

# Jefferson County, Wisconsin



**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2013**

# Jefferson County, Wisconsin



## Comprehensive Annual Financial Report

For the Year Ended December 31, 2013

Prepared by

Jefferson County Finance Department

Brian Lamers, Finance Director

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## **INTRODUCTORY SECTION**

## JEFFERSON COUNTY, WISCONSIN



Finance Department

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June 25, 2014

To the County Board of Supervisors and the Citizens of Jefferson County:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Jefferson for the calendar year ended December 31, 2013. To satisfy requirements of state law, this report has been prepared by the County's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

Jefferson County's financial management is responsible for the completeness and fairness of the information, including disclosures, presented in this report. We believe the information presented is complete and reliable in all material respects, and that it fairly presents the County's financial position and results of operations. To provide a reasonable basis for making these representations, management of the County has established a comprehensive framework of internal control. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

A firm of licensed certified public accountants, CliftonLarsonAllen LLP, has performed an independent audit of, and issued an unmodified opinion on, the County's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The County is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' reports related specifically to the Single Audit are not included in this document, but are issued under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Jefferson County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Policy-making and legislative authority are vested in a 30-member Board of Supervisors. Each Supervisor serves a two-year term and is elected in April of the even numbered calendar years. The Board of Supervisors appoints the County Administrator. The financial reporting entity includes all the funds of Jefferson County. The government provides a full range of services to meet the needs of its citizens. These services include:

- General and financial administration, including tax collections
- Judiciary services and legal counsel
- Property records
- County planning and zoning
- Public safety, including Sheriff, emergency management, and correctional facilities
- Health and Human services
- Public works, including transportation and facilities maintenance
- Veterans assistance
- Coroner
- Election administration
- Cultural and recreational activities, including parks
- University of Wisconsin extension services
- Conservation of natural resources

The County is required to adopt a budget in conformance with Chapter 65.90 of the Wisconsin State Statutes. Adoption of the budget for the ensuing year takes place at the November County Board meeting. The County Board holds required public hearings on the proposed budget prior to adoption. The budget must list all existing indebtedness of the County and include anticipated revenues from all sources during the ensuing year, and must list all proposed appropriations for each function during the ensuing year. The budget must show actual revenues and expenditures for the prior year and not less than the first six months of the current year and estimated revenues and expenditures for the balance of the current year. Budget-to-actual comparisons are provided in the other supplementary information section of this report for each fund for which an appropriated annual budget has been adopted.

## **Local Economy**

Jefferson County, established in 1836, serves a population of approximately 83,940. It is located in south-central Wisconsin, approximately mid-way between Madison and Milwaukee, which are the two largest population centers in the state. The County is bisected by I-94 which runs east/west. The Highway Department maintains about 436 miles of interstate, state, and county roads. The County encompasses about 583 square miles and consists of 16 towns, 5 villages, and 5 cities. The cities/villages of Cambridge (Dane), Lac LaBelle (Waukesha), Watertown (Dodge), and Whitewater (Walworth) are geographically split with other counties.

## **Relevant Financial Policies**

**Fund Balance:** The County places an emphasis on policies that maintain appropriate fund balance/net position reserves to assist with making current and long-term budgetary projections and decisions. The current policy requires a minimum of two months of budgeted expenditures to be retained for working capital, with a goal of three months to be retained. At December 31, 2013, the County has retained the three month goal and has an additional \$1.0 million available. A decision on the usage(s) of the \$1.0 million will occur during the preparation of the 2015 tax levy, which will be adopted in November 2014.

## **Long-term Financial Planning**

As part of long range planning, the County employs a five-year capital expenditure plan. The plan identifies capital expenditures and the methods to finance them. Capital request need to provide sound justification based on established need. Justification should also include alternatives considered and future projected impact on operating budgets.

