

**SAUK COUNTY**

Baraboo, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

Year Ended December 31, 2010

# 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, 2010, 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, 2010, 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 and schedule of funding progress 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 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 Jilly Vichow Krause, CPA*

Madison, Wisconsin  
July 26, 2011

# SAUK COUNTY

## UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2010

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, 2010. 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.

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### FINANCIAL HIGHLIGHTS

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- > The County's primary government total net assets increased by \$2.14 million, or 1.9%, from the prior year. The County's investment in capital assets net of related debt increased by \$435,000, the majority of which was routine infrastructure upgrades. Assets increased by a net \$792,000, comprised of increases in cash and investments of \$1.3 million and receivables of \$913,000, and decreases in capital assets net of depreciation of \$1.5 million. Liabilities decreased by \$1.35 million, or 1.8%, from decreases in general obligation debt.
- > The County's primary government operating expenses in 2010 were \$4.1 million more than 2009. Expenses included an additional \$590,000 in health and human services for children and family services and \$657,000 in decreased conservation and development expenses due to expiration of a watershed protection project and the end of the extension of specific 2008 flood recovery loans. Highway expenses increased \$2.4 million, or 44.3%, with changes in the level of infrastructure maintenance. Health Care Center expenses increased \$1.75 million due to demolition of the facility vacated in 2009, and higher depreciation and related debt service on the new facility constructed in 2009.
- > Program revenues decreased by 3.4%, or \$1.25 million, directly related to expense changes. Health and human services revenues increased by \$870,000 with funding for children and family services. Conservation funding decreased \$1.14 million with closure of the watershed project and end of flood-related loans. Highway program revenues decreased \$727,000.
- > The County's primary government total debt decreased by \$2.1 million during the current fiscal year, with decreases of \$2.025 million for scheduled debt service payments. Sauk County also refunded the final \$5 million of bond anticipation notes with \$4,925,000 of general obligation bonds.

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### OVERVIEW OF FINANCIAL STATEMENTS

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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, 2010

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### OVERVIEW OF FINANCIAL STATEMENTS (cont.)

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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, 2010

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### OVERVIEW OF FINANCIAL STATEMENTS (cont.)

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#### *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 16 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 14 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, 2010

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### OVERVIEW OF FINANCIAL STATEMENTS (cont.)

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#### *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.

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

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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, 2010

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

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#### Sauk County Condensed Statements of Net Assets

	Governmental Activities 2009	Governmental Activities 2010	Business-type Activities 2009	Business-type Activities 2010
Current and other assets	\$ 60,737,112	\$ 63,939,463	\$ 15,268,547	\$ 14,360,735
Capital assets, net of				
Depreciation	89,861,327	88,753,093	22,162,532	21,768,472
Total Assets	150,598,439	152,692,556	37,431,079	36,129,207
Current and other liabilities	30,342,583	31,478,984	9,433,204	8,854,448
Non-current liabilities	22,091,461	20,464,822	14,336,012	14,056,275
Total Liabilities	52,434,044	51,943,806	23,769,216	22,910,723
Net Assets:				
Invested in capital assets, net of related debt	69,431,327	69,963,093	8,047,532	7,951,379
Restricted	1,548,037	4,457,425	41,990	39,979
Unrestricted	27,185,031	26,328,232	5,572,341	5,227,126
<b>TOTAL NET ASSETS</b>	<b>\$ 98,164,395</b>	<b>\$ 100,748,750</b>	<b>\$ 13,661,863</b>	<b>\$ 13,218,484</b>

Governmental activities assets increased \$2.1 million, of which \$1.3 million was an increase in cash and investments. The change in assets also contained increases in taxes receivable of \$388,000 (with an equal increase in unearned revenues) and a total increase in other receivables of \$729,000, 47 percent of which relates to extension of loans to assist with recovery from the 2008 floods. There was also an increase in delinquent taxes receivable of \$132,000, or 3%, significant in that the increase is moderate considering the effect of the economy on collections. Governmental activities capital assets net of depreciation decreased \$1.11 million or about 1.23% due to the county capital asset acquisitions for 2010 amounting to less than the depreciation taken on existing assets. Total governmental activities liabilities decreased by \$490,000, or 0.93%. Liability categories remained stable, with decreases in noncurrent liabilities reflecting planned debt service payments of \$1.64 million. Finally, total governmental activities net assets have increased \$2.7 million, including favorable results compared to budget in interest collected on delinquent taxes (\$758,000), sales tax collections (\$572,000), certain nursing homes aids (\$343,000), and leaving a variety of staff positions unfilled when they became vacant.

Business-type activities total assets decreased by \$1.3 million. Decrease in taxes receivable totaled \$516,000. Related to the late-2009 completion of the Health Care Center construction project, restricted cash decreased by \$264,000 and capital assets net of depreciation decreased by \$394,000. Business-type activities liabilities decreased \$858,000, or 3.61%. Decreases in accounts payable liabilities totaled about \$380,000, and debt-related liabilities decreased \$460,000 with payment on Health Care Center construction debt commencing. Finally, total business-type activities net assets decreased \$443,000, or 3.25%.

# SAUK COUNTY

UNAUDITED  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010

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

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**Sauk County's Changes in Net Assets**

	<u>Governmental Activities 2009</u>	<u>Governmental Activities 2010</u>	<u>Business-type Activities 2009</u>	<u>Business-type Activities 2010</u>
<b>REVENUES</b>				
Program Revenues				
Charges for services	\$ 6,096,402	\$ 5,797,259	\$ 9,365,800	\$ 9,911,180
Operating grants and contributions	17,162,623	17,155,132	3,386,132	2,212,906
Capital grants and contributions	445,538	47,507	-	87,890
General Revenues				
Property taxes	20,780,637	21,726,126	6,934,034	6,932,994
Sales taxes	6,656,693	7,143,095	-	-
Other taxes	1,198,856	1,572,424	-	-
Intergovernmental revenues not restricted to specific programs	1,139,407	1,126,771	-	-
Other	767,435	637,118	136,531	140,444
Total Revenues	<u>54,247,591</u>	<u>55,205,432</u>	<u>19,822,497</u>	<u>19,285,414</u>
<b>EXPENSES</b>				
General government	6,327,978	6,713,007	-	-
Public safety	20,392,604	20,349,755	-	-
Public works	2,398,119	2,121,530	-	-
Health and social services	20,505,900	21,096,870	-	-
Culture, education and recreation	1,720,895	1,727,049	-	-
Conservation and development	2,371,314	1,714,084	-	-
Interest and fiscal charges	848,374	787,831	-	-
Highway	-	-	5,435,229	7,841,103
Health Care Center	-	-	8,249,849	9,998,641
Total Expenses	<u>54,565,184</u>	<u>54,510,126</u>	<u>13,685,078</u>	<u>17,839,744</u>
Increase (Decrease) in Net Assets Before				
Transfers	(317,593)	695,306	6,137,419	1,445,670
Special item	-	-	(616,212)	-
Transfers	4,968,279	1,889,049	(4,968,279)	(1,889,049)
Increase (Decrease) in Net Assets	4,650,686	2,584,355	552,928	(443,379)
<b>NET ASSETS - Beginning</b>	<u>93,513,709</u>	<u>98,164,395</u>	<u>13,108,935</u>	<u>13,661,863</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 98,164,395</u>	<u>\$ 100,748,750</u>	<u>\$ 13,661,863</u>	<u>\$ 13,218,484</u>

# SAUK COUNTY

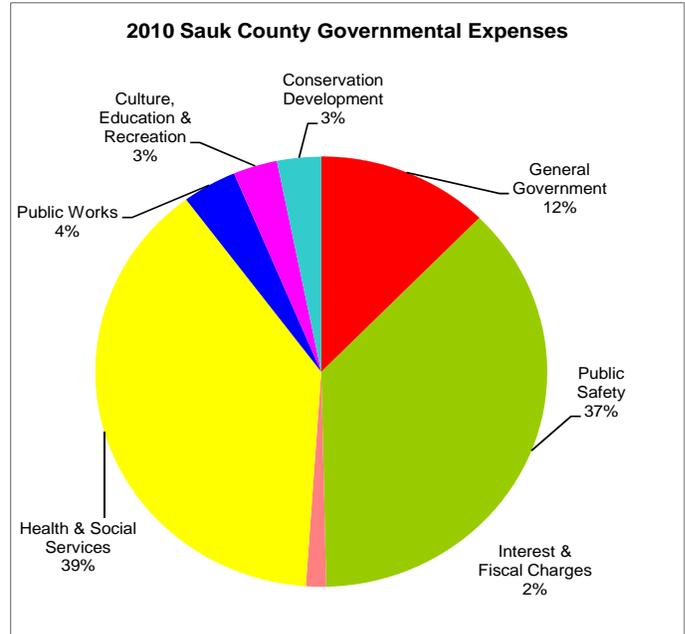
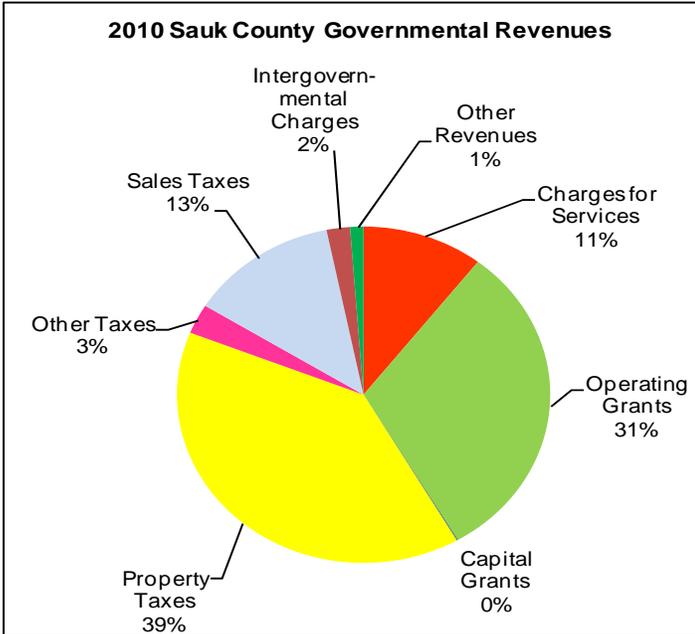
## UNAUDITED MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2010

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

The County's governmental activities program revenues decreased by \$705,000 overall, or 2.97%. This consisted primarily of decreases of \$1.04 million in conservation operating and capital grants related to the completion of a variety of programs, including purchases of development rights, watershed protection and comprehensive planning. There was also a decrease in public safety revenues due to late 2010 closure of a portion of the jail housing prisoners from the State and near completion of 2008 flood relief assistance. The decreases were offset by an increase of \$869,000 in health and social services programming. Sales tax collections increased 7.32%, or \$487,000, and property taxes increased \$945,000, or 5.54%.

