which \$175,192 was levied by the county. Delinquent property taxes levied by the county are reflected as deferred revenue and are excluded from the fund balance until collected. At December 31, 2009, delinquent property taxes by year levied consists of the following:

	Total	County Levied	County Purchased
Tax Certificates			
2008	\$ 2,545,914	\$ 574,700	\$ 1,971,214
2007	909,169	204,898	704,271
2006	325,705	76,431	249,274
2005	13,279	3,132	10,147
2004	3,560	829	2,731
Tax deeds	82,548	49,412	33,136
Total Delinquent Property Taxes Receivable	<u>\$ 3,880,175</u>	<u>\$ 909,402</u>	<u>\$ 2,970,773</u>

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Equipment Replacement Account

The Health Care Center established an equipment replacement account to be used for significant mechanical equipment replacement for the sewage treatment plant as required by the Wisconsin Department of Natural Resources.

Residents' Funds

The Health Care Center holds funds for its residents' for their personal use.

Health Care Center Construction Account

General obligation promissory notes were issued on December 31, 2007 for construction of a skilled nursing facility. Bond anticipation notes were issued on April 8, 2008 for construction of a skilled nursing facility.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2009:

	Restricted Assets
Equipment replacement account	\$ 41,990
Residents' funds and restricted donations	17,586
Health care center construction account	<u>258,382</u>
Total	<u>\$ 317,958</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,236,871	\$ -	\$ -	\$ 1,236,871
Purchased development rights	5,900,284	402,455	-	6,302,739
Construction in progress	18,141	104,693	18,142	104,692
Total Capital Assets Not Being Depreciated	<u>7,155,296</u>	<u>507,148</u>	<u>18,142</u>	<u>7,644,302</u>
Capital assets being depreciated				
Land improvements	641,364	-	-	641,364
Buildings	45,520,402	159,497	-	45,679,899
Building improvements	6,421,413	58,030	-	6,479,443
Machinery, equipment, and vehicles	6,145,349	441,210	257,781	6,328,778
Infrastructure	56,912,172	4,192,552	2,519,378	58,585,346
Total Capital Assets Being Depreciated	<u>115,640,700</u>	<u>4,851,289</u>	<u>2,777,159</u>	<u>117,714,830</u>
Less: Accumulated depreciation for				
Land improvements	(280,891)	(8,050)	-	(288,941)
Buildings	(6,586,836)	(613,320)	-	(7,200,156)
Building improvements	(1,781,159)	(137,946)	-	(1,919,105)
Machinery, equipment, and vehicles	(3,054,263)	(593,726)	207,669	(3,440,320)
Infrastructure	(22,772,621)	(1,964,717)	2,088,055	(22,649,283)
Total Accumulated Depreciation	<u>(34,475,770)</u>	<u>(3,317,759)</u>	<u>2,295,724</u>	<u>(35,497,805)</u>
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 88,320,226</u>	<u>\$ 2,040,678</u>	<u>\$ 499,577</u>	<u>\$ 89,861,327</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 600,786
Public safety	639,332
Public works, which includes the depreciation of infrastructure	1,847,612
Health and social services	90,308
Culture, education, and recreation	124,404
Conservation and development	15,317

Total Governmental Activities Depreciation Expense \$ 3,317,759

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 576,718	\$ -	\$ -	\$ 576,718
Construction in progress	2,016,380	5,924	2,016,380	5,924
Total Capital Assets Not Being Depreciated	<u>2,593,098</u>	<u>5,924</u>	<u>2,016,380</u>	<u>582,642</u>
Capital assets being depreciated				
Land improvements	618,520	10,430	393,584	235,366
Infrastructure	-	72,076	-	72,076
Buildings	6,199,400	14,477,890	3,901,247	16,776,043
Building improvements	742,242	5,763	732,365	15,640
Machinery and equipment	12,597,295	1,960,208	1,723,133	12,834,370
Total Capital Assets Being Depreciated	<u>20,157,457</u>	<u>16,526,367</u>	<u>6,750,329</u>	<u>29,933,495</u>
Less: Accumulated depreciation for				
Land improvements	(420,131)	(20,975)	320,519	(120,587)
Infrastructure	-	(480)	-	(480)
Buildings	(4,971,543)	(194,484)	3,595,798	(1,570,229)
Building improvements	(601,975)	(24,260)	615,273	(10,962)
Machinery and equipment	(7,660,297)	(603,861)	1,612,811	(6,651,347)
Total Accumulated Depreciation	<u>(13,653,946)</u>	<u>(844,060)</u>	<u>6,144,401</u>	<u>(8,353,605)</u>
Business-type Capital Assets, Net of Depreciation	<u>\$ 9,096,609</u>	<u>\$ 15,688,231</u>	<u>\$ 2,622,308</u>	<u>\$ 22,162,532</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Highway	\$ 588,013
Health Care Center	<u>249,948</u>
Total Business-type Activities	
Depreciation Expense	<u>\$ 837,961</u>

Depreciation expense does not agree to the increases in accumulated depreciation due to salvage and cost of removal.

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General fund	Aging and Disability Resource Center	\$ 55,056
General fund	Baraboo range	88,309
General fund	CDBG-EAP emergency assistance	277,489
General fund	Debt service	202,905
General fund	Dog license	6,699
Human services	General fund	2,028,932
County jail	General fund	15,169
Land records modernization	General fund	662,765
Landfill remediation	General fund	11,498
Forest management	General fund	72,895
CDBG-ED revolving loan	General fund	221,051
CDBG-FRSB revolving loan	General fund	57
Alice in Dairyland	General fund	3,904
Building projects	General fund	422,196
Highway	General fund	1,138,076
Health care center	General fund	2,553,231
Insurance	General fund	17,699
Workers' compensation	General fund	<u>1,234,323</u>
Subtotal – Fund financial statements		9,012,254
Add: Internal service fund allocations		(750,946)
Less: Fund eliminations		<u>(3,819,055)</u>
Total – Government-Wide Statement of Net Assets		<u>\$ 4,442,253</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ -
Business-type activities	Governmental activities	(4,442,253)
Total		<u>\$ (4,442,253)</u>

All interfund balances are due within one year.