Future plans include the construction of new Highway facilities with the main funding source coming from bonding and continued investment in infrastructure including highway improvements and other capital expenditures which will be funded through property tax levy.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jefferson County for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the first year that Jefferson County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

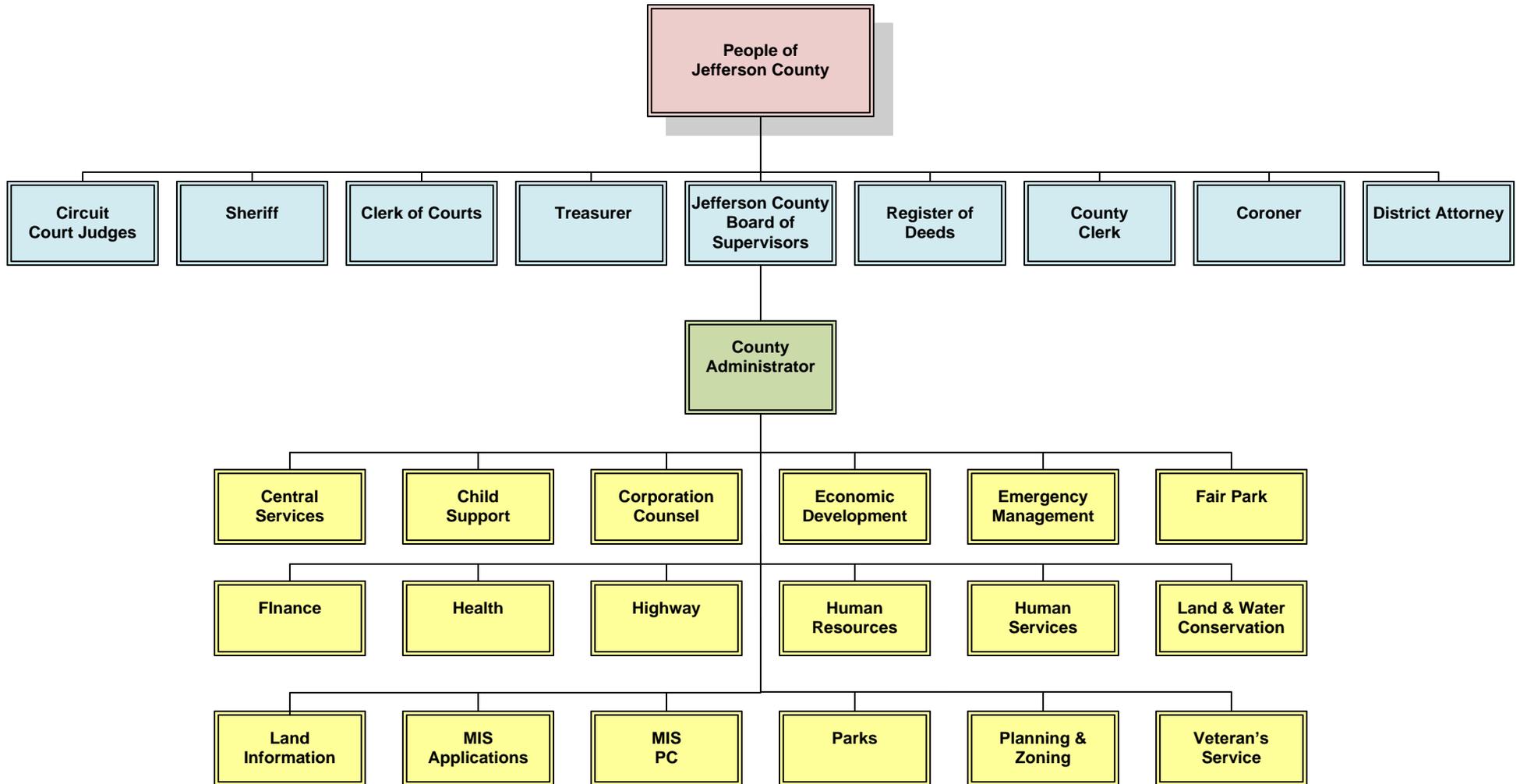
The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department as well as financial staff throughout the County. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Finance Committee and County Board of Supervisors for their support in attempting to maintain the highest standards of professionalism in the management of Jefferson County.