Governmental activities expenses decreased by only \$55,000 overall, just 0.10%. As described in the revenue section, conservation expenses decreased by \$657,000 due to the completion of certain programs. Health and social services expenses increased \$590,000 with additional grant funds. 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 over \$60,000.

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, 2010

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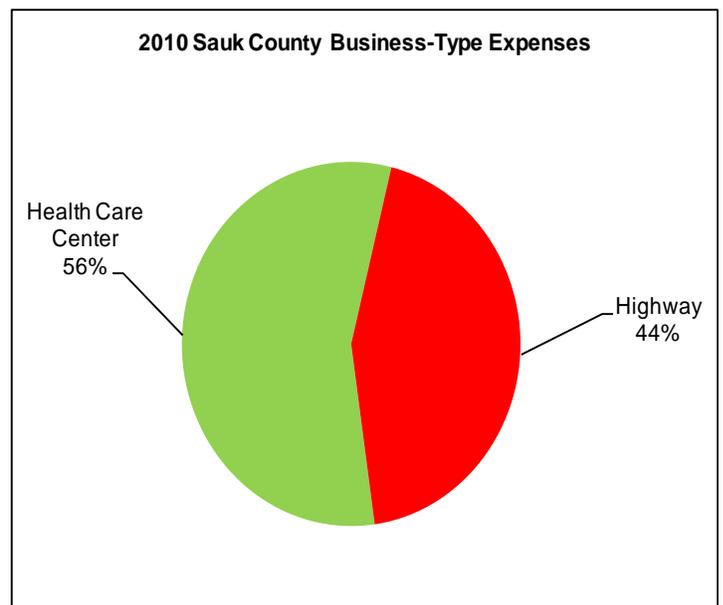
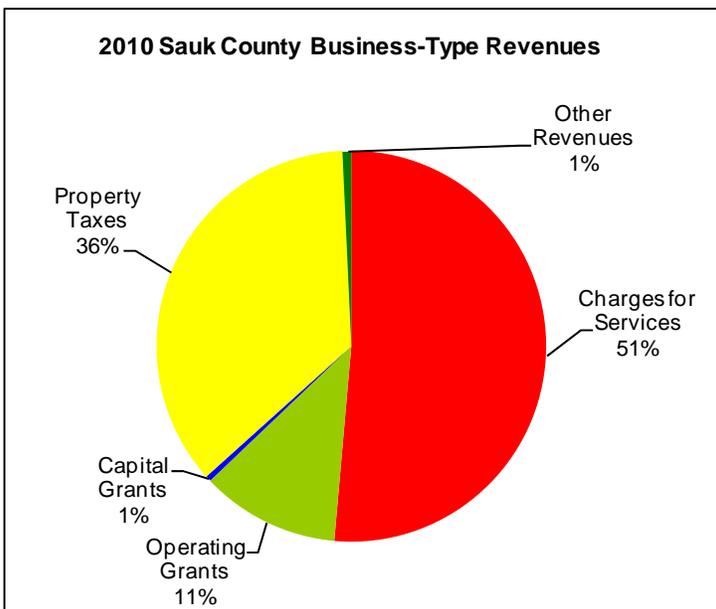
### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

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Business-type activities program revenues decreased by 4.23% overall, \$539,000. This decrease was comprised primarily of a decrease in Highway operating grants from a decrease in state aids, much of which is the end of reimbursement for 2008 flood repairs. Health Care Center program revenues increased \$187,000 with moderately increased billing rates. Business-type activities property tax allocations remained nearly flat compared to 2009. Revenues also include \$111,000 gain on sale of Health Care Center properties at the location vacated in 2009.

Business-type activities expenses in total increased \$4.2 million, or 30.4%. This increase is related to the impact to the Highway budget of maintenance of infrastructure. Health Care Center costs increased \$1.7 million due to much higher depreciation and debt service on the new building, as well as \$650,000 for demolition of the vacated 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, 2010

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## 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 \$34,113,814, an increase of \$2.3 million in comparison to the prior year. Approximately 88% 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 (\$2,576,054), or noncurrent loans receivable (\$1,057,450), 2) to liquidate contracts of the prior period (\$166,664), 3) prepaid items and inventories (\$241,683), 4) to pay debt service (\$34,534), or 5) to generate income to provide scholarships (\$8,949).

*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 \$21.4 million, while total fund balance reached \$24.2 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 68.5% of total general fund expenditures, while total fund balance represents 77.7% of that same amount.

The fund balance of Sauk County's general fund increased by \$1.48 million during the current fiscal year. Key factors in this growth are:

- > Interest collected on delinquent taxes exceeded budgeted projections by \$758,000.
- > Sales tax collections exceeded budget by \$572,000.
- > Transfer of Medicaid supplemental payment funds from the Health Care Center exceeded budget by \$343,000.

*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 \$2.0 million, of which 99% was unreserved. As a measure of the liquidity, fund balance represents 12.1% of total human services fund expenditures of \$16.5 million.

The fund balance of Sauk County's human services fund increased by \$407,000 during the current fiscal year. This included an increase in revenues compared to the prior year of \$480,000 in intergovernmental and \$212,000 in property taxes. An accompanying increase in expenditures of \$280,000 was less than expected due to volatile, high-cost lines, such as institutional care, ending the year favorable to budget.

# SAUK COUNTY

UNAUDITED  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010

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

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As of the end of the current fiscal year, Sauk County's enterprise funds reported combined ending net assets of \$12.6 million, a decrease of \$270,000 in comparison to the prior year. Approximately 35.8% 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 \$3.2 million, while total net assets reached \$9.1 million. The net assets increased from the prior year by \$693,000, of which \$175,000 is labor and \$432,000 is equipment costs being less than expected.

*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. In 2010, net assets decreased \$962,000, largely related to demolition of the vacated facility and sale of reusable items, netting an expense of \$540,000. Estimated debt service also exceeded budget by \$86,000 with completion of the financing in July, 2010. Other revenues and expenses varied from budget as staff settled in to the new facility.

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## BUDGETARY HIGHLIGHTS

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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 \$2,800,371, much of which (\$2.16 million) was carryforward of funds previously appropriated in 2009 for projects that were not completed. Most of the remainder was appropriation of additional grant funds received.

*Special Revenue Funds:* Supplementary appropriations totaled \$2,061,203, \$1,628,087 of which was creation of budgets for appropriating flood relief funds. The remainder was carryforward of funds previously appropriated in 2009 for projects that were not completed or uses of segregated fund balance for specific programs.

*Debt Service Fund:* Supplementary appropriations totaled a decrease of \$38, due to less interest earned on invested funds than anticipated.

*Building Projects Fund:* Supplementary appropriations totaled \$5,000, all of which was carryforward of funds previously appropriated in 2009 for projects that were not completed.

*Enterprise Funds:* Supplementary appropriations totaled \$302,572, most of which was appropriation of additional grant funds.

# SAUK COUNTY

UNAUDITED  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010

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## BUDGETARY HIGHLIGHTS (cont.)

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### **SUPPLEMENTARY APPROPRIATIONS (CONT.)**

*Internal Service Funds:* Supplementary appropriations totaled a net decrease of \$9,293, which was a decrease to the insurance fund also related to interest earned on invested funds being less than anticipated (\$11,424), and additional funds for workers compensation administration (\$2,131).

*Agency Funds:* Supplementary appropriations totaled \$8,856, which was Dog License Fund use of fund balance and appropriating funds for transfer of Alice in Dairyland funds to the General Fund.

### **BUDGET TO ACTUAL COMPARISONS – MAJOR GOVERNMENTAL FUNDS**

Sauk County's general fund budget was constructed to use \$2.0 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. An additional \$220,000 was the County's match for a federal grant to extend fiber optics throughout the County. The remaining \$1.0 million was for expenditure of previously received grants funds or previously appropriated funds for capital outlays. Capital projects were either deferred to 2011 or accomplished within budget, showing a favorable budget variance of \$1.7 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 \$1.5 million.

The human services fund balance increased by \$407,000, even though the amended budget anticipated a decrease in fund balance of \$260,000. Although most revenue lines lagged budget projections, intergovernmental revenues exceeded projections. Overall expenditures were less than expected due to volatile, high-cost lines, such as institutional care, ending the year favorable to budget.

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## CAPITAL ASSETS AND DEBT

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### **CAPITAL ASSETS**

Sauk County's investment in governmental activities capital assets as of December 31, 2010 amounted to \$88.8 million (net of depreciation), a net decrease of \$1.1 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment. Major additions were reconstructed roadways and other infrastructure totaling \$1.5 million (including construction in progress).

The County's investment in business-type activities capital assets as of December 31, 2010 was \$21.8 million (net of depreciation), a net decrease of \$394,000. Increases consisted primarily of routine highway equipment replacement.

# SAUK COUNTY

UNAUDITED  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010

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**CAPITAL ASSETS AND DEBT** (cont.)

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	<b>Sauk County's Capital Assets</b>			
	<b>(Net of Depreciation)</b>			
	<u>Governmental Activities 2009</u>	<u>Governmental Activities 2010</u>	<u>Business-type Activities 2009</u>	<u>Business-type Activities 2010</u>
Land	\$ 1,236,871	\$ 1,216,484	\$ 576,718	\$ 576,718
Purchased development rights	6,302,739	6,302,739	-	-
Construction in progress	104,692	938,875	5,924	16,734
Land improvements	352,423	427,584	114,779	129,924
Buildings	38,479,743	38,074,879	15,205,814	14,905,132
Building improvements	4,560,338	4,469,007	4,678	-
Machinery, equipment, and vehicles	2,888,458	2,981,401	6,183,023	6,071,251
Infrastructure	<u>35,936,063</u>	<u>34,342,124</u>	<u>71,596</u>	<u>68,713</u>
Totals	<u>\$ 89,861,327</u>	<u>\$ 88,753,093</u>	<u>\$ 22,162,532</u>	<u>\$ 21,768,472</u>

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

## ***DEBT***

Sauk County had \$32,445,000 in general obligation notes and bonds outstanding as of December 31, 2010. \$18,790,000 of this amount is for governmental activities. The remaining \$13,655,000 was issued as financing for construction of a replacement skilled nursing facility. During 2010, the County refunded the final \$5 million of \$10 million in bond anticipation notes with \$4.925 million general obligation bonds.

The County's general obligation bonds and notes ratings by Moody's Investor Services, Inc. are both Aa2.

