

SAUK COUNTY

Baraboo, Wisconsin

FINANCIAL STATEMENTS

December 31, 2007

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, 2007, 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, 2007, 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 2007, the county eliminated the the Solid Waste Fund (enterprise fund) and began reporting the transactions in the Landfill Remediation Fund (special revenue fund). Transactions previously reported as business-type activities are now reported as governmental activities.

To the County Board of Supervisors
Sauk County, Wisconsin

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.

The management's discussion and analysis and budgetary comparison information on pages iii through xiii and 52 through 56 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Virchow, Krause & Company, LLP

Madison, Wisconsin
July 30, 2008

SAUK COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

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 ending December 31, 2007. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained herein will provide information on both the governmental operations and the business-type activities of the County.

FINANCIAL HIGHLIGHTS

- The County's primary government total net assets increased by \$4.2 million, or 4.3%, from the prior year. The County's investment in capital assets net of related debt increased by \$1.8 million with the purchase of land for the County's replacement skilled nursing facility and related debt issuance, purchase of development rights, and routine infrastructure upgrades. Cash balances grew with stronger investment earning returns as well.
- The County's primary government operating expenses in 2007 were \$2.67 million higher than in 2006. This is a 4.0% increase in operating expenses from the prior year. Although most functional areas had moderate increases in expenses, there was a \$1.5 million increase in health and human services expenses. Another large increase was in highway and public works activities, \$930,000.
- Program revenues increased by \$875,000, the majority of which related to highway programs. Increases in health and human services grant funding were offset by decreases in nursing home charges for services.
- The County's primary government total debt increased by \$2.65 million during the current fiscal year, with decreases of \$2.35 million of scheduled debt service payments. Sauk County also issued \$5 million of general obligation notes, the first phase of financing for construction of a replacement skilled nursing facility.

OVERVIEW OF FINANCIAL STATEMENTS

Sauk County's financial statements consist of four parts:

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

SAUK COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

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 and solid waste facility.

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

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS

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

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

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

Sauk County maintains 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, Human Services Fund, Debt Service Fund and Building Projects Fund, of which all are considered to be major funds. Data from the other 12 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

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Proprietary Funds: Services that 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 an internal service fund to account for its self-insurance deductible payments County Insurance Fund. The services provided by this fund 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 Fund is reported as an internal service fund in the proprietary fund financial statements.

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

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

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

SAUK COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

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

Sauk County Condensed Statements of Net Assets				
	Governmental Activities 2006	Governmental Activities 2007	Business-type Activities 2006	Business-type Activities 2007
Current and other assets	\$ 54,499,377	\$ 54,517,322	\$ 11,055,870	\$ 18,065,384
Capital assets, net of Depreciation	89,064,155	89,110,965	6,649,395	7,002,749
Total Assets	143,563,532	143,628,287	17,705,265	25,068,133
Current and other liabilities	29,147,015	28,112,788	7,540,550	9,002,989
Non-current liabilities	26,459,311	25,020,273	250,945	4,523,472
Total Liabilities	55,606,326	53,133,061	7,791,495	13,526,461
Net Assets:				
Invested in capital assets, net of related debt	64,085,634	65,580,965	6,649,395	6,970,749
Restricted	916,631	997,997	51,259	50,000
Unrestricted	22,954,941	23,916,264	3,213,116	4,520,923
TOTAL NET ASSETS	\$ 87,957,206	\$ 90,495,226	\$ 9,913,770	\$ 11,541,672

Amounts for 2006 have been adjusted for restating the solid waste enterprise fund from the business-type activities into the governmental activities. See Note IV.J. for additional information.

Non-capital governmental activities assets remained nearly constant overall, but contained increases in cash of \$1.74 million and decreases in amounts due from other governments of \$1.08 million and internal balances of \$1.02 million. Governmental activities capital assets net of depreciation were also nearly constant with modest changes in all categories. Total governmental activities liabilities decreased by \$2.47 million, or 4.45%, due mainly to scheduled repayments on general obligation debt. Finally, total governmental activities net assets have increased \$2.5 million, most of which relates to capital assets acquired without the use of debt and the positive impact of the County's conservative budget practices.

Business-type activities total assets increased by \$7.4 million, but \$5 million of that total is unspent debt proceeds for construction of a skilled nursing facility. Decreases in accounts receivable were modest, \$426,000, but increases in amounts due from other governments were higher, \$666,000, primarily related to large highway projects for other jurisdictions. Internal balances and taxes receivable also increased by \$1.02 million and \$672,000 respectively. Capital assets net of depreciation increased a total of \$353,000, with property acquisition for the nursing home of \$500,000 and other general asset updates. Business-type activities liabilities increased \$5.7 million, of which \$5 million is debt issuance for the nursing home. The remaining increase is unearned property tax revenue. Finally, total business-type activities net assets increased \$1.67 million, reflective of positive income for the Highway and Health Care Center, as well as a transfer of \$888,000 from the general fund to the Health Care Center for construction design.

SAUK COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

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

Sauk County's Changes in Net Assets

	Governmental Activities 2006	Governmental Activities 2007	Business-type Activities 2006	Business-type Activities 2007
REVENUES				
Program Revenues:				
Charges for services	\$ 4,995,233	\$ 5,075,359	\$ 10,129,306	\$ 10,176,229
Operating grants and contributions	18,370,933	19,185,297	2,007,960	2,145,338
Capital grants and contributions	601,470	383,040	55,370	29,616
General Revenues:				
Property taxes	19,020,819	19,696,612	5,502,329	5,899,662
Sales taxes	6,842,798	6,975,653	-	-
Other taxes	373,040	365,138	-	-
Intergovernmental revenues not restricted to specific programs	1,033,202	1,028,707	-	-
Other	1,985,042	2,345,604	232,802	105,356
Total Revenues	<u>53,222,537</u>	<u>55,055,410</u>	<u>17,927,767</u>	<u>18,356,201</u>
EXPENSES				
General government	5,937,271	6,464,357	-	-
Public safety	14,899,210	15,647,903	-	-
Public works	1,940,821	1,911,561	-	-
Health and social services	24,417,037	26,301,566	-	-
Culture, education and recreation	1,612,783	1,497,688	-	-
Conservation and development	1,785,227	1,832,913	-	-
Interest and fiscal charges	1,076,531	980,569	-	-
Highway	-	-	5,327,909	6,256,178
Health Care Center	-	-	8,736,487	8,352,954
Solid Waste	-	-	839,709	-
Total Expenses	<u>51,668,880</u>	<u>54,646,557</u>	<u>14,904,105</u>	<u>14,609,132</u>
Increase in Net Assets Before Transfers	1,553,657	418,853	3,023,662	3,747,069
Transfers	3,255,911	2,119,167	(3,255,911)	(2,119,167)
Increase (Decrease) in Net Assets	4,809,568	2,538,020	(232,249)	1,627,902
NET ASSETS - Beginning (as restated)	<u>83,147,638</u>	<u>87,957,206</u>	<u>10,146,019</u>	<u>9,913,770</u>
NET ASSETS - Ending	<u>\$ 87,957,206</u>	<u>\$ 90,495,226</u>	<u>\$ 9,913,770</u>	<u>\$ 11,541,672</u>

SAUK COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

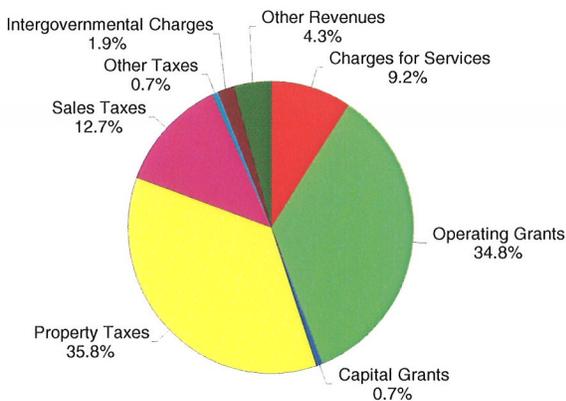
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

The County's governmental activities program revenues increased by \$676,000, or 2.82%. This increase consisted primarily of increased collections by the Clerk of Courts office of \$133,000, operating grants for Human Services of \$800,000, and Community Development Block Grant issuance of \$180,000. General governmental activities revenues decreased \$140,000, but all other functional areas experienced increases in revenues, chiefly health and human services and conservation. Property taxes have continued to generally become a larger part of the governmental activities. Sales and other tax collections have also leveled, but remained steady overall.

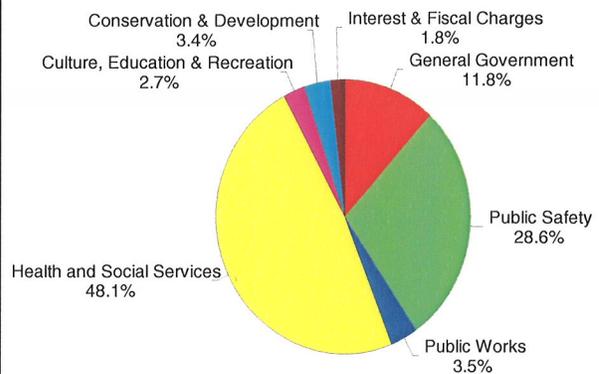
Governmental activities expenses increased by 5.74%, or \$2,967,677. As labor and benefit costs comprise nearly half of the County's non-capital expenditures, much of the increase relates to staff costs. The largest programmatic increase was in health and social services, \$1.8 million, due to increased program costs in the human services department. The next highest dollar increase was in public safety, also a staff-intensive function. As a percentage, general government experienced the highest increase, 8.88%, or \$527,000. There were also decreases in interest and fiscal charges of nearly \$100,000.