The principal purpose of these interfunds is a result of the general fund holding cash for operational revenues and expenditures in other funds.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Health care center	\$ 813,160	Transfer ITP grant
General fund	Building projects	7,421	Communications project
General fund	Forest management	10,000	Capital acquisition
General fund	Rental property	8,444	Ending rental property for future sale
CDBG-ED revolving loan	CDBG-FRSB revolving loan	28,270	County contribution to flood assistance loan program
Debt service	General fund	1,993,364	Sales taxes used for debt payments
Debt service	County jail	169,000	Assessment fees used for debt payments
Health care center	Rental property	19,501	Ending rental property for future sale
Subtotal – Fund Financial Statements		<u>3,049,160</u>	
Add: Contributions from Highway		4,174,621	
Less: Fund eliminations		<u>(2,255,502)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 4,968,279</u>	

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 4,987,780
Business-type activities	Governmental activities	(19,501)
Total		<u>\$ 4,968,279</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 22,010,000	\$ -	\$ 1,580,000	\$ 20,430,000	\$ 1,640,000
Other Liabilities					
Vested compensated absences (Note I.D.7.)	2,300,815	2,028,114	1,805,576	2,523,353	2,028,113
Health insurance-retirees	18,332	-	18,332	-	-
Workers compensation	130,606	116,870	92,269	155,207	12,325
Other post employment benefits	94,451	128,271	38,625	184,097	-
Landfill post-closure liability (Note IV.H.)	2,720,714	-	110,972	2,609,742	130,500
Total Other Liabilities	<u>5,264,918</u>	<u>2,273,255</u>	<u>2,065,774</u>	<u>5,472,399</u>	<u>2,170,938</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 27,274,918</u>	<u>\$ 2,273,255</u>	<u>\$ 3,645,774</u>	<u>\$ 25,902,399</u>	<u>\$ 3,810,938</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 4,200,000	\$ 4,965,000	\$ 50,000	\$ 9,115,000	\$ 385,000
Bond anticipation notes	10,000,000	-	5,000,000	5,000,000	-
Unamortized premium	118,360	236,754	55,598	299,516	37,157
Unamortized loss on refunding	-	(132,948)	(22,158)	(110,790)	(88,632)
Total Bonds and Notes Payable	<u>14,318,360</u>	<u>5,068,806</u>	<u>5,083,440</u>	<u>14,303,726</u>	<u>333,525</u>
Other Liabilities					
Vested compensated absences (Note I.D.7.)	1,140,965	930,644	832,312	1,239,297	930,643
Health insurance-retirees	14,504	471	6,146	8,829	6,327
Post employment benefits	22,531	45,965	13,841	54,655	-
Total Other Liabilities	<u>1,178,000</u>	<u>977,080</u>	<u>852,299</u>	<u>1,302,781</u>	<u>936,970</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 15,496,360</u>	<u>\$ 6,045,886</u>	<u>\$ 5,935,739</u>	<u>\$ 15,606,507</u>	<u>\$ 1,270,495</u>

General Obligation and Other Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the county. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In 2008, \$10,000,000 bond anticipation notes were issued for constructing and equipping a skilled nursing facility.

On October 13, 2009, the county issued \$4,965,000 in general obligation bonds with an average interest rate of 3.96%, to advance refund \$5,000,000 of the outstanding bond anticipation notes. The net proceeds of \$5,148,273 (after payment of \$53,440 in underwriting fee, insurance, and other issuance cost plus \$236,754 reoffering premium and \$41 for further debt payment) were used to purchase U.S. Government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the notes. As a result, the notes are considered to be defeased and the liability for those notes has been removed from these financial statements.

The cash flow requirement on the refunded note prior to the advance refunding were \$5,495,000 from 2010 through 2011. The cash flow requirements on the 2009 notes are \$7,011,526 from 2010 through 2023. The advance refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$132,948.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation and Other Debt (cont.)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the county may not exceed five percent of the equalized value of taxable property within the county's jurisdiction. The debt limit as of December 31, 2009, was \$351,496,735. Total general obligation debt outstanding at year end was \$29,545,000.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-09
General Obligation Debt					
Refunding bonds	12/1/01	10/1/21	3.15 - 4.75%	\$ 24,500,000	\$ 2,655,000
Refunding bonds	5/1/04	10/1/17	2.00 - 4.10%	6,550,000	6,305,000
Promissory notes	5/1/04	10/1/13	2.00 - 3.60%	3,450,000	1,670,000
Refunding bonds	12/29/05	10/1/15	3.50 - 4.00%	10,000,000	9,800,000
Total Governmental Activities – General Obligation Debt					<u>\$ 20,430,000</u>

Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-08
General Obligation and Other Debt					
Promissory notes	12/29/07	10/01/17	3.50 – 4.00%	\$ 5,000,000	\$ 4,150,000
Bond anticipation notes	04/08/08	04/01/11	3.30%	10,000,000	5,000,000
Refunding note	10/13/09	10/1/23	2.00 – 4.00%	4,965,000	4,965,000
Total Business Type Activities – General Obligation and Other Debt					<u>\$ 14,115,000</u>