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, 2010

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## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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Sauk County's years of steady growth in equalized valuations have slowed in recent years, and the County saw a decrease in valuation in 2010 of 1.50% exclusive of tax incremental financing districts. The County is carefully monitoring this trend. The Wisconsin Dells/Lake Delton area, including six 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 2011 budget includes a 0.45% decrease in property tax dollars levied, from \$28.7 million to \$28.5 million. Total expenditures, for all County funds, are budgeted to be \$78.8 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.

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## **REQUESTS FOR INFORMATION**

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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](http://www.co.sauk.wi.us).

# SAUK COUNTY

## STATEMENT OF NET ASSETS December 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 33,472,833	\$ 12,341	\$ 33,485,174	\$ 86,180
Taxes receivable	22,114,182	6,417,115	28,531,297	-
Delinquent taxes receivable	4,012,663	-	4,012,663	-
Accounts receivable	906,625	826,889	1,733,514	127,896
Accrued interest receivable	7,857	-	7,857	161
Loans receivable	1,502,730	-	1,502,730	190,518
Due from other governments	5,671,087	1,176,071	6,847,158	-
Internal balances	(4,103,232)	4,103,232	-	-
Prepaid items and inventories	343,927	1,650,564	1,994,491	12,687
Advances to other governments	10,791	-	10,791	-
Investment in joint venture	-	-	-	209,998
Restricted cash and investments	-	54,181	54,181	238,576
Other assets	-	120,342	120,342	-
Land	1,216,484	576,718	1,793,202	-
Purchased development rights	6,302,739	-	6,302,739	-
Construction in progress	938,875	16,734	955,609	-
Other capital assets, net of depreciation	80,294,995	21,175,020	101,470,015	2,432,532
Total Assets	152,692,556	36,129,207	188,821,763	3,298,548
<b>LIABILITIES</b>				
Accounts payable	1,977,072	481,499	2,458,571	18,631
Accrued liabilities	2,141,860	429,768	2,571,628	61,712
Due to other governments	803,864	2,878	806,742	-
Deposits	336,207	14,202	350,409	20,269
Unearned revenue	22,227,839	6,687,965	28,915,804	24,304
Noncurrent liabilities due within one year	3,992,142	1,238,136	5,230,278	42,100
Noncurrent liabilities due in more than one year	20,464,822	14,056,275	34,521,097	1,336,914
Total Liabilities	51,943,806	22,910,723	74,854,529	1,503,930
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	69,963,093	7,951,379	77,914,472	1,053,518
Restricted				
Trust activities	8,949	-	8,949	-
Loan programs	1,868,923	-	1,868,923	-
Aging programs	29,746	-	29,746	-
Law enforcement activities	97,254	-	97,254	-
Landfill post-closure	2,452,553	-	2,452,553	-
Equipment replacement	-	39,979	39,979	-
Housing programs	-	-	-	48,851
Unrestricted	26,328,232	5,227,126	31,555,358	692,249
<b>TOTAL NET ASSETS</b>	\$ 100,748,750	\$ 13,218,484	\$ 113,967,234	\$ 1,794,618

See accompanying notes to financial statements.

**SAUK COUNTY**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<i>Governmental Activities</i>				
General government	\$ 6,713,007	\$ 793,753	\$ 300	\$ -
Public safety	20,349,755	3,625,632	3,990,006	-
Health and social services	21,096,870	1,001,387	12,505,217	-
Public works	2,121,530	8,522	-	-
Culture, education and recreation	1,727,049	121,784	53,309	47,507
Conservation and development	1,714,084	246,181	606,300	-
Interest and fiscal charges	787,831	-	-	-
Total Governmental Activities	<u>54,510,126</u>	<u>5,797,259</u>	<u>17,155,132</u>	<u>47,507</u>
<i>Business-type Activities</i>				
Highway	7,841,103	4,318,217	1,569,782	87,890
Health care	9,998,641	5,592,963	643,124	-
Total Business-type Activities	<u>17,839,744</u>	<u>9,911,180</u>	<u>2,212,906</u>	<u>87,890</u>
Total Primary Government	<u>\$ 72,349,870</u>	<u>\$ 15,708,439</u>	<u>\$ 19,368,038</u>	<u>\$ 135,397</u>
<b>Component Unit</b>				
Housing authority	<u>\$ 1,880,892</u>	<u>\$ 1,726,567</u>	<u>\$ -</u>	<u>\$ 65,958</u>
<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				
Gain on sale of assets				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
<b>Change in Net Assets</b>				
NET ASSETS - Beginning (component unit restated)				
<b>NET ASSETS - ENDING</b>				

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	
\$ (5,918,954)	\$ -	\$ (5,918,954)	\$ -
(12,734,117)	-	(12,734,117)	-
(7,590,266)	-	(7,590,266)	-
(2,113,008)	-	(2,113,008)	-
(1,504,449)	-	(1,504,449)	-
(861,603)	-	(861,603)	-
(787,831)	-	(787,831)	-
<u>(31,510,228)</u>	<u>-</u>	<u>(31,510,228)</u>	<u>-</u>
-	(1,865,214)	(1,865,214)	-
-	(3,762,554)	(3,762,554)	-
-	(5,627,768)	(5,627,768)	-
<u>(31,510,228)</u>	<u>(5,627,768)</u>	<u>(37,137,996)</u>	<u>-</u>
-	-	-	<u>(88,367)</u>
21,476,126	-	21,476,126	-
250,000	-	250,000	-
-	3,673,792	3,673,792	-
-	3,259,202	3,259,202	-
7,143,095	-	7,143,095	-
1,572,424	-	1,572,424	-
1,126,771	-	1,126,771	-
18,692	-	18,692	-
303,549	2,291	305,840	17,535
17,543	111,131	128,674	-
297,334	27,022	324,356	-
1,889,049	(1,889,049)	-	-
<u>34,094,583</u>	<u>5,184,389</u>	<u>39,278,972</u>	<u>17,535</u>
2,584,355	(443,379)	2,140,976	(70,832)
<u>98,164,395</u>	<u>13,661,863</u>	<u>111,826,258</u>	<u>1,865,450</u>
<u>\$ 100,748,750</u>	<u>\$ 13,218,484</u>	<u>\$ 113,967,234</u>	<u>\$ 1,794,618</u>

See accompanying notes to financial statements.

**SAUK COUNTY**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010

	General	Human Services	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 29,529,075	\$ 207,666	\$ 3,282,920	\$ 33,019,661
Receivables				
Taxes	14,031,703	7,684,741	397,738	22,114,182
Delinquent taxes	4,012,663	-	-	4,012,663
Accounts	444,814	452,157	9,654	906,625
Interest	7,748	-	-	7,748
Loans	-	-	1,502,730	1,502,730
Due from other funds	406,778	2,312,279	1,205,552	3,924,609
Due from other governments	1,886,727	745,324	3,039,036	5,671,087
Inventories	46,782	-	-	46,782
Prepaid items	191,697	3,204	-	194,901
Advances to other governments	10,791	-	-	10,791
<b>TOTAL ASSETS</b>	<b>\$ 50,568,778</b>	<b>\$ 11,405,371</b>	<b>\$ 9,437,630</b>	<b>\$ 71,411,779</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 985,140	\$ 883,841	\$ 108,091	\$ 1,977,072
Accrued liabilities	1,831,634	114,428	10,693	1,956,755
Due to other funds	7,968,425	-	406,778	8,375,203
Due to other governments	288,338	509,734	5,792	803,864
Deposits	129,091	207,116	-	336,207
Deferred revenue	15,119,656	7,684,741	1,044,467	23,848,864
<b>Total Liabilities</b>	<b>26,322,284</b>	<b>9,399,860</b>	<b>1,575,821</b>	<b>37,297,965</b>
<b>Fund Balances</b>				
Reserved for				
Trust activities	8,949	-	-	8,949
Inventories and prepaid items	238,479	3,204	-	241,683
Long-term receivables	2,586,845	-	1,046,659	3,633,504
Encumbrances	10,297	-	156,367	166,664
Debt service	-	-	34,534	34,534
Unreserved, reported in				
General fund - designated	15,775,238	-	-	15,775,238
General fund - undesignated	5,626,686	-	-	5,626,686
Special revenue funds - undesignated	-	2,002,307	6,646,747	8,649,054
Capital projects funds - undesignated	-	-	(22,498)	(22,498)
<b>Total Fund Balances</b>	<b>24,246,494</b>	<b>2,005,511</b>	<b>7,861,809</b>	<b>34,113,814</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 50,568,778</b>	<b>\$ 11,405,371</b>	<b>\$ 9,437,630</b>	

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.	88,753,093
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.	1,621,134
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.	(24,642,069)
Internal service net assets allocated to governmental activities	661,127
Long-term liabilities recorded in internal service funds	241,651
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 100,748,750</b>

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, 2010

	General	Human Services	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 22,376,001	\$ 7,484,537	\$ 414,180	\$ 30,274,718
Intergovernmental	4,512,684	9,058,924	4,537,615	18,109,223
Licenses and permits	279,454	-	29,229	308,683
Fines, forfeitures and penalties	417,032	114,674	19,139	550,845
Public charges for services	1,983,694	366,194	290,145	2,640,033
Intergovernmental charges for services	3,890,630	-	27,901	3,918,531
Regulation and compliance	-	-	121,793	121,793
Investment income	248,311	-	48,959	297,270
Miscellaneous	302,474	9,476	184,480	496,430
<b>Total Revenues</b>	<u>34,010,280</u>	<u>17,033,805</u>	<u>5,673,441</u>	<u>56,717,526</u>
<b>EXPENDITURES</b>				
Current				
General government	5,663,763	-	148,260	5,812,023
Public safety	17,319,223	-	2,738,123	20,057,346
Health and social services	3,415,380	16,489,909	1,575,783	21,481,072
Public works	54,955	-	168,092	223,047
Culture, education and recreation	1,839,317	-	1,000	1,840,317
Conservation and development	1,658,468	-	15	1,658,483
Capital Outlay	1,275,201	-	310,096	1,585,297
Debt Service				
Principal retirement	-	-	1,640,000	1,640,000
Interest and fiscal charges	-	-	803,514	803,514
<b>Total Expenditures</b>	<u>31,226,307</u>	<u>16,489,909</u>	<u>7,384,883</u>	<u>55,101,099</u>
Excess (deficiency) of revenues over expenditures	<u>2,783,973</u>	<u>543,896</u>	<u>(1,711,442)</u>	<u>1,616,427</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	877,763	-	2,319,680	3,197,443
Transfers out	<u>(2,179,680)</u>	<u>(137,369)</u>	<u>(237,270)</u>	<u>(2,554,319)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,301,917)</u>	<u>(137,369)</u>	<u>2,082,410</u>	<u>643,124</u>
<b>Net Change in Fund Balances</b>	1,482,056	406,527	370,968	2,259,551
FUND BALANCES - Beginning of Year	<u>22,764,438</u>	<u>1,598,984</u>	<u>7,490,841</u>	<u>31,854,263</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 24,246,494</u>	<u>\$ 2,005,511</u>	<u>\$ 7,861,809</u>	<u>\$ 34,113,814</u>

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, 2010

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Net change in fund balances - total governmental funds	\$ 2,259,551
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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	1,585,297
Some items reported as capital outlay in the fund financial statements are not capitalized in the government-wide statements	(242,026)
Depreciation is reported in the government-wide statements	(3,378,433)
Infrastructure financed by the highway fund	1,245,925
Net book value of assets retired	(318,997)

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	230
Government grants	44,582
Investment income	5,085
Delinquent taxes	66,149
Loans	(43,440)
Other	95

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	1,640,000
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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	(169,208)
Other postemployment benefits	(41,195)
Accrued interest on debt	15,680
Landfill post-closure care	102,282

Change in internal service fund net assets attributable to governmental activities	<u>(187,222)</u>
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<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,584,355</u></b>
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See accompanying notes to financial statements.