Respectfully submitted,

Brian L. Lamers, CPA  
Finance Director  
Jefferson County

# Jefferson County Government Organizational Chart

December 2013



**Jefferson County, Wisconsin  
List of Principal Officials  
(as of the date of the report issued)**

**Elected Officials**

Clerk of Courts	Carla J. Robinson
Coroner	Patrick J. Theder
County Clerk	Barbara A. Frank
County Treasurer	John E. Jensen
District Attorney	Susan V. Happ
Register of Deeds	Staci M. Hoffman
Sheriff	Paul Milbrath

**County Board of Supervisors**

Dist	Name	Dist	Name
1	Richard C. Jones	16	Laura Payne
2	Mike Kelly	17	Russell Kutz
3	Greg David	18	Jennifer Hanneman
4	Augie Tietz	19	Jim Schroeder (Chair)
5	James B. Braughler (Second Vice Chair)	20	Jim Mode
6	Ron Buchanan	21	John C. Kannard
7	Dwayne C. Morris	22	Blane Poulson
8	Michael Wineke	23	George Jaeckel
9	Amy Rinard	24	Katherine Murley
10	Al C. Counsell	25	Matthew Foelker
11	Donald Reese	26	Carlton Zentner
12	Peter Hartz	27	Glen Borland
13	Ed Morse	28	Dick Schultz
14	Kirk Lund	29	Paul G. Babcock
15	Steven J. Nass (Vice Chair)	30	Walt Christensen

## Non-Elected Department Heads

County Administrator	Benjamin Wehmeier
Central Services	Mark Miller
Child Support	Stacey Jensen
Corporation Counsel	Philip C. Ristow
Economic Development	Genevieve Borich
Emergency Management	Donna Haugom
Fair Park	David Diestler
Finance	Brian Lamers, CPA
Health	Gail Scott
Highway	William T. Kern
Human Resources	Terri M. Palm-Kostroski
Human Services	Kathleen Cauley
Land and Water Conservation	Mark Watkins
Land Information	Andrew J. Erdman
Management Information Systems	John Rageth
Management Information Systems	Roland Welsch
Parks	Joseph Nehmer
UW Extension	Steve Grabow
Veterans Services	Yvonne Duesterhoeft
Zoning and Planning	Robert Klotz



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Jefferson County  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

## **FINANCIAL SECTION**

## Independent Auditors' Report

Board of Supervisors  
Jefferson County, Wisconsin  
Jefferson, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Wisconsin, as of and for the year ended December 31, 2013, and the respective budgetary comparison for the General Fund and the Human Services Fund and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Wisconsin, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Human Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters*****Required Supplementary Information***

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

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson County, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014 on our consideration of the Jefferson County, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County, Wisconsin's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