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt			Business-Type Activities General Obligation and Other Debt		
Years	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 1,640,000	\$ 803,151	\$ 2,443,151	\$ 385,000	\$ 510,301	\$ 895,301
2011	1,705,000	740,858	2,445,858	5,260,000	339,875	5,599,875
2012	1,770,000	674,533	2,444,533	320,000	331,150	651,150
2013	1,840,000	606,263	2,446,263	330,000	320,700	650,700
2014	1,455,000	534,573	1,989,573	800,000	309,075	1,109,075
2015 – 2019	8,240,000	1,752,052	9,992,052	4,200,000	1,063,825	5,263,825
2020 – 2023	3,780,000	226,343	4,006,343	2,820,000	239,800	3,059,800
Totals	<u>\$ 20,430,000</u>	<u>\$ 5,337,773</u>	<u>\$ 25,767,773</u>	<u>\$ 14,115,000</u>	<u>\$ 3,114,726</u>	<u>\$ 17,229,726</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences and the landfill post-closure liability are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund. See Note IV.H. for more information about the landfill post-closure liability.

Prior-Year Defeasance of Debt

In prior years, the county defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the county's financial statements. At December 31, 2009, \$20,480,000 of bonds outstanding are considered defeased.

G. LEASE DISCLOSURES

The county has no material leases as lessee or lessor.

H. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. Although closure and postclosure care costs are paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,609,742 reported as landfill closure and postclosure care liability at December 31, 2009, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill less amounts actually paid for postclosure. These amounts are based on what it would cost to perform all postclosure care in 2009. The county did cease accepting waste in 2006, and closure activities were completed in 2007. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The county is required by state and federal laws and regulations to make annual contributions to the Wisconsin Department of Natural Resources (DNR) to a trust to finance closure and postclosure care. The county is in compliance with these requirements. \$2,688,146 is held with the DNR for postclosure care. The county expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by from future tax revenues.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2009 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 1,236,871
Purchased development rights	6,302,739
Construction in progress	104,692
Other capital assets, net of accumulated depreciation	82,217,025
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(20,430,000)
Total Invested in Capital Assets, Net of Related Debt	<u>69,431,327</u>
Restricted	
Trust Activities	
Alice in Dairyland trust	9,185
Loan programs	1,423,975
Aging programs	29,732
Law enforcement activities	85,145
Total Restricted	<u>1,548,037</u>
Unrestricted	<u>27,185,031</u>
Total Governmental Activities Net Assets	<u>\$ 98,164,395</u>

Governmental fund balances reported on the fund financial statements at December 31, 2009 include the following:

Reserved	
Major Funds	
General Fund	
Advance to Tri-County Airport	\$ 12,140
Delinquent property taxes	2,375,117
Prepaid items	21,614
Inventory	27,913
Encumbrance	<u>105,433</u>
Total	<u>\$ 2,542,217</u>
Human Services	
Prepaid items	<u>\$ 9,616</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. NET ASSETS/FUND BALANCES

Governmental Activities (cont.)

Reserved (cont.)

Non-Major Funds

Aging and Disability Resource Center prepaid items	\$ 1,100
Alice in Dairyland trust	9,185
CDBG-EAP emergency assistance long-term receivables	550,004
Debt service	35
	<u> </u>
Total	<u>\$ 560,324</u>

Unreserved, designated

Major Funds

General Fund

Carryforwards to subsequent year	\$ 2,158,627
Fund balance applied to subsequent year budget	2,001,149
Working capital	11,362,874
	<u> </u>

Total	<u>\$ 15,522,650</u>
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Unreserved, undesignated (deficit)

Major Funds

General fund	<u>\$ 4,699,571</u>
Human services	<u>\$ 1,589,368</u>

Non-Major Funds

Special Revenue Funds

Aging and Disability Resource Center	\$ 123,639
County jail	22,369
Land records modernization	656,172
Landfill remediation	5,510,139
Forest management	72,895
Baraboo range (deficit)	(88,309)
Drug seizures	85,145
CDBG-ED revolving loans	221,151
CDBG-FRSB revolving loans	57
CDBG-EAP	41,130
Dog license (deficit)	<u>(7,653)</u>

Total	<u>\$ 6,636,735</u>
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Capital Projects Funds

Building projects	<u>\$ 293,782</u>
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SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. NET ASSETS/FUND BALANCES (cont.)

Business-type Activities

Invested in capital assets, net of related debt	
Land	\$ 576,718
Construction in progress	5,924
Other capital assets, net of accumulated depreciation	21,579,890
Less: related long-term debt outstanding	<u>(14,115,000)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>8,047,532</u>
 Restricted	
Equipment replacement	<u>41,990</u>
Total Restricted	<u>41,990</u>
 Unrestricted	<u>5,572,341</u>
 Total Business-type Activities Net Assets	<u><u>\$ 13,661,863</u></u>

J. COMPONENT UNIT

This report contains the Sauk County Housing Authority (Housing Authority), which is included as a component unit. Financial information is presented as a discrete column in the statement of net assets and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The Housing Authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the Housing Authority's deposits was \$330,365 and the bank balance was \$343,857. The Housing Authority has no deposits with financial institutions in excess of federal depository insurance limits that were held in uncollateralized accounts and not covered by the Wisconsin State Deposit Guarantee Fund. The Housing Authority reported no investments outside of its bank deposits.

c. Cash and Cash Equivalents

The Housing Authority considers cash equivalents to include certificates of deposits having an original maturity of three months or less.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNIT (cont.)

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land and improvements	\$ 575,363	\$ -	\$ -	\$ 575,363	5 – 20
Leasehold improvements	8,664	-	-	8,664	5 – 20
Buildings and improvements	4,130,484	22,296	-	4,152,780	5 – 40
Furniture and equipment	229,974	470	-	230,444	3 – 10
Total Capital Assets	4,944,485	22,766	-	4,967,251	
Accumulated depreciation	(2,239,296)	(186,382)	-	(2,425,678)	
Net Capital Assets	<u>\$ 2,705,189</u>	<u>\$ (163,616)</u>	<u>\$ -</u>	<u>\$ 2,541,573</u>	

e. Long-Term Obligations

The notes payable are secured by the Housing Authority's real property, furniture, equipment, and rents and profits. The Housing Authority notes are not a general obligation of the county nor are they guaranteed by the county.