**SAUK COUNTY**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2010

	Business-type Activities			Internal Service Funds
	Enterprise Funds			
	Highway	Health Care Center	Totals	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 12,014	\$ 327	\$ 12,341	\$ 453,172
Taxes receivable	3,719,001	2,698,114	6,417,115	-
Accounts receivable	175,397	651,492	826,889	-
Interest receivable	-	-	-	109
Due from other funds	1,243,863	2,282,603	3,526,466	924,128
Due from other governments	1,176,071	-	1,176,071	-
Prepaid items	28,814	16,866	45,680	102,244
Inventories	1,533,211	71,673	1,604,884	-
Restricted Assets				
Cash and investments	-	14,202	14,202	-
Total Current Assets	<u>7,888,371</u>	<u>5,735,277</u>	<u>13,623,648</u>	<u>1,479,653</u>
<b>NONCURRENT ASSETS</b>				
Restricted Assets				
Cash and investments	-	39,979	39,979	-
Deferred Charges	-	120,342	120,342	-
Capital Assets				
Land	66,973	509,745	576,718	-
Construction in progress	16,734	-	16,734	-
Other capital assets	13,894,026	16,312,159	30,206,185	-
Less: Accumulated depreciation	<u>(8,049,895)</u>	<u>(981,270)</u>	<u>(9,031,165)</u>	-
Total Non-Current Assets	<u>5,927,838</u>	<u>16,000,955</u>	<u>21,928,793</u>	-
 Total Assets	 <u>13,816,209</u>	 <u>21,736,232</u>	 <u>35,552,441</u>	 <u>1,479,653</u>

	Business-type Activities -			Internal Service Funds
	Enterprise Funds			
	Highway	Health Care Center	Totals	
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 279,425	\$ 202,074	\$ 481,499	\$ -
Accrued liabilities	48,820	198,227	247,047	-
Accrued interest payable	-	182,721	182,721	-
Due to other governments	2,878	-	2,878	-
Unearned revenue	3,719,001	2,968,964	6,687,965	109
Claims payable	-	-	-	62,310
Compensated absences	443,113	526,226	969,339	-
Health insurance - retirees credit	2,502	-	2,502	-
General obligation debt payable - current	-	260,000	260,000	-
Unamortized premium - current	-	25,899	25,899	-
Unamortized loss on refunding - current	-	(19,604)	(19,604)	-
Liabilities Payable From Restricted Assets				
Deposits	-	14,202	14,202	-
Total Current Liabilities	<u>4,495,739</u>	<u>4,358,709</u>	<u>8,854,448</u>	<u>62,419</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-Term Debt				
General obligation debt payable	-	13,395,000	13,395,000	-
Unamortized premium	-	276,140	276,140	-
Other Liabilities				
Claims payable	-	-	-	179,341
Compensated absences	173,298	139,217	312,515	-
Other postemployment benefits	32,181	40,439	72,620	-
Total Non-Current Liabilities	<u>205,479</u>	<u>13,850,796</u>	<u>14,056,275</u>	<u>179,341</u>
Total Liabilities	<u>4,701,218</u>	<u>18,209,505</u>	<u>22,910,723</u>	<u>241,760</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	5,927,838	2,023,541	7,951,379	-
Restricted	-	39,979	39,979	-
Unrestricted	<u>3,187,153</u>	<u>1,463,207</u>	<u>4,650,360</u>	<u>1,237,893</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 9,114,991</u>	<u>\$ 3,526,727</u>	12,641,718	1,237,893
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				
			<u>576,766</u>	<u>(576,766)</u>
Net Assets of Business-type Activities			<u>\$ 13,218,484</u>	
Net Internal service funds reported in the statement of net assets as governmental activities				<u>\$ 661,127</u>

**SAUK COUNTY**

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

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Highway	Health Care Center	Totals	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 4,318,217	\$ 5,586,618	\$ 9,904,835	\$ (40,690)
Miscellaneous	-	6,345	6,345	26,708
Total Operating Revenues	<u>4,318,217</u>	<u>5,592,963</u>	<u>9,911,180</u>	<u>(13,982)</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	8,381,793	8,822,924	17,204,717	348,614
Depreciation	<u>602,300</u>	<u>474,340</u>	<u>1,076,640</u>	<u>-</u>
Total Operating Expenses	<u>8,984,093</u>	<u>9,297,264</u>	<u>18,281,357</u>	<u>348,614</u>
Operating Income (Loss)	<u>(4,665,876)</u>	<u>(3,704,301)</u>	<u>(8,370,177)</u>	<u>(362,596)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	3,673,792	3,259,202	6,932,994	-
Intergovernmental grants	1,569,782	643,124	2,212,906	-
Investment income	-	2,291	2,291	1,194
Interest expense	-	(618,139)	(618,139)	-
Amortization costs	-	(11,993)	(11,993)	-
Gain on sale of assets	-	111,131	111,131	-
Miscellaneous	<u>27,022</u>	<u>-</u>	<u>27,022</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>5,270,596</u>	<u>3,385,616</u>	<u>8,656,212</u>	<u>1,194</u>
Income (Loss) Before Capital Contributions and Transfers	604,720	(318,685)	286,035	(361,402)
Capital contributions	87,890	-	87,890	-
Transfers out	<u>-</u>	<u>(643,124)</u>	<u>(643,124)</u>	<u>-</u>
Change in Net Assets	692,610	(961,809)	(269,199)	(361,402)
NET ASSETS - Beginning of Year	<u>8,422,381</u>	<u>4,488,536</u>	<u>12,910,917</u>	<u>1,599,295</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 9,114,991</u>	<u>\$ 3,526,727</u>	<u>\$ 12,641,718</u>	<u>\$ 1,237,893</u>
Change in net assets of enterprise funds			\$ (269,199)	
Change in internal service fund net assets allocable to business-type activities			<u>(174,180)</u>	
<b>CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES</b>			<u>\$ (443,379)</u>	

See accompanying notes to financial statements.

**SAUK COUNTY**

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

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Highway	Health Care Center	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 3,903,515	\$ 5,983,437	\$ 9,886,952	\$ 26,708
Paid to employees and suppliers for goods and services	(8,590,618)	(8,910,842)	(17,501,460)	(77,210)
Net Cash Flows From Operating Activities	<u>(4,687,103)</u>	<u>(2,927,405)</u>	<u>(7,614,508)</u>	<u>(50,502)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	-	(643,124)	(643,124)	-
Miscellaneous revenues	27,022	-	27,022	-
General property taxes	3,673,792	3,259,202	6,932,994	-
Intergovernmental grants	1,569,782	909,974	2,479,756	-
Net Cash Flows From Non-Capital Financing Activities	<u>5,270,596</u>	<u>3,526,052</u>	<u>8,796,648</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	-	2,291	2,291	1,194
Net Cash Flows From Investing Activities	<u>-</u>	<u>2,291</u>	<u>2,291</u>	<u>1,194</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt issued	-	4,925,000	4,925,000	-
Debt issuance costs paid	-	(44,350)	(44,350)	-
Premium on debt received	-	44,426	44,426	-
Principal paid	-	(5,385,000)	(5,385,000)	-
Interest paid	-	(510,301)	(510,301)	-
Sale of capital assets	-	160,169	160,169	-
Acquisition of capital assets	(571,591)	(72,663)	(644,254)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(571,591)</u>	<u>(882,719)</u>	<u>(1,454,310)</u>	<u>-</u>
<b>Change in Cash and Cash Equivalents</b>	11,902	(281,781)	(269,879)	(49,308)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>112</u>	<u>336,289</u>	<u>336,401</u>	<u>502,480</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 12,014</u>	<u>\$ 54,508</u>	<u>\$ 66,522</u>	<u>\$ 453,172</u>

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Highway	Health Care Center	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (4,665,876)	\$ (3,704,301)	\$ (8,370,177)	\$ (362,596)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities				
Depreciation expense	602,300	474,340	1,076,640	-
Changes in Noncash Components of Working Capital				
Accounts receivable	(45,018)	123,230	78,212	-
Due from other funds	(105,787)	270,628	164,841	327,894
Due from other governmental units	(257,536)	-	(257,536)	-
Inventories	875	31,001	31,876	-
Prepaid items	(28,038)	(10,408)	(38,446)	(102,244)
Accounts payable	(223,949)	(155,576)	(379,525)	-
Accrued liabilities	12,242	21,308	33,550	-
Due to other governmental units	1,606	-	1,606	-
Deposits	-	(3,384)	(3,384)	-
Unearned revenue	(6,361)	-	(6,361)	-
Claims payable	-	-	-	86,444
Compensated absences	26,891	15,667	42,558	-
Health insurance - retirees credit	(6,326)	-	(6,326)	-
Other postemployment benefits	7,874	10,090	17,964	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (4,687,103)</u>	<u>\$ (2,927,405)</u>	<u>\$ (7,614,508)</u>	<u>\$ (50,502)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</b>				
Cash and investments - statement of net assets - proprietary fund	\$ 12,014	\$ 327	\$ 12,341	\$ 453,172
Restricted cash and investments - statement of net assets - proprietary fund	-	54,181	54,181	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 12,014</u>	<u>\$ 54,508</u>	<u>\$ 66,522</u>	<u>\$ 453,172</u>
<b>NONCASH CAPITAL AND FINANCING ACTIVITIES:</b>				
Capital contributions	<u>\$ 87,890</u>	<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to financial statements.

**SAUK COUNTY**

STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
December 31, 2010

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 659,100
Accounts receivable	5,973
Property taxes receivable	1,175,141
Due from other governments	<u>8,338</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,848,552</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 1,547
Accrued liabilities	745
Deposits	656,949
Due to other governments	<u>1,189,311</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>1,848,552</u></b>

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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, 2010. 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, 2010

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

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

##### ***Government-Wide Financial Statements***

In June 2007, the GASB issued statement No. 51 – *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and reporting requirements for intangible assets to reduce inconsistencies among governments, thereby enhancing the comparability of such assets among state and local governments.