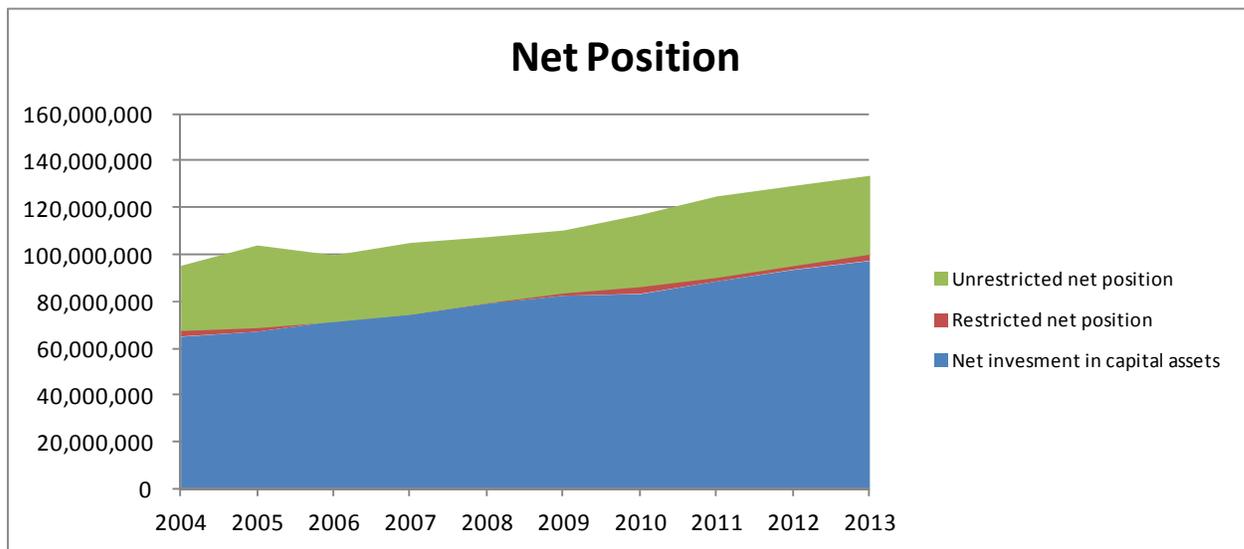
Milwaukee, Wisconsin  
June 25, 2014

**Jefferson County, Wisconsin**  
Management Discussion and Analysis  
December 31, 2013

As management of Jefferson County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the calendar year ended December 31, 2013. Efforts have been made to provide comparison to prior year data when such data is available. Please read this narrative in conjunction with the letter of transmittal, which can be found on pages 1 - 3 of this report.

**Financial Highlights**

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows as of December 31, 2013 by \$133.3 million (*net position*). Of this amount, \$33.1 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$3.9 million or 3.0%.
- Total governmental activities net position was \$117.8 million and business type activities was \$15.5 million.
- The chart below shows the history of net position from 2004 to current.



- As of December 31, 2013, the governmental funds had total fund balances of \$35.2 million. Of this amount, \$17.1 million is available for spending at the County's discretion (*unassigned fund balance*).

**Overview of the Financial Statements**

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

**Jefferson County, Wisconsin**  
Management Discussion and Analysis  
December 31, 2013

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

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Jefferson County include (a) general government, (b) public safety, (c) health and human services, (d) culture, recreation, and education, (e) conservation and development, (f) public works, and (g) debt service. The business-type activities of the County is only the Highway Department for 2013.

The government-wide financial statements can be found on pages 24 - 25 of this report.

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

**Governmental funds** 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 funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

**Jefferson County, Wisconsin**  
Management Discussion and Analysis  
December 31, 2013

The County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund and the Human Services Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

The County adopts an annual budget for all of its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the General fund and for each individual, major special revenue fund to demonstrate compliance with the budget. Budgetary comparisons for other funds with adopted budgets have been included in other supplementary financial information.

The basic governmental fund financial statements can be found on pages 26 - 30 of this report.

**Proprietary funds** are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Jefferson County uses enterprise funds to account for its Highway activity. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Jefferson County does not use any internal service funds.

Proprietary fund financial statements provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. The Highway Department, an enterprise fund, is also considered a major fund and is presented by itself.

The proprietary fund financial statements can be found on pages 31 - 34 of this report.