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

2007 Sauk County Governmental Revenues



2007 Sauk County Governmental Expenses



SAUK COUNTY

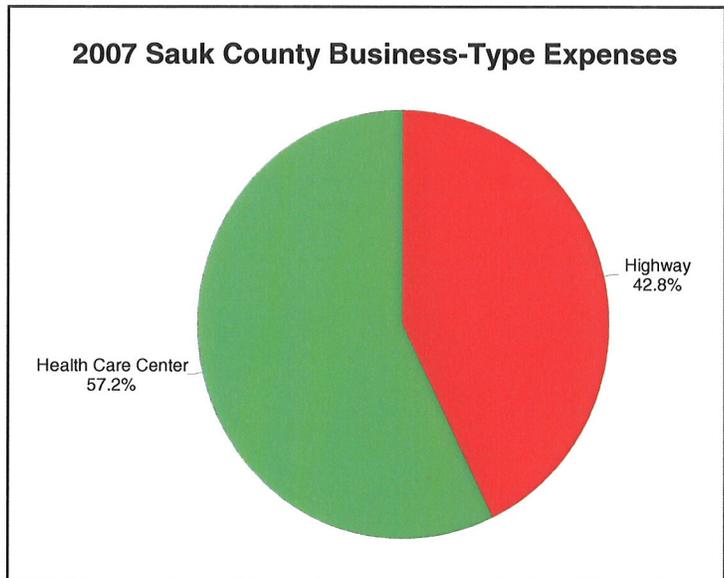
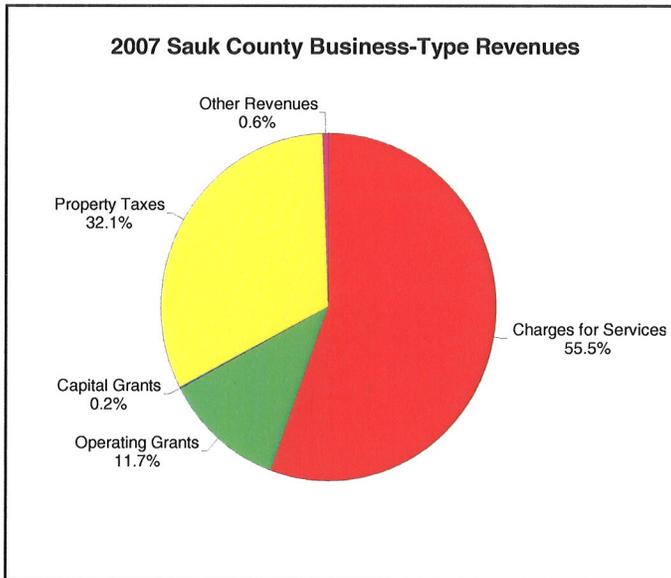
MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

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

Business-type activities program revenues have remained steady overall, showing a minor increase of about \$160,000, or 1.30%. However, there have large increases in Highway revenues (\$755,000, or 15.15%) for some major road reconstruction projects, and decreases in Health Care Center revenues (\$570,000, or 7.92%) for reductions in resident census as the facility prepares to downsize to a smaller building. Business-type activities property tax allocations grew 7.22%, or nearly \$400,000.

Business-type activities expenses in total decreased about \$300,000, or 2%. Highway road reconstruction projects and a hard winter contributed to an increase in Highway expenses of \$930,000. Health Care Center operational costs decreased \$384,000 due to staff reductions related to reduced resident census. Finally, final closure of the landfill primarily in 2006 created less expense of \$840,000.

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



SAUK COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

BUDGETARY HIGHLIGHTS

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

SUPPLEMENTARY APPROPRIATIONS

General Fund: Supplementary appropriations totaled \$2,409,590, much of which (\$1.2 million) was carryforward of funds previously appropriated in 2006 for projects that were not completed. There was also an additional \$888,000 appropriation of previously designated general fund balance transferred to the Health Care Center for architectural design of the new facility. Most of the rest was appropriation of additional grant funds received.

Special Revenue Funds: Supplementary appropriations totaled \$1,267,821, most of which was appropriation of additional funding for Human Services programs of \$1,002,228. The remainder was carryforward of funds previously appropriated in 2006 for projects that were not completed.

Building Projects Fund: Supplementary appropriations totaled \$125,562, all of which was carryforward of funds previously appropriated in 2006 for projects that were not completed.

Enterprise Funds: Supplementary appropriations totaled \$984,262, some of which all was carryforward of funds from 2006 and the remainder of which was transfer of \$888,000 for architectural design of the replacement facility.

Internal Service Funds: Supplementary appropriations totaled \$260,603, which was appropriation of additional state funding for Highway projects.

Trust and Agency Funds: Supplementary appropriations totaled \$3,809, which was use of accumulated funds for animal shelter operations.

CAPITAL ASSETS AND DEBT

CAPITAL ASSETS

Sauk County's investment in governmental activities capital assets as of December 31, 2007 amounted to \$89.1 million (net of depreciation), a net increase of only \$100,000. This investment in capital assets includes land, buildings, improvements, machinery and equipment. Major additions were reconstructed roadways and other infrastructure totaling \$2.65 million.

SAUK COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

CAPITAL ASSETS AND DEBT (cont.)

CAPITAL ASSETS (cont.)

Sauk County's Capital Assets				
(Net of Depreciation)				
	<u>Governmental</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Business-type</u>
	<u>Activities 2006</u>	<u>Activities 2007</u>	<u>Activities 2006</u>	<u>Activities 2007</u>
Land	\$ 1,236,871	\$ 1,236,871	\$ 74,113	\$ 576,717
Purchased development rights	5,086,437	5,458,166	-	-
Construction in progress	1,076,794	821,269	227,953	43,630
Land improvements	376,574	368,523	232,860	220,625
Buildings	40,332,922	39,546,814	1,350,480	1,212,885
Building improvements	4,717,941	4,759,312	157,663	133,401
Machinery, equipment, and vehicles	3,382,289	3,278,592	4,606,326	4,815,491
Infrastructure	32,854,327	33,641,418	-	-
Totals	<u>\$ 89,064,155</u>	<u>\$ 89,110,965</u>	<u>\$ 6,649,395</u>	<u>\$ 7,002,749</u>

Amounts for 2006 have been adjusted for restating the solid waste enterprise fund from the business-type activities into the governmental activities. See Note IV.J. for additional information.

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

DEBT

Sauk County had \$28,530,000 in general obligation notes and bonds outstanding as of December 31, 2007. \$23,530,000 of this amount is for governmental activities. The remaining \$5,000,000 was issued in 2007 as the first phase of financing for construction of a replacement skilled nursing facility.

The County's general obligation bonds and notes ratings by Moody's Investor Services, Inc., are both Aa3 but were enhanced with bond insurance to Aaa.

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

SAUK COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2007

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Sauk County has seen strong steady growth over recent years. This is evidenced in growth in equalized values (exclusive of tax incremental districts' increments) averaging nearly 10 percent over the last ten years. A driving factor of these increases has been considerable growth in the Wisconsin Dells/Lake Delton area, including two major tax incremental financing districts in these municipalities. 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. Growth of the Wisconsin Dells/Lake Delton area, as well as along the Highway 12 corridor is likely to provide additional population and tax base. But with this growth comes additional costs for infrastructure maintenance and government services that are provided by the County.

Sauk County's 2008 budget includes a 4.044% increase in property tax dollars levied, from \$24.8 million to \$25.8 million. Total expenditures, for all County funds, are budgeted to be \$96.3 million, including approximately \$15 million for a replacement nursing home. In development of the budget, all known factors were included in the projections. As additional information becomes available throughout the year, the budget will likely be amended by the County Board.

REQUESTS FOR INFORMATION

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

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SAUK COUNTY

STATEMENT OF NET ASSETS
December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Totals	
ASSETS				
Cash and investments	\$ 28,680,079	\$ 931,324	\$ 29,611,403	\$ 97,212
Taxes receivable	19,233,640	6,571,717	25,805,357	-
Delinquent taxes receivable	2,286,835	-	2,286,835	-
Accounts receivable	802,815	648,982	1,451,797	63,921
Accrued interest receivable	53,474	-	53,474	118,381
Loans receivable	465,956	-	465,956	262,760
Due from other governments	5,359,222	1,153,257	6,512,479	-
Internal balances	(2,440,511)	2,440,511	-	-
Prepaid items and inventories	58,897	1,201,351	1,260,248	15,809
Advances to other governments	14,838	-	14,838	-
Investment in joint venture	-	-	-	209,998
Restricted cash and investments	2,077	5,077,654	5,079,731	92,190
Other assets	-	40,588	40,588	-
Land	1,236,871	576,717	1,813,588	-
Purchased development rights	5,458,166	-	5,458,166	-
Construction in progress	821,269	43,630	864,899	-
Other capital assets, net of depreciation	81,594,659	6,382,402	87,977,061	2,102,172
Total Assets	<u>143,628,287</u>	<u>25,068,133</u>	<u>168,696,420</u>	<u>2,962,443</u>
LIABILITIES				
Accounts payable	2,290,588	454,682	2,745,270	20,971
Accrued liabilities	2,357,913	242,811	2,600,724	34,807
Due to other governments	634,521	2,780	637,301	-
Deposits	231,654	27,038	258,692	13,459
Unearned revenue	19,233,640	6,571,717	25,805,357	3,924
Noncurrent liabilities due within one year	3,364,472	1,703,961	5,068,433	17,194
Noncurrent liabilities due in more than one year	25,020,273	4,523,472	29,543,745	868,166
Total Liabilities	<u>53,133,061</u>	<u>13,526,461</u>	<u>66,659,522</u>	<u>958,521</u>
NET ASSETS				
Invested in capital assets, net of related debt	65,580,965	6,970,749	72,551,714	1,216,812
Restricted				
Trust activities	9,768	-	9,768	-
Loan programs	549,582	-	549,582	-
Aging programs	54,799	-	54,799	-
Baraboo Range land acquisition	267,234	-	267,234	-
Law enforcement activities	116,614	-	116,614	-
Health care activities	-	50,000	50,000	-
Housing programs	-	-	-	92,190
Unrestricted	23,916,264	4,520,923	28,437,187	694,920
TOTAL NET ASSETS	<u>\$ 90,495,226</u>	<u>\$ 11,541,672</u>	<u>\$ 102,036,898</u>	<u>\$ 2,003,922</u>

See accompanying notes to financial statements.