The county made the decision to implement this standard effective January 1, 2010. There was no significant impact to these 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.

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS

December 31, 2010

---

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

---

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

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

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.

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.

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

### 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 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)
- 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

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

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

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

---

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

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

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 guidance 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, 2010

---

### 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, 2010

---

### 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 guidance 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, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

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

---

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

##### *1. Deposits and Investments (cont.)*

- 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, 2010 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, 2010

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### 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, 2010, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

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 – 2010 tax roll:

Lien date and levy date	December 2010
Tax bills mailed	December 2010
Payment in full, or	January 31, 2011
First installment due	January 31, 2011
Second installment due	July 31, 2011
Personal property taxes in full	January 31, 2011
Tax sale – 2010 delinquent real estate taxes	October 2013

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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#### **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.

All CDBG loans have been originally funded by external grant funds. Loans receivable issued from the CDBG-ED and CDBG-FRSB revolving loan funds are shown net of an allowance for uncollectible accounts. The principal balances are also shown as unearned revenues to be recognized when repayment is received. Loans receivable issued from the CDBG-EAP fund are considered forgivable loans. A portion of loan principal is forgiven each year so long as the recipient of the loans remains in business. Any remaining principal is due if the business ceases operation. Since these loans are intended to not be repaid, the grant revenue was recognized at the date of loan issuance.

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, 2010, the county has accrued two months of subsequent year 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, 2010

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

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#### *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. No 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 and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net assets. Depreciation and amortization are 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
Intangibles	10-30 Years

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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#### **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, 2010 are determined on the basis of 2011 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, 2010

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

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#### *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. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. 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, 2010

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

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#### 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	\$ 18,790,000
Compensated absences	2,692,561
Workers compensation	241,651
Post employment benefits	225,292
Landfill post-closure liability	2,507,460
Accrued interest	<u>185,105</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 24,642,069</u>

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### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### 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 \$1,765,080 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, 2010

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

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#### **C. DEFICIT BALANCES**

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

As of December 31, 2010, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Dog license	\$ 5,401	License sales lagged 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, 2010

#### 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	\$ 28,329,474	\$ 29,047,758	Custodial credit risk
LGIP	5,846,684	5,846,684	Credit risk, interest rate risk
Petty cash and cash on hand	22,297	17,120	N/A
Total Cash and Investments	\$ 34,198,455	\$ 34,911,562	
Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 33,485,174		
Restricted cash and investments	54,181		
Per statement of net assets			
Fiduciary Funds	659,100		
Total Cash and Investments	\$ 34,198,455		

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, 2010, the banks had pledged various government securities in the amount of \$6,437,684 to secure the county's deposits.

**SAUK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**A. DEPOSITS AND INVESTMENTS (cont.)**

***Custodial Credit Risk***

As of December 31, 2010, the carrying amount of the county's deposits and investments was \$28,329,474 and the bank balance was \$29,047,758. \$28,582,389 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. \$465,369 of the bank balance was uninsured or uncollateralized at year-end.

Uninsured and collateral held by the pledging financial institution	\$	437,466
Uninsured and uncollateralized		27,903
Total	\$	465,369

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, 2010, 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, 2010, the county's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Local government investment pool	\$ 5,846,684	73

**SAUK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**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:

	General	Non-Major Funds	Health Care Center
Amounts not expected to be collected within one year	\$ <u>1,454,001</u>	\$ <u>1,263,817</u>	\$ <u>9,772</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>164,000</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:

	Unavailable	Unearned	Totals
Property taxes receivable	\$ -	\$ 22,114,182	\$ 22,114,182
Delinquent property taxes receivable	800,358	-	800,358
Accounts and grants receivable not received within 60 days of year end	820,776	-	820,776
2011 grants received in 2010	-	113,548	113,548
 Total Unearned Revenue for Governmental Funds	 \$ 1,621,134	 22,227,730	 \$ 23,848,864
 Internal service unearned revenue		 109	
Total		\$ 22,227,839	

**SAUK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**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, 2010, such collections aggregated \$636,250 of which \$141,776 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, 2010, delinquent property taxes by year levied consists of the following:

	Total	County Levied	County Purchased
Tax Certificates			
2009	\$ 2,563,907	\$ 578,762	\$ 1,985,145
2008	1,052,117	237,114	815,003
2007	291,083	68,306	222,777
2006	5,291	1,248	4,043
2005	664	-	664
Tax deeds	99,601	56,705	42,896
Total Delinquent Property Taxes Receivable	\$ 4,012,663	\$ 942,135	\$ 3,070,528

**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.

## SAUK COUNTY

### NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

##### C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2010:

	Restricted Assets
Equipment replacement account	\$ 39,979
Residents' funds and restricted donations	14,202
Total	\$ 54,181

##### D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated/ amortized				
Land	\$ 1,236,871	\$ -	\$ 20,387	\$ 1,216,484
Purchased development rights	6,302,739	-	-	6,302,739
Construction in progress	104,692	938,665	104,482	938,875
Total Capital Assets Not Being Depreciated/Amortized	7,644,302	938,665	124,869	8,458,098
Capital assets being depreciated/amortized				
Land improvements	641,364	91,524	27,504	705,384
Buildings	45,679,899	230,284	122,604	45,787,579
Building improvements	6,479,443	109,664	355,849	6,233,258
Machinery, equipment, and vehicles	6,328,778	760,073	340,374	6,748,477
Infrastructure	58,585,346	563,468	670,440	58,478,374
Total Capital Assets Being Depreciated/Amortized	117,714,830	1,755,013	1,516,771	117,953,072
Less: Accumulated depreciation/ amortization for				
Land improvements	(288,941)	(8,432)	19,573	(277,800)
Buildings	(7,200,156)	(615,724)	103,180	(7,712,700)
Building improvements	(1,919,105)	(139,767)	294,621	(1,764,251)
Machinery, equipment, and vehicles	(3,440,320)	(606,534)	279,778	(3,767,076)
Infrastructure	(22,649,283)	(2,007,976)	521,009	(24,136,250)
Total Accumulated Depreciation/ Amortization	(35,497,805)	(3,378,433)	1,218,161	(37,658,077)
Governmental Activities Capital Assets, Net of Depreciation/Amortization	\$ 89,861,327	\$ (684,755)	\$ 423,479	\$ 88,753,093

**SAUK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**D. CAPITAL ASSETS (cont.)**

Depreciation/amortization expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 604,058
Public safety	655,988
Public works, which includes the depreciation of infrastructure	1,890,706
Health and social services	84,019
Culture, education, and recreation	125,954
Conservation and development	<u>17,708</u>

Total Governmental Activities Depreciation/Amortization Expense \$ 3,378,433

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated/ amortized				
Land	\$ 576,718	\$ -	\$ -	\$ 576,718
Construction in progress	<u>5,924</u>	<u>10,810</u>	<u>-</u>	<u>16,734</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>582,642</u>	<u>10,810</u>	<u>-</u>	<u>593,452</u>
Capital assets being depreciated/amortized				
Land improvements	235,366	24,128	-	259,494
Infrastructure	72,076	-	-	72,076
Buildings	16,776,043	157,070	38,798	16,894,315
Building improvements	15,640	-	15,640	-
Machinery and equipment	<u>12,834,370</u>	<u>538,365</u>	<u>392,437</u>	<u>12,980,298</u>
Total Capital Assets Being Depreciated/Amortized	<u>29,933,495</u>	<u>719,563</u>	<u>446,875</u>	<u>30,206,183</u>
Less: Accumulated depreciation/ amortization for				
Land improvements	(120,587)	(8,983)	-	(129,570)
Infrastructure	(480)	(2,883)	-	(3,363)
Buildings	(1,570,229)	(425,574)	6,620	(1,989,183)
Building improvements	(10,962)	(304)	11,266	-
Machinery and equipment	<u>(6,651,347)</u>	<u>(638,896)</u>	<u>381,196</u>	<u>(6,909,047)</u>
Total Accumulated Depreciation/ Amortization	<u>(8,353,605)</u>	<u>(1,076,640)</u>	<u>399,082</u>	<u>(9,031,163)</u>
Business-type Capital Assets, Net of Depreciation/Amortization	<u>\$ 22,162,532</u>	<u>\$ (346,267)</u>	<u>\$ 47,793</u>	<u>\$ 21,768,472</u>

**SAUK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**D. CAPITAL ASSETS (cont.)**

Depreciation/amortization expense was charged to functions as follows:

<b>Business-type Activities</b>	
Highway	\$ 602,300
Health Care Center	<u>474,340</u>
Total Business-type Activities Depreciation/Amortization Expense	<u>\$ 1,076,640</u>

During 2009, a new county health care center facility was constructed and occupied in November, 2009. 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 a non-operating revenue for the gain on the sale of the remaining assets of \$111,131.

**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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Aging and Disability Resource Center	\$ 36,688
General fund	County jail	3,662
General fund	CDBG-EAP emergency assistance	121,785
General fund	Debt service	240,326
General fund	Dog license	4,317
Human services	General fund	2,312,279
Land records modernization	General fund	693,792
Landfill remediation	General fund	77,942
CDBG-ED revolving loan	General fund	299,392
CDBG-FRSB revolving loan	General fund	57
Alice in Dairyland	General fund	500
Building projects	General fund	133,869
Highway	General fund	1,243,863
Health care center	General fund	2,282,603
Insurance	General fund	28,745
Workers' compensation	General fund	895,383
Subtotal – Fund financial statements		<u>8,375,203</u>
Add: Internal service fund allocations		(576,766)
Less: Fund eliminations		<u>(3,695,205)</u>
Total – Government-Wide Statement of Net Assets		<u>\$ 4,103,232</u>

**SAUK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**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	<u>(4,103,232)</u>
Total		<u>\$ (4,103,232)</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	\$ 643,124	Transfer ITP grant
General fund	Alice in Dairyland	8,199	Closure of Alice in Dairyland fund
General fund	Forest management	72,895	Closure of forest management fund
General fund	Baraboo Range	16,176	Closure of Baraboo Range fund
General fund	Human services	137,369	Excess balance returned
Debt service	General fund	2,081,369	Sales taxes used for debt payments
Debt service	County jail	140,000	Assessment fees used for debt payments
Building projects	General fund	<u>98,311</u>	Communications project
Subtotal – Fund Financial Statements		3,197,443	
Add: Contributions from Highway		1,245,925	
Less: Fund eliminations		<u>(2,554,319)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 1,889,049</u>	