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

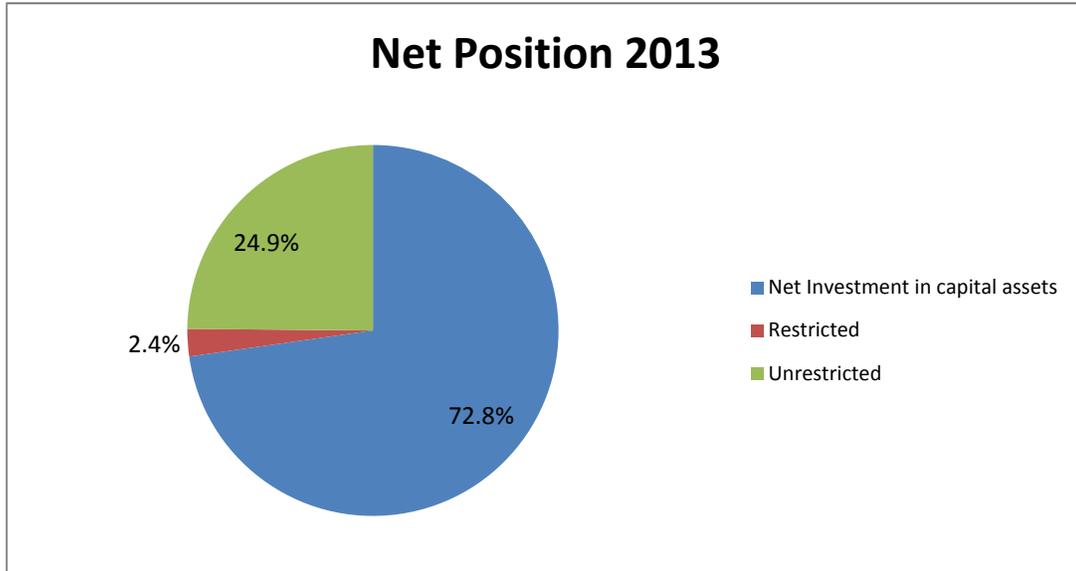
The County does not report any fiduciary funds.

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 - 66 of this report.

### **Government-wide Financial Analysis**

**Net Position** -- As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$133.3 million at the close of the most recent calendar year.

**Jefferson County, Wisconsin**  
Management Discussion and Analysis  
December 31, 2013



The large portion of the County's net position (72.8%) reflects its investments in capital assets, (land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that are still outstanding (the County has no debt in 2013 related to capital assets). The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additionally, the depreciation of capital assets is an expense for proprietary funds and therefore, as an expense, is available to be reimbursed through user fees of those funds.

An additional portion of the County's net position (2.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (24.9% or \$33.1 million) may be used to meet the County's ongoing obligations to citizens and creditors.