SAUK COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
<i>Governmental Activities</i>				
General government	\$ 6,464,357	\$ 567,640	\$ 50,961	\$ -
Public safety	15,647,903	3,016,579	683,168	-
Health and social services	26,301,566	956,576	17,663,286	-
Public works	1,911,561	48,447	-	-
Culture, education and recreation	1,497,688	103,337	75,094	7,820
Conservation and development	1,832,913	382,780	712,788	375,220
Interest and fiscal charges	980,569	-	-	-
Total Governmental Activities	<u>54,636,557</u>	<u>5,075,359</u>	<u>19,185,297</u>	<u>383,040</u>
<i>Business-type Activities</i>				
Highway	6,256,178	4,231,230	1,506,812	600
Health care	<u>8,352,954</u>	<u>5,944,999</u>	<u>638,526</u>	<u>29,016</u>
Total Business-type Activities	<u>14,609,132</u>	<u>10,176,229</u>	<u>2,145,338</u>	<u>29,616</u>
Total Primary Government	<u>\$ 69,245,689</u>	<u>\$ 15,251,588</u>	<u>\$ 21,330,635</u>	<u>\$ 412,656</u>
Component Unit				
Housing authority	<u>\$ 1,529,467</u>	<u>\$ 1,425,540</u>	<u>\$ -</u>	<u>\$ 19,589</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				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Assets				
NET ASSETS - Beginning (as restated)				
NET ASSETS - ENDING				

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Totals	Component Unit
\$ (5,845,756)	\$ -	\$ (5,845,756)	\$ -
(11,948,156)	-	(11,948,156)	-
(7,681,704)	-	(7,681,704)	-
(1,863,114)	-	(1,863,114)	-
(1,311,437)	-	(1,311,437)	-
(362,125)	-	(362,125)	-
(980,569)	-	(980,569)	-
<u>(29,992,861)</u>	<u>-</u>	<u>(29,992,861)</u>	<u>-</u>
-	(517,536)	(517,536)	-
-	(1,740,413)	(1,740,413)	-
-	(2,257,949)	(2,257,949)	-
<u>(29,992,861)</u>	<u>(2,257,949)</u>	<u>(32,250,810)</u>	<u>-</u>
-	-	-	(84,338)
19,446,612	-	19,446,612	-
250,000	-	250,000	-
-	3,259,556	3,259,556	-
-	2,640,106	2,640,106	-
6,975,653	-	6,975,653	-
365,138	-	365,138	-
1,028,707	-	1,028,707	-
29,172	-	29,172	-
1,946,276	32,317	1,978,593	18,788
370,156	73,039	443,195	-
<u>2,119,167</u>	<u>(2,119,167)</u>	<u>-</u>	<u>-</u>
<u>32,530,881</u>	<u>3,885,851</u>	<u>36,416,732</u>	<u>18,788</u>
2,538,020	1,627,902	4,165,922	(65,550)
<u>87,957,206</u>	<u>9,913,770</u>	<u>97,870,976</u>	<u>2,069,472</u>
<u>\$ 90,495,226</u>	<u>\$ 11,541,672</u>	<u>\$ 102,036,898</u>	<u>\$ 2,003,922</u>

See accompanying notes to financial statements.

SAUK COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

	General	Human Services	Debt Service	Building Projects	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and investments	\$ 24,548,023	\$ 197,265	\$ 615,346	\$ -	\$ 3,319,445	\$ 28,680,079
Receivables						
Taxes	11,866,671	6,949,532	250,000	-	167,437	19,233,640
Delinquent taxes	2,286,835	-	-	-	-	2,286,835
Accounts	615,762	150,744	22,347	-	13,962	802,815
Interest	53,474	-	-	-	-	53,474
Loans	-	-	-	-	465,956	465,956
Due from other funds	742,660	1,373,020	-	719,837	1,262,924	4,098,441
Due from other governments	1,585,044	1,083,493	-	-	2,690,685	5,359,222
Inventories	15,473	-	-	-	-	15,473
Prepaid items	28,936	14,488	-	-	-	43,424
Advances to other governments	14,838	-	-	-	-	14,838
Restricted cash	-	-	-	-	2,077	2,077
TOTAL ASSETS	\$ 41,757,716	\$ 9,768,542	\$ 887,693	\$ 719,837	\$ 7,922,486	\$ 61,056,274
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 841,859	\$ 1,374,244	\$ -	\$ -	\$ 74,485	\$ 2,290,588
Accrued liabilities	1,919,164	182,034	-	-	27,306	2,128,504
Due to other funds	5,996,075	-	531,279	-	171,804	6,699,158
Due to other governments	549,212	80,294	-	-	5,015	634,521
Deposits	35,862	193,715	-	-	2,077	231,654
Deferred revenue	12,425,012	6,949,532	250,000	-	633,393	20,257,937
Total Liabilities	21,767,184	8,779,819	781,279	-	914,080	32,242,362
Fund Balances						
Reserved for						
Trust activities	-	-	-	-	9,768	9,768
Inventories and prepaid items	44,409	14,488	-	-	-	58,897
Long-term receivables	1,545,528	-	-	-	-	1,545,528
Debt service	-	-	106,414	-	-	106,414
Unreserved, reported in						
General fund - designated	14,235,912	-	-	-	-	14,235,912
General fund - undesignated	4,164,683	-	-	-	-	4,164,683
Special revenue funds - undesignated	-	974,235	-	-	6,998,638	7,972,873
Capital projects funds - undesignated	-	-	-	719,837	-	719,837
Total Fund Balances	19,990,532	988,723	106,414	719,837	7,008,406	28,813,912
TOTAL LIABILITIES AND FUND BALANCES	\$ 41,757,716	\$ 9,768,542	\$ 887,693	\$ 719,837	\$ 7,922,486	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	89,110,965
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.	1,024,297
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.	(28,614,154)
Internal service net assets allocated to governmental activities	160,206
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 90,495,226

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, 2007

	General	Human Services	Debt Service	Building Projects	Nonmajor Governmental Funds	Totals
REVENUES						
Taxes	\$ 19,891,532	\$ 6,584,174	\$ 250,000	\$ -	\$ 169,244	\$ 26,894,950
Intergovernmental	4,275,762	15,267,718	-	-	1,135,144	20,678,624
Licenses and permits	339,307	-	-	-	31,090	370,397
Fines, forfeitures and penalties	501,393	122,811	-	-	899	625,103
Public charges for services	1,873,713	443,411	-	-	199,408	2,516,532
Intergovernmental charges for services	2,787,887	-	-	-	73,110	2,860,997
Regulation and compliance	-	-	-	-	148,895	148,895
Investment income	1,554,811	-	116,907	2,758	340,935	2,015,411
Miscellaneous	287,796	23,674	-	-	224,168	535,638
Total Revenues	31,512,201	22,441,788	366,907	2,758	2,322,893	56,646,547
EXPENDITURES						
Current						
General government	5,041,544	-	-	-	67,360	5,108,904
Public safety	15,410,961	-	-	-	94,866	15,505,827
Health and social services	3,237,023	22,555,261	-	-	1,038,192	26,830,476
Public works	52,892	-	-	-	307,334	360,226
Culture, education and recreation	1,508,362	-	-	-	250	1,508,612
Conservation and development	1,779,142	-	-	-	211,377	1,990,519
Capital Outlay	1,018,810	-	-	112,147	569,971	1,700,928
Debt Service						
Principal retirement	52,747	-	2,350,000	-	-	2,402,747
Interest and fiscal charges	389	-	1,000,902	-	-	1,001,291
Total Expenditures	28,101,870	22,555,261	3,350,902	112,147	2,289,350	56,409,530
Excess (deficiency) of revenues over expenditures	3,410,331	(113,473)	(2,983,995)	(109,389)	33,543	237,017
OTHER FINANCING SOURCES (USES)						
Transfers in	770,526	-	2,961,239	-	-	3,731,765
Transfers out	(3,736,239)	-	-	(125,000)	(120,000)	(3,981,239)
Total Other Financing Sources (Uses)	(2,965,713)	-	2,961,239	(125,000)	(120,000)	(249,474)
Net Change in Fund Balances	444,618	(113,473)	(22,756)	(234,389)	(86,457)	(12,457)
FUND BALANCES - Beginning of Year (as restated)	19,545,914	1,102,196	129,170	954,226	7,094,863	28,826,369
FUND BALANCES - END OF YEAR	\$ 19,990,532	\$ 988,723	\$ 106,414	\$ 719,837	\$ 7,008,406	\$ 28,813,912

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, 2007

Net change in fund balances - total governmental funds	\$	(12,457)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital asset additions are reported as capital outlay in the fund financial statements, but are capitalized in the government-wide financial statements		1,700,928
Some items reported as capital outlay in the fund financial statements are not capitalized in the government-wide statements		(509,144)
Depreciation is reported in the government-wide statements		(3,248,892)
Infrastructure financed by the highway fund		2,368,641
Net book value of assets retired		(264,718)
<p>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.</p>		
Government grants		(91,056)
Investment income		(69,135)
Delinquent taxes		56,122
Loans		133,456
Other		302
<p>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.</p>		
Principal repaid		2,350,000
Alliant loan repaid		52,747
<p>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.</p>		
Compensated absences		(122,877)
Accrued interest on debt		20,721
Landfill post-closure care		173,382
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>2,538,020</u>

See accompanying notes to financial statements.