	Beginning Balance	Increases	Decreases	Ending Balance
Mortgage notes payable	<u>\$ 1,455,433</u>	<u>\$ -</u>	<u>\$ 36,969</u>	<u>\$ 1,418,464</u>

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2010	\$ 39,450	\$ 101,851	\$ 141,301
2011	42,099	99,202	141,301
2012	44,925	96,376	141,301
2013	349,926	77,798	427,724
2014	26,744	70,761	97,505
2015 – 2019	115,440	328,327	443,767
2020 – 2022	138,042	284,205	422,247
2023 – 2027	201,223	221,024	422,247
2028 – 2034	293,819	128,428	422,247
2035 – 2039	152,055	30,920	182,975
2040 – 2041	14,741	1,027	15,768
Totals	<u>\$ 1,418,464</u>	<u>\$ 1,439,919</u>	<u>\$ 2,858,383</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNIT (cont.)

f. Employee Retirement System

All eligible Housing Authority employees participate in the Wisconsin Retirement System ("System"), a cost-sharing defined benefit multiple-employer public employee retirement system (PERS). The payroll for employees covered by the System for the year ended December 31, 2008 was \$191,553; the Housing Authority's total payroll was \$220,513.

The total required contribution for the year ended December 31, 2008 was \$20,304 or 10.6% of covered payroll. Of this amount, 4.6% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2007 and 2006 were \$19,198 and \$18,968, respectively, equal to the required contributions for each year.

g. Net Assets

Net assets reported on the government-wide statement of net assets at June 30, 2009 includes the following:

Invested in capital assets, net of related debt	
Other capital assets, net of accumulated depreciation	\$ 2,541,573
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(1,418,464)</u>
Total Invested in Capital Assets, Net of Related Debt	1,123,109
Restricted	
Escrow accounts	131,792
Unrestricted	<u>587,083</u>
Total Net Assets	<u><u>\$ 1,841,984</u></u>

h. Contingent Liability

Sauk County Housing Authority is also a general partner in several limited partnerships which it manages and therefore receives a management fee. The costs paid to acquire ownership in the limited partnerships was minimal and has been expensed to the management fund. The partnerships that Sauk County Housing Authority is a general partner in are as follows:

Name	Ownership Percent	Outstanding Liabilities at 12-31-08
Tower Street Limited Partnership	1%	\$ 622,790
Kolan Kourt Limited Partnership	.01%	427,078
Highpointe Commons Ownership Group, LLC	.51%	748,896

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNIT (cont.)

i. Investment in Joint Venture

On June 23, 2007, the Authority purchased land for a tax credit housing project, Highpointe Commons Senior Housing, LLC, of which the Authority is the managing member for Highpointe Commons Ownership Group, LLC, which has a .10% company interest in the project. The Total investment was \$209,998 with Sauk County contributing \$100,000 to the Authority toward the purchase of the land.

j. Risk Management

The Housing Authority is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors; and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

K. SPECIAL ITEM

During 2009 a new county health care center facility was constructed and occupied in November. As a result, the old facility and capital assets were considered to have no value and were written off. The health care center enterprise fund includes an impairment loss of \$616,312.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible county employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.9% of their salary (3.0% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.2% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for county employees covered by the system for the year ended December 31, 2009 was \$27,867,464; the employer's total payroll was \$27,460,659. The total required contribution for the year ended December 31, 2009 was \$3,199,700 or 11.0% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2008 and 2007 were \$2,907,254 and \$2,776,679, respectively, equal to the required contributions for each year.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, and 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. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

The pension related debt for the county as of December 31, 2009, was \$-0-.

B. RISK MANAGEMENT

The county is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and health care of its employees. The county purchases commercial insurance to provide coverage for losses from the risks listed above. However, other risks, such as liability and workers' compensation are accounted for and financed by the county in an internal service fund – the county insurance fund.

Self Insurance

For liability claims, the uninsured risk of loss is \$10,000 per incident and \$5,000,000 in the aggregate for a policy year. The county has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

For workers' compensation claims, the uninsured risk of loss is \$500,000 per incident and \$500,000 in the aggregate for a policy year. The county has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the county participate in the risk management program. Amounts payable to the county insurance fund are based on estimates of the amounts necessary to pay prior and current year claims deductible.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Wisconsin County Mutual Insurance Corporation

Sauk County and 54 other Wisconsin counties jointly participate in the Wisconsin County Mutual Insurance Corporation (WCMIC) for general and automobile liability insurance. The creation of WCMIC requires the establishment of capital reserves with each of the participating counties depositing amounts as specified in projected rates. This company began operation on January 1, 1988.

The county also participates in WCMIC for workers' compensation insurance. An actuarially determined estimate has been recorded for the county's retained liability, as well as for claims incurred but not reported at December 31, 2009. A total liability of approximately \$155,207 at December 31, 2009 was recorded as claims payable and reported in the Workers' Compensation internal service fund. The entire amount is also recorded in the governmental activities column of the government-wide statements of net assets. Changes in the claims loss liability follow:

	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Claims Paid/ Settled</u>	<u>Ending Balance</u>
2009	\$ 130,606	\$ 116,870	\$ 92,269	\$ 155,207
2008	-	212,380	81,774	130,606

The governing body is made up of 19 directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation.

Summary financial information of WCMIC as of December 31, 2009 can be obtained directly from WCMIC's offices.