**SAUK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**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	\$ 1,889,049
Business-type activities	Governmental activities	<u>-</u>
 Total		 <u>\$ 1,889,049</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.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 20,430,000	\$ -	\$ 1,640,000	\$ 18,790,000	\$ 1,705,000
 Other Liabilities					
Vested compensated absences (Note I.D.7.)	2,523,353	2,104,282	1,935,074	2,692,561	2,104,282
Workers compensation	155,207	181,292	94,848	241,651	62,310
Other post employment benefits	184,097	77,093	35,898	225,292	-
Landfill post-closure liability (Note IV.H.)	2,609,742	-	102,282	2,507,460	120,550
Total Other Liabilities	<u>5,472,399</u>	<u>2,362,667</u>	<u>2,168,102</u>	<u>5,666,964</u>	<u>2,287,142</u>
 Total Governmental Activities Long-Term Liabilities	 <u>\$ 25,902,399</u>	 <u>\$ 2,362,667</u>	 <u>\$ 3,808,102</u>	 <u>\$ 24,456,964</u>	 <u>\$ 3,992,142</u>

**SAUK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**F. LONG-TERM OBLIGATIONS (cont.)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 9,115,000	\$ 4,925,000	\$ 385,000	\$ 13,655,000	\$ 260,000
Bond anticipation notes	5,000,000	-	5,000,000	-	-
Unamortized premium	299,516	44,426	41,903	302,039	25,899
Unamortized loss (net of gain) on refunding	(110,790)	-	(91,186)	(19,604)	(19,604)
Total Bonds and Notes Payable	<u>14,303,726</u>	<u>4,969,426</u>	<u>5,335,717</u>	<u>13,937,435</u>	<u>266,295</u>
<b>Other Liabilities</b>					
Vested compensated absences (Note I.D.7.)	1,239,297	957,361	914,804	1,281,854	969,339
Health insurance-retirees	8,828	-	6,326	2,502	2,502
Post employment benefits	54,655	33,620	15,655	72,620	-
Total Other Liabilities	<u>1,302,780</u>	<u>990,981</u>	<u>936,785</u>	<u>1,356,976</u>	<u>971,841</u>
 Total Business-Type Activities Long-Term Liabilities	 <u>\$ 15,606,506</u>	 <u>\$ 5,960,407</u>	 <u>\$ 6,272,502</u>	 <u>\$ 15,294,411</u>	 <u>\$ 1,238,136</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.

**Current Refunding**

On July 6, 2010, the county issued \$4,925,000 in general obligation bonds with an average interest rate of 4.04%, as well as \$75,000 of unused bond proceeds, to current refund \$5,000,000 of outstanding bond anticipation notes. The net proceeds of \$4,925,000 (after payment of \$44,350 in underwriting fee, insurance, and other issuance cost plus \$44,426 reoffering premium and \$76 for further debt payment) were used to prepay the outstanding debt service requirements on the old bonds

The cash flow requirement on the refunded note prior to the refunding was \$5,165,000 through 2011. The cash flow requirements on the 2010 notes are \$7,985,569 from 2011 through 2027. The refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$5,108.

## SAUK COUNTY

### NOTES TO FINANCIAL STATEMENTS December 31, 2010

#### 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, 2010, was \$346,228,415. Total general obligation debt outstanding at year end was \$32,445,000.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-10
General Obligation Debt					
Refunding bonds	12/1/01	10/1/21	3.15 - 4.75%	\$ 24,500,000	\$ 1,490,000
Refunding bonds	5/1/04	10/1/17	2.00 - 4.10%	6,550,000	6,250,000
Promissory notes	5/1/04	10/1/13	2.00 - 3.60%	3,450,000	1,275,000
Refunding bonds	12/29/05	10/1/15	3.50 - 4.00%	10,000,000	9,775,000
Total Governmental Activities – General Obligation Debt					<u>\$ 18,790,000</u>

Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-10
General Obligation Debt					
Promissory notes	12/29/07	10/01/17	3.50 – 4.00%	\$ 5,000,000	\$ 3,875,000
Refunding note	10/13/09	10/1/23	2.00 – 4.00%	4,965,000	4,855,000
Refunding note	7/6/10	10/1/27	4.00 – 4.125%	4,925,000	4,925,000
Total Business Type Activities – General Obligation Debt					<u>\$ 13,655,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt			Business-Type Activities General Obligation Debt		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 1,705,000	\$ 740,420	\$ 2,445,420	\$ 260,000	\$ 586,100	\$ 846,100
2012	1,770,000	674,533	2,444,533	320,000	530,344	850,344
2013	1,840,000	606,263	2,446,263	330,000	519,894	849,894
2014	1,455,000	534,573	1,989,573	800,000	508,269	1,308,269
2015	1,525,000	476,372	2,001,372	820,000	478,719	1,298,719
2016 – 2020	8,570,000	1,425,023	9,995,023	4,240,000	1,893,069	6,133,069
2021 – 2025	1,925,000	77,000	2,002,000	4,730,000	1,018,400	5,748,400
2026 – 2027	-	-	-	2,155,000	130,200	2,285,200
Totals	<u>\$ 18,790,000</u>	<u>\$ 4,534,184</u>	<u>\$ 23,324,184</u>	<u>\$ 13,655,000</u>	<u>\$ 5,664,995</u>	<u>\$ 19,319,995</u>

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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#### *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, 2010, \$15,480,000 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 \$2,507,460 reported as landfill closure and postclosure care liability at December 31, 2010, 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 2010. 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. \$2,452,553 is held with the DNR for postclosure care. The county expects that future inflation costs will be paid from interest earnings. 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, 2010

**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, 2010 includes the following:

**Governmental Activities**

Invested in capital assets, net of related debt	
Land	\$ 1,216,484
Purchased development rights	6,302,739
Construction in progress	938,875
Other capital assets, net of accumulated depreciation	80,294,995
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(18,790,000)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>69,963,093</u>
 Restricted	
Trust activities - Alice in Dairyland trust	8,949
Loan programs	1,868,923
Aging programs	29,746
Landfill post-closure care	2,452,553
Law enforcement activities	<u>97,254</u>
Total Restricted	<u>4,457,425</u>
 Unrestricted	
	<u>26,328,232</u>
 Total Governmental Activities Net Assets	<u><u>\$ 100,748,750</u></u>

Governmental fund balances reported on the fund financial statements at December 31, 2010 include the following:

<b>Reserved</b>	
Major Funds	
General Fund	
Alice in Dairyland trust	\$ 8,949
Advance to Tri-County Airport	10,791
Delinquent property taxes	2,576,054
Prepaid items	191,697
Inventory	46,782
Encumbrances	<u>10,297</u>
Total	<u><u>\$ 2,844,570</u></u>
 Human Services	
Prepaid items	<u><u>\$ 3,204</u></u>

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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#### I. NET ASSETS/FUND BALANCES

##### Governmental Activities (cont.)

###### Reserved (cont.)

Non-Major Funds	
CDBG-EAP emergency assistance long-term receivables	\$ 1,046,659
Debt service	34,534
Building projects encumbrances	<u>156,367</u>
Total	<u>\$ 1,237,560</u>

###### Unreserved, designated

Major Funds	
General Fund	
Carryforwards to subsequent year	\$ 1,765,080
Fund balance applied to subsequent year budget	2,344,390
Working capital	<u>11,665,768</u>
Total	<u>\$ 15,775,238</u>

###### Unreserved, undesignated (deficit)

Major Funds	
General fund	<u>\$ 5,626,686</u>
Human services	<u>\$ 2,002,307</u>
Non-Major Funds	
Special Revenue Funds	
Aging and Disability Resource Center	\$ 134,057
County jail	4,162
Land records modernization	663,347
Landfill remediation	5,387,135
Drug seizures	97,254
CDBG-ED revolving loans	299,485
CDBG-FRSB revolving loans	57
CDBG-EAP	66,651
Dog license (deficit)	<u>(5,401)</u>
Total	<u>\$ 6,646,747</u>
Capital Projects Funds	
Building projects (deficit)	<u>\$ (22,498)</u>

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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#### I. NET ASSETS/FUND BALANCES (cont.)

##### *Business-type Activities*

Invested in capital assets, net of related debt	
Land	\$ 576,718
Construction in progress	16,734
Other capital assets, net of accumulated depreciation	21,175,020
Less: Related long-term debt outstanding	(13,655,000)
Less: Costs of issuance, premiums, and loss on refunding	(162,093)
Total Invested in Capital Assets, Net of Related Debt	<u>7,951,379</u>
Restricted	
Equipment replacement	<u>39,979</u>
Unrestricted	<u>5,227,126</u>
Total Business-type Activities Net Assets	<u>\$ 13,218,484</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 \$324,745 and the bank balance was \$344,210. 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, 2010

**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	4,152,780	70,824	-	4,223,604	5 – 40
Furniture and equipment	230,444	3,085	-	233,529	3 – 10
Total Capital Assets	<u>4,967,251</u>	<u>73,909</u>	<u>-</u>	<u>5,041,160</u>	
Accumulated depreciation	<u>(2,425,678)</u>	<u>(182,950)</u>	<u>-</u>	<u>(2,608,628)</u>	
Net Capital Assets	<u>\$ 2,541,573</u>	<u>\$ (109,041)</u>	<u>\$ -</u>	<u>\$ 2,432,532</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>\$ 1,418,464</u>	<u>\$ -</u>	<u>\$ 39,450</u>	<u>\$ 1,379,014</u>

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2011	\$ 42,100	\$ 99,201	\$ 141,301
2012	44,925	96,376	141,301
2013	349,926	77,798	427,724
2014	26,744	70,761	97,505
2015	28,526	68,979	97,505
2016 – 2020	110,535	320,177	430,712
2021 – 2023	148,829	273,418	422,247
2024 – 2028	217,019	205,228	422,247
2029 – 2035	299,630	105,384	405,014
2036 – 2040	109,592	20,354	129,946
2041	<u>1,188</u>	<u>393</u>	<u>1,581</u>
Totals	<u>\$ 1,379,014</u>	<u>\$ 1,338,069</u>	<u>\$ 2,717,083</u>

## SAUK COUNTY

### NOTES TO FINANCIAL STATEMENTS December 31, 2010

#### 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, 2009 was \$182,285; the Housing Authority's total payroll was \$225,803.