SAUK COUNTY

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2007

	Business-type Activities			
	Enterprise Funds			Internal Service Fund
	Highway	Health Care Center	Totals	
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 73,108	\$ 281,741	\$ 354,849	\$ 576,475
Taxes receivable	3,366,020	3,205,697	6,571,717	-
Accounts receivable	72,316	576,666	648,982	-
Due from other funds	271,097	2,369,197	2,640,294	-
Due from other governments	1,107,271	45,986	1,153,257	-
Prepaid items	227	20,667	20,894	-
Inventories	1,081,915	98,542	1,180,457	-
Restricted Assets				
Cash and investments	-	37,038	37,038	-
Total Current Assets	<u>5,971,954</u>	<u>6,635,534</u>	<u>12,607,488</u>	<u>576,475</u>
NONCURRENT ASSETS				
Restricted Assets				
Cash and investments	-	5,040,616	5,040,616	-
Deferred Charges	-	40,588	40,588	-
Capital Assets				
Land	66,972	509,745	576,717	-
Construction in progress	10,710	32,920	43,630	-
Other capital assets	12,631,228	7,212,656	19,843,884	-
Less: Accumulated depreciation	<u>(7,318,406)</u>	<u>(6,143,076)</u>	<u>(13,461,482)</u>	-
Total Non-Current Assets	<u>5,390,504</u>	<u>6,693,449</u>	<u>12,083,953</u>	-
 Total Assets	 <u>11,362,458</u>	 <u>13,328,983</u>	 <u>24,691,441</u>	 <u>576,475</u>

	Business-type Activities -			
	Enterprise Funds			Internal Service Fund
	Highway	Health Care Center	Totals	
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 293,239	\$ 161,443	\$ 454,682	\$ -
Accrued liabilities	108,852	133,959	242,811	-
Due to other funds	-	-	-	39,577
Due to other governments	2,780	-	2,780	-
Unearned revenue	3,366,020	3,205,697	6,571,717	-
Compensated absences	382,423	515,286	897,709	-
General obligation debt payable - current	-	800,000	800,000	-
Unamortized premium - current	-	6,252	6,252	-
Liabilities Payable From Restricted Assets				
Deposits	-	27,038	27,038	-
Total Current Liabilities	<u>4,153,314</u>	<u>4,849,675</u>	<u>9,002,989</u>	<u>39,577</u>
NON-CURRENT LIABILITIES				
Long-Term Debt				
General obligation debt payable	-	4,200,000	4,200,000	-
Unamortized premium	-	56,270	56,270	-
Other Liabilities				
Compensated absences	148,174	119,028	267,202	-
Total Non-Current Liabilities	<u>148,174</u>	<u>4,375,298</u>	<u>4,523,472</u>	<u>-</u>
Total Liabilities	<u>4,301,488</u>	<u>9,224,973</u>	<u>13,526,461</u>	<u>39,577</u>
NET ASSETS				
Invested in capital assets, net of related debt	5,390,504	1,580,245	6,970,749	-
Restricted	-	50,000	50,000	-
Unrestricted	<u>1,670,466</u>	<u>2,473,765</u>	<u>4,144,231</u>	<u>536,898</u>
TOTAL NET ASSETS	<u>\$ 7,060,970</u>	<u>\$ 4,104,010</u>	11,164,980	536,898
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			<u>376,692</u>	<u>(376,692)</u>
Net Assets of Business-type Activities			<u>\$ 11,541,672</u>	
Net Internal service funds reported in the statement of net assets as governmental activities				<u>\$ 160,206</u>

SAUK COUNTY

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

For the Year Ended December 31, 2007

	<u>Highway</u>	<u>Health Care Center</u>	<u>Totals</u>	<u>Internal Service Fund</u>
OPERATING REVENUES				
Charges for services	\$ 4,212,883	\$ 5,944,999	\$ 10,157,882	\$ 18,347
Miscellaneous	-	5,312	5,312	11,683
Total Operating Revenues	<u>4,212,883</u>	<u>5,950,311</u>	<u>10,163,194</u>	<u>30,030</u>
OPERATING EXPENSES				
Operation and maintenance	8,004,014	8,140,574	16,144,588	69,608
Depreciation	551,197	212,380	763,577	-
Total Operating Expenses	<u>8,555,211</u>	<u>8,352,954</u>	<u>16,908,165</u>	<u>69,608</u>
Operating Loss	<u>(4,342,328)</u>	<u>(2,402,643)</u>	<u>(6,744,971)</u>	<u>(39,578)</u>
NONOPERATING REVENUES				
General property taxes	3,259,556	2,640,106	5,899,662	-
Intergovernmental grants	1,506,812	638,526	2,145,338	-
Investment income	-	2,882	2,882	29,435
Miscellaneous	52,688	3,356	56,044	-
Total Nonoperating Revenues	<u>4,819,056</u>	<u>3,284,870</u>	<u>8,103,926</u>	<u>29,435</u>
Income (Loss) Before Transfers and Contributions	476,728	882,227	1,358,955	(10,143)
Capital contributions	600	29,016	29,616	-
Transfers in	-	888,000	888,000	-
Transfers out	-	(638,526)	(638,526)	-
Change in Net Assets	477,328	1,160,717	1,638,045	(10,143)
NET ASSETS - Beginning of Year (as restated)	<u>6,583,642</u>	<u>2,943,293</u>	<u>9,526,935</u>	<u>547,041</u>
NET ASSETS - END OF YEAR	<u>\$ 7,060,970</u>	<u>\$ 4,104,010</u>	<u>\$ 11,164,980</u>	<u>\$ 536,898</u>

See accompanying notes to financial statements.

SAUK COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2007

	<u>Highway</u>	<u>Health Care Center</u>	<u>Totals</u>	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 3,614,971	\$ 5,481,783	\$ 9,096,754	\$ 30,030
Paid to employees and suppliers for goods and services	(7,829,364)	(8,155,978)	(15,985,342)	(205,145)
Net Cash Flows From Operating Activities	<u>(4,214,393)</u>	<u>(2,674,195)</u>	<u>(6,888,588)</u>	<u>(175,115)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	888,000	888,000	-
Transfers out	-	(638,526)	(638,526)	-
Miscellaneous revenues	52,688	3,356	56,044	-
General property taxes	3,259,556	2,640,106	5,899,662	-
Intergovernmental grants	<u>1,506,812</u>	<u>592,540</u>	<u>2,099,352</u>	-
Net Cash Flows From Non-Capital Financing Activities	<u>4,819,056</u>	<u>3,485,476</u>	<u>8,304,532</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	-	2,882	2,882	29,435
Net Cash Flows From Investing Activities	<u>-</u>	<u>2,882</u>	<u>2,882</u>	<u>29,435</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt issued	-	5,000,000	5,000,000	-
Debt issuance costs paid	-	(40,588)	(40,588)	-
Premium on debt received	-	62,522	62,522	-
Acquisition of capital assets	(535,996)	(580,935)	(1,116,931)	-
Capital contributions	600	29,016	29,616	-
Net Cash Flows From Capital and Related Financing Activities	<u>(535,396)</u>	<u>4,470,015</u>	<u>3,934,619</u>	-
Change in Cash and Cash Equivalents	69,267	5,284,178	5,353,445	(145,680)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,841</u>	<u>75,217</u>	<u>79,058</u>	<u>722,155</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 73,108</u>	<u>\$ 5,359,395</u>	<u>\$ 5,432,503</u>	<u>\$ 576,475</u>

	<u>Highway</u>	<u>Health Care Center</u>	<u>Totals</u>	<u>Internal Service Fund</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES				
Operating loss	\$ (4,342,328)	\$ (2,402,643)	\$ (6,744,971)	\$ (39,578)
Adjustments to Reconcile Operating Loss to Net Cash Provided From Operating Activities				
Depreciation expense	551,197	212,380	763,577	-
Changes in Noncash Components of Working Capital				
Accounts receivable	(41,720)	468,175	426,455	-
Due from other funds	55,138	(939,833)	(884,695)	-
Due from other governmental units	(620,231)	-	(620,231)	-
Inventories	166,092	5,740	171,832	-
Prepaid items	(22)	(922)	(944)	-
Accounts payable	(10,154)	(10,100)	(20,254)	-
Accrued liabilities	40,691	4,858	45,549	-
Due to other governmental units	2,092	-	2,092	-
Due to other funds	(53,772)	-	(53,772)	(135,537)
Deposits	-	3,130	3,130	-
Unearned revenue	(2,326)	-	(2,326)	-
Compensated absences	40,950	(14,980)	25,970	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (4,214,393)</u>	<u>\$ (2,674,195)</u>	<u>\$ (6,888,588)</u>	<u>\$ (175,115)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and investments - statement of net assets - proprietary fund	\$ 73,108	\$ 281,741	\$ 354,849	\$ 576,475
Restricted cash and investments - statement of net assets - proprietary fund	<u>-</u>	<u>5,077,654</u>	<u>5,077,654</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 73,108</u>	<u>\$ 5,359,395</u>	<u>\$ 5,432,503</u>	<u>\$ 576,475</u>

SAUK COUNTY

STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2007

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 603,339
Property taxes receivable	1,147,210
Due from other governments	<u>21,550</u>
TOTAL ASSETS	<u>\$ 1,772,099</u>
LIABILITIES	
Accounts payable	\$ 5,264
Accrued liabilities	3,457
Deposits	589,797
Due to other governments	<u>1,173,581</u>
TOTAL LIABILITIES	<u>\$ 1,772,099</u>

SAUK COUNTY

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SAUK COUNTY

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SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

Discretely Presented Component Unit

Sauk County Housing Authority

The government-wide financial statements include the Sauk County Housing Authority (Housing Authority) as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the county board chairperson. Wisconsin Statutes provide for circumstances whereby the county can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the county. See Note IV.K. 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, 2007. 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, 2007

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the county or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

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

Fund Financial Statements (cont.)

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.

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

Building Projects Fund – accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects.