C. COMMITMENTS AND CONTINGENCIES

From time to time, the county is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the corporation counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the county's financial position or results of operations.

The county has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Funding for the operating budget of the county comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the county. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the county.

The Original Sauk County Landfill is on the National Priority List by the Environmental Protection Agency (EPA). The required five year report will be completed in 2010. The county will apply for de-listing as the need for monitoring has decreased. As required, the Wisconsin Department of Natural Resources (DNR) will continue to maintain oversight of the landfill recovery.

Currently, Sauk County is budgeting for costs associated with the monitoring and cleanup of the original Sauk County Landfill on an annual basis. The amount of potential liability to Sauk County for costs associated with the cleanup and monitoring of the Original Sauk County Landfill cannot be estimated at this time. This potential liability may be material to these financial statements. However, other parties that may be found to have been partially responsible may be liable for some of the costs. In 1993 and 1992, individual parties entered into agreements with the county regarding this issue and paid \$1,078,000 and \$950,000, respectively, to the county to release them from future costs. In 2009, the county spent \$110,972 of these funds on site remediation and cost recovery activities. These funds are held in the Landfill Remediation special revenue fund.

On March 24, 1994, the State of Wisconsin, Department of Natural Resources, with concurrence from U.S. EPA, formally executed and issued a source control record of decision. This decision included such items as continued monitoring of groundwater, regarding of the landfill surface to promote drainage off of the landfill cover, fencing, installation of a gas extraction system, imposing deed restrictions to prohibit disturbance of the landfill cover, maintenance of the final cover to prevent erosion and contingency plans in the event that compliance with groundwater quality standards is not achieved in the future. The total cost of the above decision cannot be reasonably determined at this date.

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The county's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Plan requirements are established through collective bargaining agreements and county policies and may be amended only through negotiations between the county and the union. The retirees pay 100% of the premium amounts under the plan.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

The county's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with 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 cost for the year, the amount actually contributed to the plan, and changes in the district's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	169,557
Interest on net OPEB obligation		4,679
Adjustment to annual required contribution		<u>(4,649)</u>
Annual OPEB cost		169,587
Contributions made		<u>(47,817)</u>
Increase in Net OPEB Obligation (Asset)		121,770
Net OPEB Obligation – Beginning of Year		<u>116,982</u>
Net OPEB Obligation – End of Year	\$	<u>238,752</u>

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/09	\$ 169,587	28.2%	\$ 238,752
12/31/08	160,451	27.1%	116,982

The funded status of the plans as of January 1, 2009, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 1,336,887
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,336,887</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 is 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 benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return and an annual healthcare cost trend rate of 9.5% initially, reduced by decrements to an ultimate rate of 4.5% after 10 years. Both rates include a 3.0% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 29 years.

E. JOINT VENTURE

Sauk County, Richland County and Iowa County jointly operate the local Tri-County Airport (airport). The counties share in the annual operation of the airport equally.

The governing body is made up of members from each county. The governing body has authority to adopt its own budget and control the financial affairs of the airport. The county made a payment totaling \$17,768 to the airport for 2009. The county believes that they will make similar payments to the airport in the future.

Financial information of the airport as of December 31, 2009 is available directly from the county.

F. SUBSEQUENT EVENT

On June 15, 2010, the Sauk County Board authorized the refunding of the remaining \$5,000,000 of bond anticipation notes with \$4,925,000 of general obligation bonds. The bonds are dated July 6, 2010 with a maturity date of October 1, 2027 and have interest rates ranging from 4.000% to 4.125%.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (cont.)

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SAUK COUNTY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General	\$ 1,964,378	\$ 1,964,378	\$ 1,919,427	\$ (44,951)
County board	141,411	143,531	141,411	(2,120)
Clerk of courts	1,269,845	1,269,845	1,315,517	45,672
Board of adjustments	77,318	77,318	79,318	2,000
Circuit court	599,502	599,502	597,226	(2,276)
Court commissioner	206,072	206,072	205,122	(950)
Circuit court probate	156,208	156,208	139,342	(16,866)
Accounting	517,770	517,770	568,206	50,436
Family court counseling	16,500	16,500	16,255	(245)
County clerk	325,826	325,826	347,569	21,743
Personnel	406,288	406,288	400,145	(6,143)
Treasurer	455,577	602,872	800,666	197,794
Register of deeds	230,581	230,581	193,399	(37,182)
District attorney	513,613	513,613	513,385	(228)
Corporation counsel	563,615	563,615	572,938	9,323
Surveyor	74,105	74,105	74,105	-
Buildings and maintenance	2,607,770	2,607,770	2,668,564	60,794
Property mapping	149,220	149,220	148,111	(1,109)
Sheriff	14,349,218	14,349,218	13,918,923	(430,295)
Coroner	136,463	136,463	136,463	-
Emergency government	217,297	217,297	329,003	111,706
Administrative coordinator	176,044	176,044	180,804	4,760
Management information systems	1,802,706	2,187,166	1,587,694	(599,472)
Public health	724,624	724,624	748,568	23,944
Home nursing	866,801	866,801	692,204	(174,597)
Public health - WIC	239,273	244,840	286,015	41,175
Public health - environmental health	280,233	280,233	270,662	(9,571)
Public health - bioterrorism	36,476	36,476	40,689	4,213
Child support	830,916	830,916	866,589	35,673
Veteran's service	213,185	213,185	213,185	-
Parks	298,580	298,580	301,859	3,279
Planning and zoning	925,601	925,601	774,668	(150,933)
Land conservation	1,028,486	1,028,486	1,242,210	213,724
University extension	300,133	300,133	324,938	24,805
County farm	7,450	9,940	8,999	(941)
Total Revenues	32,709,085	33,251,017	32,624,179	(626,838)

See independent auditors' report and accompanying notes to required supplementary information.