The total required contribution for the year ended December 31, 2009 was \$18,958 or 10.4% of covered payroll. Of this amount, 4.5% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2008 and 2007 were \$20,305 and \$19,198, 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, 2010 includes the following:

Invested in capital assets, net of related debt		
Other capital assets, net of accumulated depreciation	\$	2,432,532
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)		<u>(1,379,014)</u>
Total Invested in Capital Assets, Net of Related Debt		1,053,518
Restricted		
Escrow accounts		48,851
Unrestricted		<u>692,249</u>
Total Net Assets	\$	<u>1,794,618</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 were 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 06-30-10
Tower Street Limited Partnership	1%	\$ 623,150
Kolan Kourt Limited Partnership	.01%	406,585
Highpointe Commons Ownership Group, LLC	.51%	1,246,546

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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#### 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. Restatement of Net Assets

As of June 30, 2009, the Authority had additional unrecorded accounts receivable from Tower Street Apartments of \$17,850 and Kolan Kourt Apartments of \$18,617. Therefore, net assets are restated as follows:

Net assets per prior year audit, June 30, 2009	\$ 1,841,984
Recording of additional accounts receivable	<u>23,467</u>
Net Assets as Restated, June 30, 2009	<u>\$ 1,865,451</u>

##### k. 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.

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### NOTE V – OTHER INFORMATION

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#### 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 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% for Protective Occupations without Social Security) to the plan. Employers 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, 2010 was \$27,558,807; the employer's total payroll was \$27,319,769. The total required contribution for the year ended December 31, 2010 was \$3,347,695 or 12.2% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2009 and 2008 were \$3,199,700 and \$2,907,254, respectively, equal to the required contributions for each year.

# SAUK COUNTY

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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### NOTE V – OTHER INFORMATION (cont.)

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#### **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, 2010, 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 \$10,000,000 in aggregate limits 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 \$50,000 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, 2010

**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, 2010. A total liability of approximately \$241,651 at December 31, 2010 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:

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2010	\$ 155,207	\$ 181,292	\$ 94,848	\$ 241,651
2009	130,606	116,870	92,269	155,207

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, 2010 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, 2010

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### NOTE V – OTHER INFORMATION (cont.)

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#### **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 was 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 2010, the county spent \$102,282 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, 2010

#### 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	\$	101,162
Interest on net OPEB obligation		9,550
Adjustment to annual required contribution		<u>(9,488)</u>
Annual OPEB cost		101,224
Contributions made		<u>(42,065)</u>
Increase in Net OPEB Obligation (Asset)		59,159
Net OPEB Obligation – Beginning of Year		<u>238,753</u>
Net OPEB Obligation – End of Year	\$	<u><u>297,912</u></u>

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the past two previous years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/10	\$ 101,162	41.6%	\$ 297,912
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, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	854,161
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u><u>854,161</u></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, 2010

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#### NOTE V – OTHER INFORMATION (cont.)

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##### *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 projected 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 10.0% 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 amortization period at December 31, 2010 was 30 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 \$16,135 to the airport for 2010. The county believes that they will make similar payments to the airport in the future.

Financial information of the airport as of December 31, 2010 is available directly from the county.

##### *F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS*

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. 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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
General	\$ 2,279,503	\$ 2,279,503	\$ 2,868,557	\$ 589,054
County board	141,396	141,396	141,396	-
Clerk of courts	1,255,619	1,255,619	1,264,844	9,225
Board of adjustments	77,468	77,468	71,468	(6,000)
Circuit court	623,560	623,560	623,419	(141)
Court commissioner	207,061	207,061	206,460	(601)
Circuit court probate	158,919	158,919	149,399	(9,520)
Accounting	483,547	483,547	520,104	36,557
Family court counseling	16,500	16,500	16,900	400
County clerk	392,932	392,932	395,428	2,496
Personnel	387,256	387,256	377,131	(10,125)
Treasurer	463,911	491,935	1,184,137	692,202
Register of deeds	221,682	221,682	228,893	7,211
District attorney	511,918	511,918	494,033	(17,885)
Corporation counsel	573,329	573,329	574,472	1,143
Surveyor	76,581	76,581	76,581	-
Buildings and maintenance	2,590,013	2,662,553	2,699,789	37,236
Property mapping	188,623	160,599	188,323	27,724
Sheriff	14,497,526	14,599,234	13,908,028	(691,206)
Coroner	137,015	143,205	137,015	(6,190)
Emergency government	191,896	231,138	272,320	41,182
Administrative coordinator	164,935	164,935	164,935	-
Management information systems	1,930,338	2,511,736	1,773,066	(738,670)
Public health	711,218	767,829	848,910	81,081
Home nursing	861,540	861,540	749,111	(112,429)
Public health - WIC	257,398	278,414	322,607	44,193
Public health - environmental health	308,578	308,578	308,859	281
Child support	985,743	985,743	993,824	8,081
Veteran's service	214,535	214,535	214,535	-
Parks	288,885	288,885	362,659	73,774
Planning and zoning	818,891	828,891	547,973	(280,918)
Land conservation	1,054,173	1,054,173	1,008,615	(45,558)
University extension	310,101	310,101	314,021	3,920
County farm	8,540	8,540	2,468	(6,072)
<b>Total Revenues</b>	<u>33,391,130</u>	<u>34,279,835</u>	<u>34,010,280</u>	<u>(269,555)</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
General	\$ 1,548,134	\$ 1,548,023	\$ 1,186,705	\$ 361,318
County board	141,396	141,396	137,530	3,866
Clerk of courts	1,255,619	1,258,619	1,249,185	9,434
Board of adjustments	77,468	77,468	74,300	3,168
Circuit court	633,560	638,409	619,188	19,221
Court commissioner	207,061	207,061	203,754	3,307
Circuit court probate	158,919	158,919	144,258	14,661
Accounting	483,547	553,250	457,205	96,045
Family court counseling	17,852	18,195	16,268	1,927
County clerk	392,932	396,332	359,455	36,877
Personnel	387,256	428,627	357,788	70,839
Treasurer	463,911	622,322	442,358	179,964
Register of deeds	221,682	223,182	206,628	16,554
District attorney	511,918	556,003	465,975	90,028
Corporation counsel	573,329	573,329	561,307	12,022
Surveyor	76,581	76,581	68,290	8,291
Buildings and maintenance	2,590,013	3,375,620	2,469,942	905,678
Property mapping	188,623	160,599	156,283	4,316
Sheriff	14,497,526	14,656,934	14,045,328	611,606
Coroner	137,015	143,205	143,205	-
Emergency government	191,896	249,138	249,138	-
Administrative coordinator	244,935	244,935	214,957	29,978
Management information systems	1,930,338	2,795,992	1,769,631	1,026,361
Public health	715,375	777,959	777,959	-
Home nursing	861,540	861,540	725,065	136,475
Public health - WIC	259,243	319,590	319,590	-
Public health - environmental health	348,891	345,578	331,169	14,409
Child support	985,743	985,743	931,182	54,561
Veteran's service	214,535	222,452	200,210	22,242
Parks	538,885	782,820	514,855	267,965
Planning and zoning	1,144,808	1,290,119	584,623	705,496
Land conservation	1,071,379	1,166,715	932,017	234,698
University extension	310,101	325,727	304,255	21,472
County farm	8,540	8,540	6,704	1,836
Total Expenditures	<u>33,390,551</u>	<u>36,190,922</u>	<u>31,226,307</u>	<u>4,964,615</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ 579	\$ (1,911,087)	\$ 2,783,973	\$ 4,695,060
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	300,000	300,000	877,763	577,763
Transfers out	<u>(2,304,728)</u>	<u>(2,301,728)</u>	<u>(2,179,680)</u>	<u>122,048</u>
Total Other Financing Sources (Uses)	<u>(2,004,728)</u>	<u>(2,001,728)</u>	<u>(1,301,917)</u>	<u>699,811</u>
Net Change in Fund Balance	(2,004,149)	(3,912,815)	1,482,056	5,394,871
FUND BALANCE - Beginning of Year	<u>22,764,438</u>	<u>22,764,438</u>	<u>22,764,438</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 20,760,289</u>	<u>\$ 18,851,623</u>	<u>\$ 24,246,494</u>	<u>\$ 5,394,871</u>

## SAUK COUNTY

### HUMAN SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,484,537	\$ 7,484,537	\$ 7,484,537	\$ -
Intergovernmental	8,631,035	8,691,294	9,058,924	367,630
Fines, forfeitures and penalties	140,000	140,000	114,674	(25,326)
Public charges for services	430,450	430,450	366,194	(64,256)
Intergovernmental charges for services	35,221	35,221	-	(35,221)
Miscellaneous	10,200	10,200	9,476	(724)
Total Revenues	<u>16,731,443</u>	<u>16,791,702</u>	<u>17,033,805</u>	<u>242,103</u>
<b>EXPENDITURES</b>				
Current				
Health and social services	16,731,443	17,050,723	16,489,909	560,814
Total Expenditures	<u>16,731,443</u>	<u>17,050,723</u>	<u>16,489,909</u>	<u>560,814</u>
Excess (deficiency) of revenues over expenditures	-	(259,021)	543,896	802,917
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(137,369)	(137,369)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(137,369)</u>	<u>(137,369)</u>
Net Change in Fund Balance	-	(259,021)	406,527	665,548
FUND BALANCE - Beginning of Year	<u>1,598,984</u>	<u>1,598,984</u>	<u>1,598,984</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,598,984</u>	<u>\$ 1,339,963</u>	<u>\$ 2,005,511</u>	<u>\$ 665,548</u>

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, 2010

#### 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
1/1/2010		- 854,161	854,161	0%	N/A	N/A

The county is required to present the above information for the most recent actuarial studies. The study completed as of January 1, 2010 was the most recent study performed for the county.

## SAUK COUNTY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2010

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#### *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.

There were no excess expenditures over appropriations in 2010.

The county monitors budgets at the department level of control.

See independent auditors' report.