The county reports the following major enterprise funds:

Highway Fund – accounts for the maintenance and repair of infrastructure assets in the county.

Health Care Center Fund – accounts for operations of the county's health care facility.

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

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

Commission on Aging

County Jail

Park Land Development

Land Records Modernization

Landfill Remediation

Forest Management

Baraboo Range

Drug Seizures

Community Development Block Grant - Economic Development (CDBG-ED) Revolving Loans

Rental Properties

Alice in Dairyland

Dog License

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

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

Fund Financial Statements (cont.)

In addition, the county reports the following fund types:

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

County Insurance Fund

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 deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

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

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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.

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, 2007

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

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

Fund Financial Statements (cont.)

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

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Highway Fund and Health Care Center are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

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

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

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

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

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

1. Deposits and Investments (cont.)

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

Custodial Credit Risk

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

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 five percent 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, 2007

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, 2007, 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 – 2007 tax roll:

Lien date and levy date	December 2007
Tax bills mailed	December 2007
Payment in full, or	January 31, 2008
First installment due	January 31, 2008
Second installment due	July 31, 2008
Personal property taxes in full	January 31, 2008
Tax sale – 2007 delinquent real estate taxes	October 2010

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

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

2. Receivables (cont.)

Property taxes are due, in the year subsequent to levy, on the last day of January, and collected by local treasurers through that date, at which time unpaid taxes are assigned to the county and appropriate receivables and payables are recorded. Tax collections become the responsibility of the county and taxes receivable include unpaid taxes levied for all taxing entities within the county. The county makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1. The interest and penalties on taxes not paid within 60 days of the end of the current fiscal period is shown as unearned revenue until it is received in cash.

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

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

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, 2007

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. As of December 31, 2007, the county has retroactively reported all network infrastructure acquired by its governmental fund types.

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. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

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

5. Capital Assets (cont.)

Fund Financial Statements

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

6. Other Assets

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

7. Compensated Absences

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

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

The county provides postemployment health insurance benefits for all eligible employees. Eligibility is based on retiring as a county employee. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure in the year of retirement. The entire cost is paid by the county. Funding for those costs is provided out of the current operating budget of the county. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were \$40,805. The number of participants currently eligible to receive benefits is four. The total amount outstanding at year end to be paid in the future is \$46,298 and is included in accrued liabilities in the general fund.

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, 2007 are determined on the basis of 2008 current salary rates and include salary related payments.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

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

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) are 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.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

10. Equity Classifications

Government-Wide Statements

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

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond 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.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

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.

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

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

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

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

Bonds and notes payable	\$ 23,530,000
Compensated absences	2,093,727
Landfill post-closure liability	2,761,018
Accrued interest	<u>229,409</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 28,614,154</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$1,162,516 in the general fund. Budgets are adopted at the department level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Budgeted expenditures and other financing uses in the following fund (including amendments) exceeded appropriations:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess</u>
Landfill Remediation	\$ 330,118	\$ 337,923	\$ 7,805

The county controls expenditures at the department level. Although the landfill remediation fund exceeded its budgeted expenditures, it also exceeded its budgeted revenues.

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.

C. DEFICIT BALANCES

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

As of December 31, 2007, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Dog License	\$ 805	License sales lagged behind projections

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

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 20 (2007), 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 3.86% for the 2007 levy collected in 2008 and 2% for the 2008 levy collected in 2009. 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 2008 levy.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 27,104,949	\$ 27,758,570	Custodial credit risk Credit risk, interest rate risk
LGIP	7,828,665	7,828,665	
Petty cash and cash on hand	360,859	-	N/A
Total Cash and Investments	\$ 35,294,473	\$ 35,587,235	
Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 29,611,403		
Restricted cash and investments	5,079,731		
Per statement of net assets			
Fiduciary Funds	603,339		
Total Cash and Investments	\$ 35,294,473		

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 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.

Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any FDIC and State of Wisconsin Guarantee Fund insurance.

The county maintains collateral agreements with some of its banks. As of December 31, 2007, the banks had pledged various government securities in the amount of \$20,752,642 to secure the county's deposits.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

As of December 31, 2007, the carrying amount of the county's deposits and investments was \$27,104,949 and the bank balance was \$27,758,570. \$19,050,283 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. \$8,708,287 of the bank balance was uninsured or uncollateralized at year-end.

Uninsured and uncollateralized	\$ 1,950,646
Uninsured and collateral held by the pledging financial institution	<u>6,757,641</u>
Total	<u><u>\$ 8,708,287</u></u>

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

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

Credit Risk

As of December 31, 2007, 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, 2007, the county's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Local government investment pool	<u><u>\$ 7,828,665</u></u>	0.15

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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	Health Care Center
Amounts not expected to be collected within one year	\$ 1,236,654	\$ 9,250

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	\$ 95,900
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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	\$ -	\$ 19,233,640	\$ 19,233,640
Delinquent property taxes receivable	506,230	-	506,230
Accounts and grants receivable not received within 60 days of year end	518,067	-	518,067
Total Unearned Revenue for Governmental Funds	\$ 1,024,297	\$ 19,233,640	\$ 20,257,937

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

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, 2007, such collections aggregated \$249,915 of which \$58,643 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, 2007, delinquent property taxes by year levied consists of the following:

	Total	County Levied	County Purchased
Tax Certificates			
2006	\$ 1,470,117	\$ 344,981	\$ 1,125,136
2005	534,007	125,935	408,072
2004	209,283	48,744	160,539
2003	2,147	520	1,627
Tax deeds	71,281	44,693	26,588
Total Delinquent Property Taxes Receivable	\$ 2,286,835	\$ 564,873	\$ 1,721,962

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Security Deposits

Security deposits related to the rental properties are held until the units are inspected. Funds are used to pay for damages or returned to the tenant.

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 and Restricted Donations

The Health Care Center holds funds for its residents' for their personal use. The Health Care Center also maintains a fund of donations restricted for certain specified uses.

Health Care Center Construction Account

General obligation promissory notes were issued on December 31, 2007 for construction of a skilled nursing facility.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2007:

	Restricted Assets
Security deposits	\$ 2,077
Equipment replacement account	40,000
Residents' funds and restricted donations	37,038
Health care center construction account	5,000,616
Total	\$ 5,079,731

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance*	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,236,871	\$ -	\$ -	\$ 1,236,871
Purchased development rights	5,086,437	371,729	-	5,458,166
Construction in progress	1,076,794	808,999	1,064,524	821,269
Total Capital Assets Not Being Depreciated	7,400,102	1,180,728	1,064,524	7,516,306
Capital assets being depreciated				
Land improvements	641,364	-	-	641,364
Buildings	45,745,180	-	224,778	45,520,402
Building improvements	6,217,168	182,782	-	6,399,950
Machinery, equipment, and vehicles	5,922,065	615,648	537,348	6,000,365
Infrastructure	55,172,213	2,645,791	1,060,206	56,757,798
Total Capital Assets Being Depreciated	113,697,990	3,444,221	1,822,332	115,319,879
Less: Accumulated depreciation for				
Land improvements	(264,790)	(8,051)	-	(272,841)
Buildings	(5,412,258)	(616,754)	55,424	(5,973,588)
Building improvements	(1,499,227)	(141,411)	-	(1,640,638)
Machinery, equipment, and vehicles	(2,539,776)	(623,976)	441,979	(2,721,773)
Infrastructure	(22,317,886)	(1,858,700)	1,060,206	(23,116,380)
Total Accumulated Depreciation	(32,033,937)	(3,248,892)	1,557,609	(33,725,220)
Governmental Activities Capital Assets, Net of Depreciation	\$ 89,064,155	\$ 1,376,057	\$ 1,329,247	\$ 89,110,965

* The January 1, 2007 balance has been adjusted for restating the solid waste enterprise fund into the governmental activities. See Note IV.J. for additional information regarding this restatement.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 623,592
Public safety	659,656
Public works, which includes the depreciation of infrastructure	1,741,594
Health and social services	79,330
Culture, education, and recreation	122,236
Conservation and development	<u>22,484</u>

Total Governmental Activities Depreciation Expense \$ 3,248,892

	Beginning Balance*	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 74,113	\$ 503,118	\$ 514	\$ 576,717
Construction in progress	<u>227,953</u>	<u>43,630</u>	<u>227,953</u>	<u>43,630</u>
Total Capital Assets Not Being Depreciated	<u>302,066</u>	<u>546,748</u>	<u>228,467</u>	<u>620,347</u>
Capital assets being depreciated				
Land improvements	609,518	9,002	-	618,520
Buildings	6,051,520	-	3,246	6,048,274
Building improvements	743,547	-	-	743,547
Machinery and equipment	<u>12,071,020</u>	<u>1,661,930</u>	<u>1,299,407</u>	<u>12,433,543</u>
Total Capital Assets Being Depreciated	<u>19,475,605</u>	<u>1,670,932</u>	<u>1,302,653</u>	<u>19,843,884</u>
Less: Accumulated depreciation for				
Land improvements	(376,658)	(21,237)	-	(397,895)
Buildings	(4,701,040)	(137,595)	3,246	(4,835,389)
Building improvements	(585,884)	(24,262)	-	(610,146)
Machinery and equipment	<u>(7,464,694)</u>	<u>(580,483)</u>	<u>427,125</u>	<u>(7,618,052)</u>
Total Accumulated Depreciation	<u>(13,128,276)</u>	<u>(763,577)</u>	<u>430,371</u>	<u>(13,461,482)</u>
 Business-type Capital Assets, Net of Depreciation	 <u>\$ 6,649,395</u>	 <u>\$ 1,454,103</u>	 <u>\$ 1,100,749</u>	 <u>\$ 7,002,749</u>

* The January 1, 2007 balance has been adjusted for restating the solid waste enterprise fund into the governmental activities. See Note IV.J. for additional information regarding this restatement.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities	
Highway	\$ 551,197
Health Care Center	<u>212,380</u>
Total Business-type Activities	
Depreciation Expense	<u>\$ 763,577</u>