SAUK COUNTY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
General	\$ 1,531,014	\$ 1,641,014	\$ 1,165,925	\$ 475,089
County board	141,411	143,531	143,531	-
Clerk of courts	1,269,845	1,272,845	1,221,180	51,665
Board of adjustments	77,318	77,318	74,278	3,040
Circuit court	609,502	609,502	589,650	19,852
Court commissioner	206,072	206,072	201,941	4,131
Circuit court probate	156,208	156,208	141,454	14,754
Accounting	542,770	598,511	463,520	134,991
Family court counseling	17,808	19,583	17,644	1,939
County clerk	325,826	325,826	313,475	12,351
Personnel	406,288	442,175	373,388	68,787
Treasurer	490,577	655,024	655,024	-
Register of deeds	230,581	230,581	202,738	27,843
District attorney	513,613	546,324	484,237	62,087
Corporation counsel	563,615	563,615	531,452	32,163
Surveyor	74,105	74,105	56,255	17,850
Buildings and maintenance	2,607,770	3,204,890	2,177,059	1,027,831
Property mapping	149,220	149,220	140,860	8,360
Sheriff	14,349,218	14,386,418	13,836,746	549,672
Coroner	136,463	136,463	129,040	7,423
Emergency government	217,297	217,297	190,975	26,322
Administrative coordinator	176,044	176,044	168,511	7,533
Management information systems	1,802,706	2,475,123	1,509,306	965,817
Public health	724,624	725,245	722,439	2,806
Home nursing	866,801	892,733	756,005	136,728
Public health - WIC	249,972	273,257	273,256	1
Public health - environmental health	306,696	341,756	295,185	46,571
Public health - bioterrorism	36,476	40,633	35,093	5,540
Child support	830,916	838,916	812,188	26,728
Veteran's service	213,185	222,694	215,161	7,533
Parks	513,580	611,198	352,230	258,968
Planning and zoning	1,222,111	1,361,980	761,624	600,356
Land conservation	1,043,486	1,139,966	1,073,688	66,278
University extension	300,133	309,388	308,806	582
County farm	7,450	9,940	11,489	(1,549)
Total Expenditures	32,910,701	35,075,395	30,405,353	4,670,042

See independent auditors' report and accompanying notes to required supplementary information.

SAUK COUNTY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Excess of revenues over expenditures	\$ (201,616)	\$ (1,824,378)	\$ 2,218,826	\$ 4,043,204
OTHER FINANCING SOURCES (USES)				
Transfers in	510,000	517,421	839,025	321,604
Transfers out	(1,993,364)	(1,993,364)	(1,993,364)	-
Total Other Financing Sources (Uses)	(1,483,364)	(1,475,943)	(1,154,339)	321,604
Net Change in Fund Balance	(1,684,980)	(3,300,321)	1,064,487	4,364,808
FUND BALANCE - Beginning of Year	21,699,951	21,699,951	21,699,951	-
FUND BALANCE - END OF YEAR	\$ 20,014,971	\$ 18,399,630	\$ 22,764,438	\$ 4,364,808

See independent auditors' report and accompanying notes to required supplementary information.

SAUK COUNTY

HUMAN SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 7,272,413	\$ 7,272,413	\$ 7,272,413	\$ -
Intergovernmental	9,060,554	9,060,554	8,579,576	(480,978)
Fines, forfeitures and penalties	135,000	135,000	121,200	(13,800)
Public charges for services	499,800	499,800	379,210	(120,590)
Intergovernmental charges for services	31,355	31,355	-	(31,355)
Miscellaneous	10,700	10,700	9,785	(915)
Total Revenues	17,009,822	17,009,822	16,362,184	(647,638)
EXPENDITURES				
Current				
Health and social services	17,009,822	17,242,843	16,209,400	1,033,443
Total Expenditures	17,009,822	17,242,843	16,209,400	1,033,443
Net Change in Fund Balance	-	(233,021)	152,784	385,805
FUND BALANCE - Beginning of Year	1,446,200	1,446,200	1,446,200	-
FUND BALANCE - END OF YEAR	\$ 1,446,200	\$ 1,213,179	\$ 1,598,984	\$ 385,805

See independent auditors' report and accompanying notes to required supplementary information.

SAUK COUNTY

OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS For the Year Ended December 31, 2009

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	\$	- \$ 1,220,449	\$ 1,220,449	0%	N/A	N/A
1/1/2009		- 1,336,887	1,336,687	0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Annual Required Contribution	Contribution	Percentage of ARC Contributed	Net OPEB Obligation
12/31/2008	\$ 160,451	\$ 43,469	27.1%	\$ 116,982
12/31/2009	169,587	47,816	28.2%	238,753

See independent auditors' report and accompanying notes to required supplementary information.

SAUK COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2009

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows.

	<u>Amended Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
County Farm	\$ 9,940	\$ 11,489	\$ 1,549

The county monitors budgets at the department level of control. Adequate fund balances are available to fund the above excess expenditures.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