**SUPPLEMENTARY INFORMATION**

**SAUK COUNTY**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2010

	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	Drug Seizures	CDBG-ED Revolving Loan	CDBG-FRSB Revolving Loan	CDBG-EAP Emergency Assistance	Alice in Dairyland	Dog License	Debt Service	Building Projects	
<b>ASSETS</b>													
Cash and investments	\$ 36,902	\$ -	\$ -	\$ 2,871,257	\$ 99,801	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ 274,860	\$ -	\$ 3,282,920
Taxes receivable	147,738	-	-	-	-	-	-	-	-	-	250,000	-	397,738
Accounts receivable	187	7,824	1,230	372	-	-	-	-	-	41	-	-	9,654
Loans receivable	-	-	-	-	-	129,996	326,075	1,046,659	-	-	-	-	1,502,730
Due from other funds	-	-	693,792	77,942	-	299,392	57	-	500	-	-	133,869	1,205,552
Due from other governmental units	389,874	-	-	2,452,553	-	-	-	196,609	-	-	-	-	3,039,036
<b>TOTAL ASSETS</b>	<b>\$ 574,701</b>	<b>\$ 7,824</b>	<b>\$ 695,022</b>	<b>\$ 5,402,124</b>	<b>\$ 99,801</b>	<b>\$ 429,488</b>	<b>\$ 326,132</b>	<b>\$ 1,243,268</b>	<b>\$ 500</b>	<b>\$ 41</b>	<b>\$ 524,860</b>	<b>\$ 133,869</b>	<b>\$ 9,437,630</b>
<b>LIABILITIES AND FUND BALANCES</b>													
<b>Liabilities</b>													
Accounts payable	\$ 55,256	\$ -	\$ 26,568	\$ 14,989	\$ 2,547	\$ 7	\$ -	\$ 8,173	\$ 500	\$ 51	\$ -	\$ -	\$ 108,091
Accrued liabilities	10,304	-	389	-	-	-	-	-	-	-	-	-	10,693
Due to other funds	36,688	3,662	-	-	-	-	-	121,785	-	4,317	240,326	-	406,778
Due to other governmental units	-	-	4,718	-	-	-	-	-	-	1,074	-	-	5,792
Deferred revenues	338,396	-	-	-	-	129,996	326,075	-	-	-	250,000	-	1,044,467
<b>Total Liabilities</b>	<b>440,644</b>	<b>3,662</b>	<b>31,675</b>	<b>14,989</b>	<b>2,547</b>	<b>130,003</b>	<b>326,075</b>	<b>129,958</b>	<b>500</b>	<b>5,442</b>	<b>490,326</b>	<b>-</b>	<b>1,575,821</b>
<b>Fund Balances</b>													
Reserved	-	-	-	-	-	-	-	1,046,659	-	-	34,534	156,367	1,237,560
Unreserved													
Undesignated (Deficit)	134,057	4,162	663,347	5,387,135	97,254	299,485	57	66,651	-	(5,401)	-	(22,498)	6,624,249
<b>Total Fund Balances (Deficit)</b>	<b>134,057</b>	<b>4,162</b>	<b>663,347</b>	<b>5,387,135</b>	<b>97,254</b>	<b>299,485</b>	<b>57</b>	<b>1,113,310</b>	<b>-</b>	<b>(5,401)</b>	<b>34,534</b>	<b>133,869</b>	<b>7,861,809</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 574,701</b>	<b>\$ 7,824</b>	<b>\$ 695,022</b>	<b>\$ 5,402,124</b>	<b>\$ 99,801</b>	<b>\$ 429,488</b>	<b>\$ 326,132</b>	<b>\$ 1,243,268</b>	<b>\$ 500</b>	<b>\$ 41</b>	<b>\$ 524,860</b>	<b>\$ 133,869</b>	<b>\$ 9,437,630</b>

SAUK COUNTY

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

	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		
<b>REVENUES</b>																
Taxes	\$ 164,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 414,180
Intergovernmental	1,180,471	-	300	-	-	104,485	3,297	-	-	3,249,062	-	-	-	-	-	4,537,615
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	29,229	-	-	-	29,229
Fines, forfeitures, and penalties	-	-	-	-	-	-	19,139	-	-	-	-	-	-	-	-	19,139
Public charges for services	74,616	-	207,007	8,522	-	-	-	-	-	-	-	-	-	-	-	290,145
Intergovernmental charges for services	27,901	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,901
Regulation and compliance	-	121,793	-	-	-	-	-	-	-	-	-	-	-	-	-	121,793
Investment income	14	-	-	36,566	-	-	910	4,811	-	-	14	-	6,644	-	-	48,959
Miscellaneous	110,942	-	-	-	-	-	-	73,538	-	-	-	-	-	-	-	184,480
<b>Total Revenues</b>	<b>1,558,124</b>	<b>121,793</b>	<b>207,307</b>	<b>45,088</b>	<b>-</b>	<b>104,485</b>	<b>23,346</b>	<b>78,349</b>	<b>-</b>	<b>3,249,062</b>	<b>14</b>	<b>29,229</b>	<b>256,644</b>	<b>-</b>	<b>-</b>	<b>5,673,441</b>
<b>EXPENDITURES</b>																
Current																
General government	-	-	148,260	-	-	-	-	-	-	-	-	-	-	-	-	148,260
Public safety	-	-	-	-	-	-	11,237	-	-	2,726,886	-	-	-	-	-	2,738,123
Health and social services	1,548,806	-	-	-	-	-	-	-	-	-	-	26,977	-	-	-	1,575,783
Public works	-	-	-	168,092	-	-	-	-	-	-	-	-	-	-	-	168,092
Culture, education and recreation	-	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	1,000
Conservation and development	-	-	-	-	-	-	-	15	-	-	-	-	-	-	-	15
Capital Outlay	-	-	51,872	-	-	-	-	-	-	-	-	-	-	258,224	-	310,096
Debt Service																
Principal	-	-	-	-	-	-	-	-	-	-	-	-	1,640,000	-	-	1,640,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	803,514	-	-	803,514
<b>Total Expenditures</b>	<b>1,548,806</b>	<b>-</b>	<b>200,132</b>	<b>168,092</b>	<b>-</b>	<b>-</b>	<b>11,237</b>	<b>15</b>	<b>-</b>	<b>2,726,886</b>	<b>1,000</b>	<b>26,977</b>	<b>2,443,514</b>	<b>258,224</b>	<b>-</b>	<b>7,384,883</b>
Excess (deficiency) of revenues over expenditures	9,318	121,793	7,175	(123,004)	-	104,485	12,109	78,334	-	522,176	(986)	2,252	(2,186,870)	(258,224)	-	(1,711,442)
<b>OTHER FINANCING SOURCES (USES)</b>																
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	2,221,369	98,311	-	2,319,680
Transfers out	-	(140,000)	-	-	(72,895)	(16,176)	-	-	-	-	(8,199)	-	-	-	-	(237,270)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(140,000)</b>	<b>-</b>	<b>-</b>	<b>(72,895)</b>	<b>(16,176)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,199)</b>	<b>-</b>	<b>2,221,369</b>	<b>98,311</b>	<b>-</b>	<b>2,082,410</b>
Net change in fund balance	9,318	(18,207)	7,175	(123,004)	(72,895)	88,309	12,109	78,334	-	522,176	(9,185)	2,252	34,499	(159,913)	-	370,968
<b>FUND BALANCES -</b>																
Beginning of Year (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
<b>FUND BALANCES (DEFICIT) -</b>																
<b>END OF YEAR</b>	<b>\$ 134,057</b>	<b>\$ 4,162</b>	<b>\$ 663,347</b>	<b>\$ 5,387,135</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 97,254</b>	<b>\$ 299,485</b>	<b>\$ 57</b>	<b>\$ 1,113,310</b>	<b>\$ -</b>	<b>\$ (5,401)</b>	<b>\$ 34,534</b>	<b>\$ 133,869</b>	<b>\$ -</b>	<b>\$ 7,861,809</b>

# SAUK COUNTY

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

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	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 453,172	\$ -	\$ 453,172
Interest receivable	109	-	109
Due from other funds	28,745	895,383	924,128
Prepaid items	-	102,244	102,244
Total Current Assets	<u>482,026</u>	<u>997,627</u>	<u>1,479,653</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Claims payable	-	62,310	62,310
Unearned revenue	109	-	109
Total Current Liabilities	<u>109</u>	<u>62,310</u>	<u>62,419</u>
<b>NON-CURRENT LIABILITIES</b>			
Claims payable	-	179,341	179,341
Total Liabilities	<u>109</u>	<u>241,651</u>	<u>241,760</u>
<b>NET ASSETS</b>			
Unrestricted	<u>481,917</u>	<u>755,976</u>	<u>1,237,893</u>
TOTAL NET ASSETS	<u>\$ 481,917</u>	<u>\$ 755,976</u>	<u>\$ 1,237,893</u>

## SAUK COUNTY

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

	Self- Insurance	Workers' Compensation	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ (40,690)	\$ (40,690)
Miscellaneous	26,708	-	26,708
Total Operating Revenues	26,708	(40,690)	(13,982)
<b>OPERATING EXPENSES</b>			
Operation and maintenance	66,164	282,450	348,614
Operating Loss	(39,456)	(323,140)	(362,596)
<b>NONOPERATING REVENUES</b>			
Investment income	1,194	-	1,194
Change in Net Assets	(38,262)	(323,140)	(361,402)
NET ASSETS - Beginning of Year	520,179	1,079,116	1,599,295
NET ASSETS - END OF YEAR	\$ 481,917	\$ 755,976	\$ 1,237,893

## SAUK COUNTY

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

	Self- Insurance	Workers' Compensation	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from other funds	\$ 26,708	\$ 40,690	\$ 67,398
Paid to suppliers for goods and services	(77,210)	(40,690)	(117,900)
Net Cash Flows From Operating Activities	(50,502)	-	(50,502)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	1,194	-	1,194
Net Cash Flows From Investing Activities	1,194	-	1,194
Change in Cash and Cash Equivalents	(49,308)	-	(49,308)
CASH AND CASH EQUIVALENTS - Beginning of Year	502,480	-	502,480
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 453,172	\$ -	\$ 453,172
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating loss	\$ (39,456)	\$ (323,140)	\$ (362,596)
Changes in Noncash Components of Working Capital			
Due from other funds	(11,046)	338,940	327,894
Prepaid items	-	(102,244)	(102,244)
Claims payable	-	86,444	86,444
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (50,502)	\$ -	\$ (50,502)
<b>NONCASH CAPITAL AND FINANCING ACTIVITIES</b>			
None.			

**SAUK COUNTY**

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

	Agency Funds					Totals
	Officers' Range Association	Tri-County Airport	Clerk of Courts	Huber Trust	Tax Collection	
<b>ASSETS</b>						
Cash and investments	\$ 2,151	\$ -	\$ 604,337	\$ 52,612	\$ -	\$ 659,100
Accounts receivable	1,313	4,660	-	-	-	5,973
Property taxes receivable	-	-	-	-	1,175,141	1,175,141
Due from other governments	-	8,338	-	-	-	8,338
<b>TOTAL ASSETS</b>	<b>\$ 3,464</b>	<b>\$ 12,998</b>	<b>\$ 604,337</b>	<b>\$ 52,612</b>	<b>\$ 1,175,141</b>	<b>\$ 1,848,552</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 164	\$ 1,383	\$ -	\$ -	\$ -	\$ 1,547
Accrued liabilities	-	745	-	-	-	745
Deposits	-	-	604,337	52,612	-	656,949
Due to other governments	3,300	10,870	-	-	1,175,141	1,189,311
<b>TOTAL LIABILITIES</b>	<b>\$ 3,464</b>	<b>\$ 12,998</b>	<b>\$ 604,337</b>	<b>\$ 52,612</b>	<b>\$ 1,175,141</b>	<b>\$ 1,848,552</b>