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>
Commission on aging	General fund	\$ 254,240
Human services	General fund	1,373,020
County jail	General fund	49,306
Parkland development	General fund	15,020
Land records modernization	General fund	412,960
Landfill remediation	General fund	346,829
Forest management	General fund	88,445
General fund	Baraboo range	100,603
General fund	Drug seizures	70,642
CDBG-ED	General fund	83,526
General fund	Debt service	531,279
Building projects	General fund	719,837
Rental properties	General fund	8,444
Health care center	General fund	2,369,197
Highway	General fund	271,097
General fund	Insurance	39,577
Alice in Dairyland	General fund	4,154
General fund	Dog license	<u>559</u>
Subtotal – Fund financial statements		6,738,735
Add: Internal service fund allocation		160,206
Less: Fund eliminations		<u>(4,458,430)</u>
Total – Government-Wide Statement of Net Assets		<u>\$ 2,440,511</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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	\$ 199,783
Business-type activities	Governmental activities	<u>(2,640,294)</u>
Total		<u>\$ (2,440,511)</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	\$ 638,526	Transfer ITP grant
General fund	Building projects	125,000	Fund balance used for carpet replacement
General fund	Forest management	7,000	Capital acquisition
Debt service	General fund	2,848,239	Sales taxes used for debt payments
Debt service	County jail	113,000	Assessment fees used for debt payments
Health care center	General fund	<u>888,000</u>	New health care center capital assets
Subtotal – Fund Financial Statements		4,619,765	
Add: Contributions from Highway		2,368,641	
Less: Fund eliminations		<u>(4,869,239)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 2,119,167</u>	

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

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	\$ 3,007,167
Business-type activities	Governmental activities	<u>(888,000)</u>
Total		<u>\$ 2,119,167</u>

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 25,880,000	\$ -	\$ 2,350,000	\$ 23,530,000	\$ 1,520,000
Other Liabilities					
Vested compensated absences (Note I.D.7.)	1,970,850	1,749,332	1,626,455	2,093,727	1,749,332
Landfill post-closure liability (Note IV.H.)	2,934,400	-	173,382	2,761,018	95,140
Alliant shared savings loan	52,747	-	52,747	-	-
Total Other Liabilities	<u>4,957,997</u>	<u>1,749,332</u>	<u>1,852,584</u>	<u>4,854,745</u>	<u>1,844,472</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 30,837,997</u>	<u>\$ 1,749,332</u>	<u>\$ 4,202,584</u>	<u>\$ 28,384,745</u>	<u>\$ 3,364,472</u>

* The January 1, 2007 balance has been adjusted for restating the solid waste enterprise fund into the governmental activities. See Note IV.J. for additional information regarding restatement.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

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

F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance*	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 800,000
Unamortized premium	-	62,522	-	62,522	6,252
Total Bonds and Notes Payable	-	5,062,522	-	5,062,522	806,252
Other Liabilities					
Vested compensated absences (Note I.D.7.)	1,138,941	897,706	871,736	1,164,911	897,709
Total Business-Type Activities Long-Term Liabilities	<u>\$ 1,138,941</u>	<u>\$ 5,960,228</u>	<u>\$ 871,736</u>	<u>\$ 6,227,433</u>	<u>\$ 1,703,961</u>

* The January 1, 2007 balance has been adjusted for restating the solid waste enterprise fund into the governmental activities. See Note IV.J. for additional information regarding this restatement.

General Obligation Debt

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

In 2007, \$5,000,000 of general obligation promissory notes were issued for constructing and equipping a skilled nursing facility.

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, 2007, was \$337,999,090. Total general obligation debt outstanding at year end was \$28,530,000.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-07
General Obligation Debt					
Refunding bonds	12/1/01	10/1/21	3.15 - 4.75%	\$ 24,500,000	\$ 4,855,000
Refunding bonds	5/1/04	10/1/17	2.00 - 4.10%	6,550,000	6,405,000
Promissory notes	5/1/04	10/1/13	2.00 - 3.60%	3,450,000	2,425,000
Refunding bonds	12/29/05	10/1/21	3.50 - 4.00%	10,000,000	9,845,000
Total Governmental Activities – General Obligation Debt					<u>\$ 23,530,000</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-Type Activities	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-07</u>
General Obligation Debt					
Promissory notes	12/29/07	10/1/17	3.50 - 4.00%	5,000,000	<u>\$ 5,000,000</u>
Total Business Type Activities – General Obligation Debt					<u><u>\$ 5,000,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>			<u>Business-Type Activities General Obligation Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,520,000	\$ 917,651	\$ 2,437,651	\$ 800,000	\$ 142,642	\$ 942,642
2009	1,580,000	862,964	2,442,964	50,000	161,488	211,488
2010	1,640,000	803,151	2,443,151	275,000	159,738	434,738
2011	1,705,000	740,421	2,445,421	235,000	150,113	385,113
2012	1,770,000	674,533	2,444,533	245,000	141,888	386,888
2013 – 2017	8,030,000	2,387,953	10,417,953	3,395,000	451,463	3,846,463
2018 – 2021	7,285,000	731,280	8,016,280	-	-	-
Totals	<u>\$ 23,530,000</u>	<u>\$ 7,117,953</u>	<u>\$ 30,647,953</u>	<u>\$ 5,000,000</u>	<u>\$ 1,207,332</u>	<u>\$ 6,207,332</u>

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, 2007, \$15,480,000 of bonds outstanding are considered defeased.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

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 \$2,761,018 reported as landfill closure and postclosure care liability at December 31, 2007, represents the cumulative amount reported to date based on the use of 100 percent 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 closure and postclosure care in 2007. The county did cease accepting waste in 2005, 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. During 2007, the DNR released to the county the closure trust funds, and at December 31, 2007 \$2,609,941 is held with the DNR for postclosure care. The county expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by from future tax revenues.

I. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2007 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 1,236,871
Purchased development rights	5,458,166
Construction in progress	821,269
Other capital assets, net of accumulated depreciation	81,594,659
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(23,530,000)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>65,580,965</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

I. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Restricted

Trust Activities

Alice in Dairyland trust	\$ 9,768
Loan programs	549,582
Aging programs	54,799
Baraboo Range land acquisition	267,234
Law enforcement activities	116,614
Total Restricted	<u>997,997</u>

Unrestricted

23,916,264

Total Governmental Activities Net Assets \$ 90,495,226

Governmental fund balances reported on the fund financial statements at December 31, 2007 include the following:

Reserved

Major Funds

General Fund

Advance to Tri-County Airport	\$ 14,838
Delinquent personal property taxes	1,530,690
Prepaid items	28,936
Inventory	<u>15,473</u>

Total \$ 1,589,937

Human Services

Prepaid items \$ 14,488

Debt Service

Debt service \$ 106,414

Non-Major Funds

Alice in Dairyland trust \$ 9,768

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

I. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Unreserved, designated	
Major Funds	
General fund	
Carryforwards to subsequent year	\$ 1,162,516
Fund balance applied to subsequent year budget	1,129,297
Working capital	<u>11,944,099</u>
Total	<u>\$ 14,235,912</u>
 Unreserved, undesignated (deficit)	
Major Funds	
General fund	<u>\$ 4,164,683</u>
Human services	<u>\$ 974,235</u>
Building projects	<u>\$ 719,837</u>
Non-Major Funds	
Special Revenue Funds	
Commission on aging	\$ 305,665
County jail	58,047
Park land development	15,020
Land records modernization	440,132
Landfill remediation	5,601,726
Forest management	88,445
Baraboo range	267,234
Drug seizures	116,614
CDBG-ED revolving loan	83,626
Rental properties	22,934
Dog license (deficit)	<u>(805)</u>
Total	<u>\$ 6,998,638</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

I. NET ASSETS/FUND BALANCES (cont.)

Business-type Activities

Invested in capital assets, net of related debt	\$	576,717
Land		43,630
Construction in progress		6,382,402
Other capital assets, net of accumulated depreciation		(5,000,000)
Less: related long-term debt outstanding		4,968,000
Plus: unspent debt proceeds		<u>6,970,749</u>
Total Invested in Capital Assets, Net of Related Debt		
 Restricted		
Health care center donation funds		10,000
Equipment replacement		<u>40,000</u>
Total Restricted		<u>50,000</u>
 Unrestricted		<u>4,520,923</u>
 Total Business-type Activities Net Assets	\$	<u><u>11,541,672</u></u>

J. RESTATEMENT OF FUND BALANCES/NET ASSETS

Fund balance has been restated due to closing the enterprise solid waste fund into the landfill remediation special revenue fund.

Governmental Funds

	Landfill Remediation Fund	Non-major Governmental Funds
Fund balance – December 31, 2006 (as reported)	\$ 2,302,390	\$ 3,806,387
Add: Solid waste current assets, current liabilities and equity	<u>3,288,476</u>	<u>3,288,476</u>
Fund Balance – January 1, 2007 (as restated)	<u><u>\$ 5,590,866</u></u>	<u><u>\$ 7,094,863</u></u>

Net assets have been restated due to closing the enterprise solid waste fund into the landfill remediation special revenue fund.