SAUK COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Special Revenue Funds												Debt Service Fund	Capital Project Fund	Total Non-major Governmental Funds
	Aging and Disability Resource Center	County Jail	Land Records Modernization	Landfill Remediation	Forest Management	Baraboo Range	Drug Seizures	CDBG-ED Revolving Loan	CDBG-FRSB Revolving Loan	CDBG-EAP Emergency Assistance	Alice in Dairyland	Dog License	Debt Service	Building Projects	
ASSETS															
Cash and investments	\$ 51,238	\$ -	\$ -	\$ 2,840,203	\$ -	\$ -	\$ 86,495	\$ 100	\$ -	\$ -	\$ 5,281	\$ -	\$ 202,940	\$ -	\$ 3,186,257
Taxes receivable	164,180	-	-	-	-	-	-	-	-	-	-	-	250,000	-	414,180
Accounts receivable	6,485	7,200	595	1,342	-	-	-	-	-	-	-	185	-	-	15,807
Loans receivable	-	-	-	-	-	-	-	203,533	408,100	550,004	-	-	-	-	1,161,637
Due from other funds	-	15,169	662,765	11,498	72,895	-	-	221,051	57	-	3,904	-	-	422,196	1,409,535
Due from other governmental units	257,892	-	-	2,688,146	-	104,486	-	-	-	326,525	-	-	-	-	3,377,049
Prepaid items	1,100	-	-	-	-	-	-	-	-	-	-	-	-	-	1,100
TOTAL ASSETS	\$ 480,895	\$ 22,369	\$ 663,360	\$ 5,541,189	\$ 72,895	\$ 104,486	\$ 86,495	\$ 424,684	\$ 408,157	\$ 876,529	\$ 9,185	\$ 185	\$ 452,940	\$ 422,196	\$ 9,565,565
LIABILITIES AND FUND BALANCES															
Liabilities															
Accounts payable	\$ 49,346	\$ -	\$ 6,842	\$ 31,050	\$ -	\$ -	\$ 1,350	\$ -	\$ -	\$ 7,906	\$ -	\$ -	\$ -	\$ 128,414	\$ 224,908
Accrued liabilities	13,480	-	-	-	-	-	-	-	-	-	-	-	-	-	13,480
Due to other funds	55,056	-	-	-	-	88,309	-	-	-	277,489	-	6,699	202,905	-	630,458
Due to other governmental units	-	-	346	-	-	-	-	-	-	-	-	1,139	-	-	1,485
Deferred revenues	238,274	-	-	-	-	104,486	-	203,533	408,100	-	-	-	250,000	-	1,204,393
Total Liabilities	356,156	-	7,188	31,050	-	192,795	1,350	203,533	408,100	285,395	-	7,838	452,905	128,414	2,074,724
Fund Balances															
Reserved	1,100	-	-	-	-	-	-	-	-	550,004	9,185	-	35	-	560,324
Unreserved															
Undesignated (Deficit)	123,639	22,369	656,172	5,510,139	72,895	(88,309)	85,145	221,151	57	41,130	-	(7,653)	-	293,782	6,930,517
Total Fund Balances (Deficit)	124,739	22,369	656,172	5,510,139	72,895	(88,309)	85,145	221,151	57	591,134	9,185	(7,653)	35	293,782	7,490,841
TOTAL LIABILITIES AND FUND BALANCES	\$ 480,895	\$ 22,369	\$ 663,360	\$ 5,541,189	\$ 72,895	\$ 104,486	\$ 86,495	\$ 424,684	\$ 408,157	\$ 876,529	\$ 9,185	\$ 185	\$ 452,940	\$ 422,196	\$ 9,565,565

SAUK COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009

	Special Revenue Funds													Debt Service Fund	Capital Project Fund	Total
	Aging and Disability Resource Center	County Jail	Land Records Modernization	Landfill Remediation	Forest Management	Baraboo Range	Drug Seizures	CDBG-ED Revolving Loan	CDBG-FRSB Revolving Loan	CDBG-EAP Emergency Assistance	Rental Properties	Alice in Dairyland	Dog License	Debt Service	Building Projects	Non-major Governmental Funds
REVENUES																
Taxes	\$ 169,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 419,754
Intergovernmental	1,040,455	-	3,574	-	-	337,507	-	-	361,080	3,605,803	-	-	-	-	-	5,348,419
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	30,999	-	-	30,999
Fines, forfeitures, and penalties	-	-	-	-	-	-	257	-	-	-	-	-	-	-	-	257
Public charges for services	65,603	-	125,200	10,077	-	-	-	-	-	-	-	-	-	-	-	200,880
Intergovernmental charges for services	27,007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,007
Regulation and compliance	-	130,007	-	-	-	-	-	-	-	-	-	-	-	-	-	130,007
Investment income	52	-	-	94,528	-	1,691	1,676	11,252	-	-	61	26	-	8,853	-	118,139
Miscellaneous	117,746	-	-	-	-	-	-	79,729	-	-	13,252	-	-	-	-	210,727
Total Revenues	1,420,617	130,007	128,774	104,605	-	339,198	1,933	90,981	361,080	3,605,803	13,313	26	30,999	258,853	-	6,486,189
EXPENDITURES																
Current																
General government	-	-	49,694	-	-	-	-	-	-	-	9,496	-	-	-	-	59,190
Public safety	-	-	-	-	-	-	21,095	-	-	3,014,669	-	-	-	-	-	3,035,764
Health and social services	1,514,304	-	-	-	-	-	-	-	-	-	-	-	36,290	-	-	1,550,594
Public works	-	-	-	192,172	-	-	-	-	-	-	-	-	-	-	-	192,172
Culture, education and recreation	-	-	-	-	-	-	-	-	-	-	-	250	-	-	-	250
Conservation and development	-	-	-	-	-	25,021	-	8	413,863	-	-	-	-	-	-	438,892
Capital Outlay	-	-	6,808	-	-	395,622	-	-	-	-	-	-	-	-	249,353	651,783
Debt Service																
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	1,580,000	-	1,580,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	863,328	-	863,328
Total Expenditures	1,514,304	-	56,502	192,172	-	420,643	21,095	8	413,863	3,014,669	9,496	250	36,290	2,443,328	249,353	8,371,973
Excess (deficiency) of revenues over expenditures	(93,687)	130,007	72,272	(87,567)	-	(81,445)	(19,162)	90,973	(52,783)	591,134	3,817	(224)	(5,291)	(2,184,475)	(249,353)	(1,885,784)
OTHER FINANCING USES																
Transfers in	-	-	-	-	-	-	-	-	28,270	-	-	-	-	2,162,364	-	2,190,634
Transfers out	-	(169,000)	-	-	(10,000)	-	-	(28,270)	-	-	(27,945)	-	-	-	(7,421)	(242,636)
Total Other Financing Uses	-	(169,000)	-	-	(10,000)	-	-	(28,270)	28,270	-	(27,945)	-	-	2,162,364	(7,421)	1,947,998
Net change in fund balance	(93,687)	(38,993)	72,272	(87,567)	(10,000)	(81,445)	(19,162)	62,703	(24,513)	591,134	(24,128)	(224)	(5,291)	(22,111)	(256,774)	62,214
FUND BALANCES -																
Beginning of Year	218,426	61,362	583,900	5,597,706	82,895	(6,864)	104,307	158,448	24,570	-	24,128	9,409	(2,362)	22,146	550,556	7,428,627
FUND BALANCES (DEFICIT) -																
END OF YEAR	\$ 124,739	\$ 22,369	\$ 656,172	\$ 5,510,139	\$ 72,895	\$ (88,309)	\$ 85,145	\$ 221,151	\$ 57	\$ 591,134	\$ -	\$ 9,185	\$ (7,653)	\$ 35	\$ 293,782	\$ 7,490,841

SAUK COUNTY

COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS December 31, 2009

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Totals</u>
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 502,480	\$ -	\$ 502,480
Due from other funds	<u>17,699</u>	<u>1,234,323</u>	<u>1,252,022</u>
Total Current Assets	<u>520,179</u>	<u>1,234,323</u>	<u>1,754,502</u>
 LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Claims payable	<u>-</u>	<u>12,325</u>	<u>12,325</u>
Total Current Liabilities	<u>-</u>	<u>12,325</u>	<u>12,325</u>
 NON-CURRENT LIABILITIES			
Claims payable	<u>-</u>	<u>142,882</u>	<u>142,882</u>
Total Liabilities	<u>-</u>	<u>155,207</u>	<u>155,207</u>
 NET ASSETS			
Unrestricted	<u>520,179</u>	<u>1,079,116</u>	<u>1,599,295</u>
 TOTAL NET ASSETS	<u>\$ 520,179</u>	<u>\$ 1,079,116</u>	<u>\$ 1,599,295</u>

SAUK COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2009

	Self- Insurance	Workers' Compensation	Totals
OPERATING REVENUES			
Charges for services	\$ 71,688	\$ 738,288	\$ 809,976
Miscellaneous	14,147	-	14,147
Total Operating Revenues	85,835	738,288	824,123
OPERATING EXPENSES			
Operation and maintenance	46,117	387,764	433,881
Operating Income	39,718	350,524	390,242
NONOPERATING REVENUES			
Investment income	2,480	-	2,480
Change in Net Assets	42,198	350,524	392,722
NET ASSETS - Beginning of Year	477,981	728,592	1,206,573
NET ASSETS - END OF YEAR	\$ 520,179	\$ 1,079,116	\$ 1,599,295

SAUK COUNTY

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2009

	Self- Insurance	Workers' Compensation	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from other funds	\$ 85,835	\$ 738,288	\$ 824,123
Paid to suppliers for goods and services	<u>(136,257)</u>	<u>(738,288)</u>	<u>(874,545)</u>
Net Cash Flows From Operating Activities	<u>(50,422)</u>	<u>-</u>	<u>(50,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>2,480</u>	<u>-</u>	<u>2,480</u>
Net Cash Flows From Investing Activities	<u>2,480</u>	<u>-</u>	<u>2,480</u>
Change in Cash and Cash Equivalents	(47,942)	-	(47,942)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>550,422</u>	<u>-</u>	<u>550,422</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 502,480</u>	<u>\$ -</u>	<u>\$ 502,480</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating income	\$ 39,718	\$ 350,524	\$ 390,242
Changes in Noncash Components of Working Capital			
Due from other funds	(17,699)	(375,125)	(392,824)
Due to other funds	(72,441)	-	(72,441)
Claims payable	<u>-</u>	<u>24,601</u>	<u>24,601</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (50,422)</u>	<u>\$ -</u>	<u>\$ (50,422)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None.			

SAUK COUNTY

COMBINING STATEMENT OF FIDUCIARY NET ASSETS AGENCY FUNDS December 31, 2009

	Agency Funds					Totals
	Officers' Range Association	Tri-County Airport	Clerk of Courts	Huber Trust	Tax Collection	
ASSETS						
Cash and investments	\$ 3,846	\$ -	\$ 887,375	\$ 34,961	\$ -	\$ 926,182
Accounts receivable	-	3,905	-	-	-	3,905
Property taxes receivable	-	-	-	-	1,193,023	1,193,023
Due from other governments	-	2,313	-	-	-	2,313
TOTAL ASSETS	<u>\$ 3,846</u>	<u>\$ 6,218</u>	<u>\$ 887,375</u>	<u>\$ 34,961</u>	<u>\$ 1,193,023</u>	<u>\$ 2,125,423</u>
LIABILITIES						
Accounts payable	\$ 499	\$ 1,661	\$ -	\$ -	\$ -	\$ 2,160
Accrued liabilities	-	873	-	-	-	873
Deposits	-	-	887,375	34,961	-	922,336
Due to other governments	3,347	3,684	-	-	1,193,023	1,200,054
TOTAL LIABILITIES	<u>\$ 3,846</u>	<u>\$ 6,218</u>	<u>\$ 887,375</u>	<u>\$ 34,961</u>	<u>\$ 1,193,023</u>	<u>\$ 2,125,423</u>