Governmental activities net assets – December 31, 2006 (as reported)	\$ 87,386,177
Add: Land and equipment, net of accumulated depreciation	216,953
Add: Current assets, liabilities, and equity	3,288,476
Less: Post-closure landfill liability	<u>(2,934,400)</u>
Net Assets – January 1, 2007 (as restated)	<u><u>\$ 87,957,206</u></u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

J. RESTATEMENT OF FUND BALANCES/NET ASSETS (cont.)

Solid Waste Fund

Net Assets – December 31, 2006 (as reported)	\$ 571,029
Less: Assets, liabilities, and equity	<u>(571,029)</u>
Net Assets – January 1, 2007 (as restated)	<u>\$ -</u>
Business-type activities net assets – December 31, 2006 (as reported)	\$ 10,484,799
Add: Post-closure landfill liability	2,934,400
Less: Current assets, liabilities, and equity	(3,288,476)
Less: Land and equipment, net of accumulated depreciation	<u>(216,953)</u>
Net Assets – January 1, 2007 (as restated)	<u>\$ 9,913,770</u>

K. 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 \$189,402 and the bank balance was \$200,928. 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, 2007

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

K. COMPONENT UNIT (cont.)

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land and improvements	\$ 496,170	\$ -	\$ -	\$ 496,170	5 – 20
Leasehold improvements	8,664	-	-	8,664	5 – 20
Buildings and improvements	3,329,465	76,775	63,335	3,342,905	5 – 40
Furniture and equipment	158,409	8,205	1,053	165,561	3 – 10
Total Capital Assets	3,992,708	84,980	64,388	4,013,300	
Accumulated depreciation	(1,766,094)	(148,130)	3,096	(1,911,128)	
Net Capital Assets	<u>\$ 2,226,614</u>	<u>\$ (63,150)</u>	<u>\$ 61,292</u>	<u>\$ 2,102,172</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>\$ 901,539</u>	<u>\$ -</u>	<u>\$ 16,179</u>	<u>\$ 885,360</u>

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2008	\$ 17,194	\$ 61,698	\$ 78,892
2009	18,299	60,593	78,892
2010	19,465	59,427	78,892
2011	20,707	58,185	78,892
2012	22,025	56,867	78,892
2013 – 2017	115,055	261,754	376,809
2018 – 2022	102,787	226,390	329,177
2023 – 2027	147,366	181,811	329,177
2028 – 2032	211,286	117,891	329,177
2033 – 2037	172,146	36,501	208,647
2038 – 2041	39,030	5,111	44,141
Totals	<u>\$ 885,360</u>	<u>\$ 1,126,228</u>	<u>\$ 2,011,588</u>

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

K. 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, 2007 was \$182,381; the Housing Authority's total payroll was \$197,493.

The total required contribution for the year ended December 31, 2007 was \$18,968 or 10.4 percent of covered payroll. Of this amount, 4.5 percent was contributed by the employer for the current year. Total contributions for the years ending December 31, 2005 and 2004 were \$18,261 and \$17,009, 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, 2007 includes the following:

Invested in capital assets, net of related debt		
Other capital assets, net of accumulated depreciation	\$	2,102,172
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)		<u>(885,360)</u>
Total Invested in Capital Assets, Net of Related Debt		1,216,812
Restricted		
Escrow accounts		92,190
Unrestricted		<u>694,920</u>
Total Net Assets	\$	<u><u>2,003,922</u></u>

h. Contingent Liability

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

Name	Ownership Percent	Outstanding Liabilities at 12-31-06
Tower Street Limited Partnership	1%	\$ 656,510
Kolan Kourt Limited Partnership	.01%	413,211
South Central Wisconsin Elderly Housing Limited Partnership Ownership	3.33%	196,063

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

K. COMPONENT UNIT (cont.)

i. Operating Lease

In April, 2003, Sauk County Housing Authority entered into a copier lease with GFC Leasing Company. The terms of the lease require 60 monthly payments of \$181. The cost of the lease is partially offset by allocating costs among other programs the Housing Authority manages. Lease payments for the year ending June 30, 2007 are \$2,172. Lease commitments due in future years are as follows.

June 30, 2008	<u>\$ 1,629</u>
---------------	-----------------

j. Investment in Joint Venture

On June 23, 2005, 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. Sauk County contributed \$100,000 toward the purchase price of the land with the remaining \$110,000 coming from the Authority. A short-term bank note of \$75,000 was taken out and secured with two certificates of deposit owned by the Authority and will be used to pay-off the bank note. The note had a 4.5% interest rate and was paid off December 26, 2007.

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.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible county employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.9% of their salary (2.9% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.3% 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.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for county employees covered by the system for the year ended December 31, 2007 was \$24,856,529; the employer's total payroll was \$24,622,350. The total required contribution for the year ended December 31, 2007 was \$2,776,679 or 11.17 percent of covered payroll. Of this amount, 100 percent was contributed by the employer for the current year. Total contributions for the years ending December 31, 2006 and 2005 were \$2,667,740 and \$2,417,491, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest 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, 2007, 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; workers compensation; 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 are accounted for and financed by the county in an internal service fund – the county insurance fund.

Self Insurance

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

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, 2007

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 the County Mutual 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 governing body is made up of nineteen 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, 2007 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.

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.

Sauk County has been notified that the Original Sauk County Landfill has been placed on the National Priority List by the Environmental Protection Agency (EPA). The Wisconsin Department of Natural Resources (DNR) has indicated that it will seek to recover damages from Sauk County for harm caused to the environment.

SAUK COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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 2007, the county spent \$79,197 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. 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 \$13,792 to the airport for 2007. The county believes that they will make similar payments to the airport in the future.

Financial information of the airport as of December 31, 2007 is available directly from the county.

E. SUBSEQUENT EVENTS

On March 18, 2008, the Sauk County Board authorized the borrowing of \$10,000,000 which provided for the issuance and sale of bond anticipation notes (BAN's) for the public purpose of constructing and equipping a skilled nursing facility. The BAN's are dated April 8, 2008 with a maturity date of October 1, 2011 and have an interest rate of 3.30%.

During June, 2008, parts of Wisconsin experienced historic rainfalls and flooding. As a result, some governments are incurring abnormal costs to deal with public works, public safety, and damage to property and infrastructure. Federal government contributions and insurance recoveries of these costs have not been determined. It is not possible to estimate the fiscal impact of these events on Sauk County.

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General	\$ 2,823,445	\$ 2,823,445	\$ 2,698,312	\$ (125,133)
County board	138,138	138,138	138,138	-
Clerk of courts	1,093,802	1,135,229	1,192,333	57,104
Board of adjustments	76,431	76,431	74,331	(2,100)
Circuit court	557,151	573,382	557,482	(15,900)
Court commissioner	191,879	191,879	190,847	(1,032)
Circuit court probate	140,581	146,013	133,293	(12,720)
Accounting	456,170	456,170	456,890	720
Family court counseling	16,500	16,500	17,635	1,135
County clerk	321,789	321,789	305,612	(16,177)
Personnel	387,323	387,323	389,111	1,788
Treasurer	415,977	415,977	1,904,470	1,488,493
Register of deeds	238,594	238,594	265,777	27,183
District attorney	468,761	468,761	472,625	3,864
Corporation counsel	531,542	531,542	528,070	(3,472)
Surveyor	79,475	79,475	79,475	-
Buildings and maintenance	2,327,947	2,327,947	2,402,383	74,436
Property mapping	134,869	134,869	136,539	1,670
Sheriff	12,066,504	12,095,129	12,068,035	(27,094)
Coroner	110,265	117,945	119,052	1,107
Emergency government	259,424	429,438	435,389	5,951
Administrative coordinator	281,890	281,890	281,890	-
Management information systems	1,632,922	2,050,990	1,575,605	(475,385)
Public health	722,554	729,554	630,401	(99,153)
Home nursing	779,643	779,643	657,328	(122,315)
Public health - WIC	206,856	206,856	214,660	7,804
Public health - environmental health	271,255	271,255	286,288	15,033
Public health - bioterrorism	67,208	67,208	69,563	2,355
Child support	782,922	782,922	801,157	18,235
Veteran's service	219,667	219,667	219,421	(246)
Parks	283,899	307,726	316,226	8,500
Planning and zoning	974,300	974,300	815,184	(159,116)
Land conservation	946,772	946,772	784,553	(162,219)
University extension	267,897	267,897	286,683	18,786
County farm	7,440	7,440	7,443	3
Total Revenues	30,281,792	31,000,096	31,512,201	512,105

See 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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
General	\$ 1,567,746	\$ 1,571,591	\$ 1,389,387	\$ 182,204
County board	138,138	138,138	132,494	5,644
Clerk of courts	1,093,802	1,138,229	1,138,229	-
Board of adjustments	76,431	76,431	72,066	4,365
Circuit court	567,151	583,382	583,713	(331)
Court commissioner	191,879	191,879	189,582	2,297
Circuit court probate	140,581	146,013	138,725	7,288
Accounting	456,170	481,870	431,009	50,861
Family court counseling	16,524	18,583	16,253	2,330
County clerk	321,789	321,789	283,785	38,004
Personnel	387,323	412,112	377,536	34,576
Treasurer	415,977	441,685	437,335	4,350
Register of deeds	238,594	238,594	231,308	7,286
District attorney	468,761	488,922	455,954	32,968
Corporation counsel	531,542	531,542	508,218	23,324
Surveyor	79,475	79,475	58,637	20,838
Buildings and maintenance	2,452,947	2,657,518	2,245,081	412,437
Property mapping	134,869	134,869	131,867	3,002
Sheriff	12,066,504	12,153,624	11,892,625	260,999
Coroner	110,265	117,945	126,733	(8,788)
Emergency government	259,424	454,438	441,737	12,701
Administrative coordinator	281,890	281,890	196,768	85,122
Management information systems	1,632,922	2,067,151	1,457,518	609,633
Public health	722,554	729,705	616,346	113,359
Home nursing	779,643	943,272	786,904	156,368
Public health - WIC	206,856	230,458	227,563	2,895
Public health - environmental health	286,255	342,837	259,338	83,499
Public health - bioterrorism	67,208	106,318	98,244	8,074
Child support	782,922	782,922	743,289	39,633
Veteran's service	219,667	233,407	195,659	37,748
Parks	290,899	327,864	327,863	1
Planning and zoning	1,298,655	1,277,409	819,006	458,403
Land conservation	1,045,184	1,140,016	816,707	323,309
University extension	267,897	278,156	274,020	4,136
County farm	7,440	7,440	371	7,069
Total Expenditures	29,605,884	31,127,474	28,101,870	3,025,604

See 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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures	\$ 675,908	\$ (127,378)	\$ 3,410,331	\$ 3,537,709
OTHER FINANCING SOURCES (USES)				
Transfers in	724,540	724,540	770,526	45,986
Transfers out	<u>(2,848,239)</u>	<u>(3,736,239)</u>	<u>(3,736,239)</u>	-
Total Other Financing Sources (Uses)	<u>(2,123,699)</u>	<u>(3,011,699)</u>	<u>(2,965,713)</u>	45,986
Net Change in Fund Balance	(1,447,791)	(3,139,077)	444,618	3,583,695
FUND BALANCE - Beginning of Year	<u>19,545,914</u>	<u>19,545,914</u>	<u>19,545,914</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 18,098,123</u>	<u>\$ 16,406,837</u>	<u>\$ 19,990,532</u>	<u>\$ 3,583,695</u>

SAUK COUNTY

HUMAN SERVICES FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,584,174	\$ 6,584,174	\$ 6,584,174	\$ -
Intergovernmental	14,351,759	14,791,831	15,267,718	475,887
Fines, forfeitures and penalties	150,000	150,000	122,811	(27,189)
Public charges for services	481,150	481,150	443,411	(37,739)
Intergovernmental charges for services	50,353	50,353	-	(50,353)
Miscellaneous	13,150	13,150	23,674	10,524
Total Revenues	<u>21,630,586</u>	<u>22,070,658</u>	<u>22,441,788</u>	<u>371,130</u>
EXPENDITURES				
Current				
Health and social services	<u>21,630,586</u>	<u>22,555,262</u>	<u>22,555,261</u>	<u>1</u>
Total Expenditures	<u>21,630,586</u>	<u>22,555,262</u>	<u>22,555,261</u>	<u>1</u>
Net Change in Fund Balance	-	(484,604)	(113,473)	371,129
FUND BALANCE - Beginning of Year	<u>1,102,196</u>	<u>1,102,196</u>	<u>1,102,196</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,102,196</u>	<u>\$ 617,592</u>	<u>\$ 988,723</u>	<u>\$ 371,129</u>

SAUK COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2007

BUDGETARY INFORMATION

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

Excess expenditures over appropriations are as follows:

	<u>Amended Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Circuit courts	\$ 583,382	\$ 583,713	\$ 331
Coroner	117,945	126,733	8,788

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

SUPPLEMENTARY INFORMATION

SAUK COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007

	Special Revenue Funds											Total	
	Commission on Aging	County Jail	Park Land Development	Land Records Modernization	Landfill Remediation	Forest Management	Baraboo Range	Drug Seizures	CDBG-ED Revolving Loans	Rental Properties	Alice in Dairyland		Dog License
ASSETS													
Cash and investments	\$ 70,660	\$ -	\$ -	\$ -	\$ 2,670,951	\$ -	\$ 369,874	\$ 187,506	\$ 100	\$ 14,490	\$ 5,864	\$ -	\$ 3,319,445
Taxes receivable	167,437	-	-	-	-	-	-	-	-	-	-	-	167,437
Accounts receivable	1,850	8,741	-	574	1,893	-	-	-	-	-	904	-	13,962
Loans receivable	-	-	-	-	-	-	-	-	465,956	-	-	-	465,956
Due from other funds	254,240	49,306	15,020	412,960	346,829	88,445	-	-	83,526	4,154	-	-	1,262,924
Due from other governmental units	49,656	-	-	31,088	2,609,941	-	-	-	-	-	-	-	2,690,685
Restricted cash	-	-	-	-	-	-	-	-	-	2,077	-	-	2,077
TOTAL ASSETS	\$ 543,843	\$ 58,047	\$ 15,020	\$ 444,622	\$ 5,629,614	\$ 88,445	\$ 369,874	\$ 187,506	\$ 549,582	\$ 25,011	\$ 10,018	\$ 904	\$ 7,922,486
LIABILITIES AND FUND BALANCES													
Liabilities													
Accounts payable	\$ 46,083	\$ -	\$ -	\$ -	\$ 27,888	\$ -	\$ 9	\$ 250	\$ -	\$ -	\$ 250	\$ 5	\$ 74,485
Accrued liabilities	24,658	-	-	620	-	-	2,028	-	-	-	-	-	27,306
Due to other funds	-	-	-	-	-	-	100,603	70,642	-	-	-	559	171,804
Due to other governmental units	-	-	-	3,870	-	-	-	-	-	-	-	1,145	5,015
Deposits	-	-	-	-	-	-	-	-	-	2,077	-	-	2,077
Deferred revenues	167,437	-	-	-	-	-	-	-	465,956	-	-	-	633,393
Total Liabilities	238,178	-	-	4,490	27,888	-	102,640	70,892	465,956	2,077	250	1,709	914,080
Fund Balances													
Reserved	-	-	-	-	-	-	-	-	-	-	9,768	-	9,768
Unreserved													
Undesignated	305,665	58,047	15,020	440,132	5,601,726	88,445	267,234	116,614	83,626	22,934	-	(805)	6,998,638
Total Fund Balances	305,665	58,047	15,020	440,132	5,601,726	88,445	267,234	116,614	83,626	22,934	9,768	(805)	7,008,406
TOTAL LIABILITIES AND FUND BALANCES	\$ 543,843	\$ 58,047	\$ 15,020	\$ 444,622	\$ 5,629,614	\$ 88,445	\$ 369,874	\$ 187,506	\$ 549,582	\$ 25,011	\$ 10,018	\$ 904	\$ 7,922,486

SAUK COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007

	Special Revenue Funds											Total	
	Commission on Aging	County Jail	Park Land Development	Land Records Modernization	Landfill Remediation	Forest Management	Baraboo Range	Drug Seizures	CDBG-ED Revolving Loan	Rental Properties	Alice in Dairyland		Dog License
REVENUES													
Taxes	\$ 169,244	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,244
Intergovernmental	522,563	-	-	50,961	-	-	375,220	400	186,000	-	-	-	1,135,144
Licenses and permits	-	-	-	-	-	-	-	-	-	-	31,090	-	31,090
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	899	-	-	-	-	899
Public charges for services	22,146	-	-	128,815	48,447	-	-	-	-	-	-	-	199,408
Intergovernmental charges for services	73,110	-	-	-	-	-	-	-	-	-	-	-	73,110
Regulation and compliance	-	148,895	-	-	-	-	-	-	-	-	-	-	148,895
Investment income	2,406	-	-	-	300,336	-	18,069	6,959	12,820	55	290	-	340,935
Miscellaneous	127,404	-	-	-	-	22,457	-	44,044	-	30,263	-	-	224,168
Total Revenues	916,873	148,895	-	179,776	348,783	22,457	393,289	8,258	242,864	30,318	290	31,090	2,322,893
EXPENDITURES													
Current													
General government	-	-	-	41,189	-	-	-	-	-	26,171	-	-	67,360
Public safety	-	-	-	-	-	-	-	94,866	-	-	-	-	94,866
Health and social services	1,003,293	-	-	-	-	-	-	-	-	-	34,899	-	1,038,192
Public works	-	-	-	-	307,334	-	-	-	-	-	-	-	307,334
Culture, education and recreation	-	-	-	-	-	-	-	-	-	-	250	-	250
Conservation and development	-	-	-	-	-	-	33,877	-	177,500	-	-	-	211,377
Capital Outlay	-	-	-	151,300	30,589	-	388,082	-	-	-	-	-	569,971
Total Expenditures	1,003,293	-	-	192,489	337,923	-	421,959	94,866	177,500	26,171	250	34,899	2,289,350
on Aging													
Excess (deficiency) of revenues over expenditures	(86,420)	148,895	-	(12,713)	10,860	22,457	(28,670)	(86,608)	65,364	4,147	40	(3,809)	33,543
OTHER FINANCING USES													
Transfers out	-	(113,000)	-	-	-	(7,000)	-	-	-	-	-	-	(120,000)
Total Other Financing Uses	-	(113,000)	-	-	-	(7,000)	-	-	-	-	-	-	(120,000)
Net change in fund balance	(86,420)	35,895	-	(12,713)	10,860	15,457	(28,670)	(86,608)	65,364	4,147	40	(3,809)	(86,457)
FUND BALANCES -													
Beginning of Year (as restated)	392,085	22,152	15,020	452,845	5,590,866	72,988	295,904	203,222	18,262	18,787	9,728	3,004	7,094,863
FUND BALANCES -													
END OF YEAR	\$ 305,665	\$ 58,047	\$ 15,020	\$ 440,132	\$ 5,601,726	\$ 88,445	\$ 267,234	\$ 116,614	\$ 83,626	\$ 22,934	\$ 9,768	\$ (805)	\$ 7,008,406

SAUK COUNTY

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 December 31, 2007

	Agency Funds					Totals
	Officers' Range Association	Tri-County Airport	Clerk of Courts	Huber Trust	Tax Collection	
ASSETS						
Cash and investments	\$ 13,542	\$ -	\$ 537,704	\$ 52,093	\$ -	\$ 603,339
Property taxes receivable	-	-	-	-	1,147,210	1,147,210
Due from other governments	-	21,550	-	-	-	21,550
TOTAL ASSETS	\$ 13,542	\$ 21,550	\$ 537,704	\$ 52,093	\$ 1,147,210	\$ 1,772,099
LIABILITIES						
Accounts payable	\$ 3,996	\$ 1,268	\$ -	\$ -	\$ -	\$ 5,264
Accrued liabilities	-	3,457	-	-	-	3,457
Deposits	-	-	537,704	52,093	-	589,797
Due to other governments	9,546	16,825	-	-	1,147,210	1,173,581
TOTAL LIABILITIES	\$ 13,542	\$ 21,550	\$ 537,704	\$ 52,093	\$ 1,147,210	\$ 1,772,099