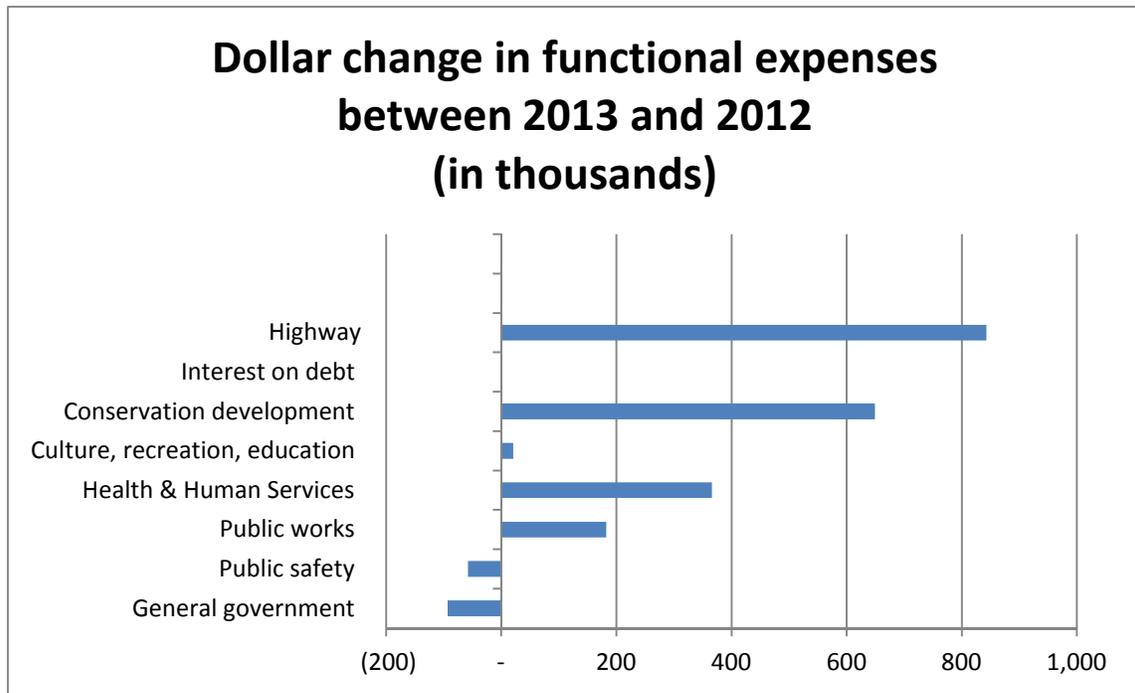
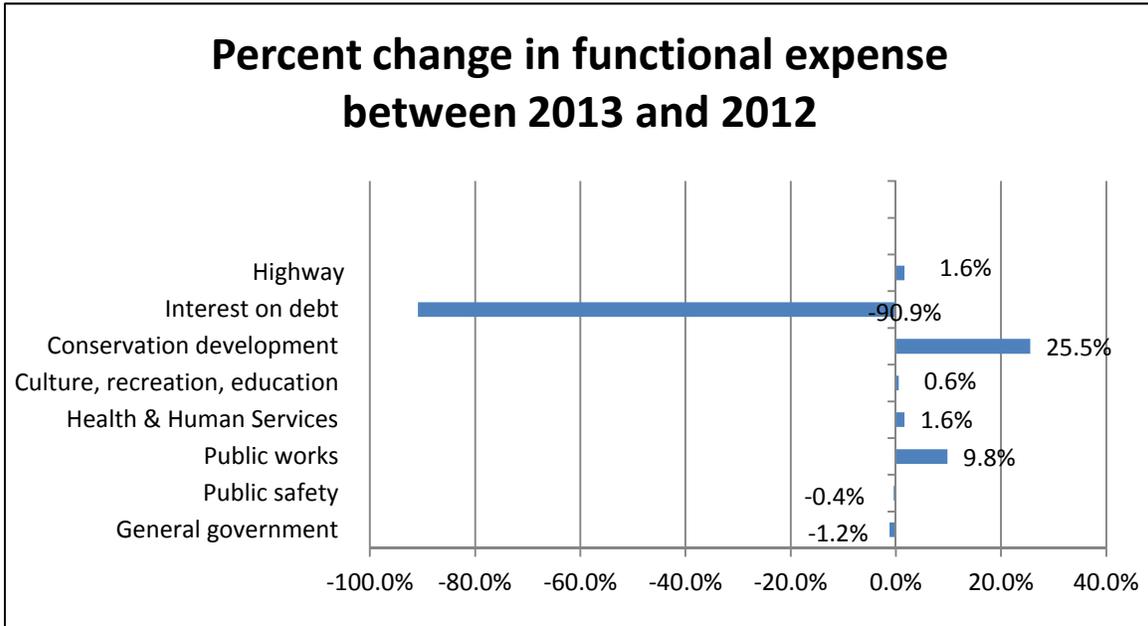
**Change in net position** – At the end of the calendar year, the County reported total revenues of \$62.7 million and total expenses of \$58.9 million, which resulted in an increase of \$3.9 million (after considering transfers). The table below and the narrative that follows consider the key elements of this increase broken down by both governmental and business-type activities.

**Jefferson County, Wisconsin**  
Management Discussion and Analysis  
December 31, 2013

The two graphs below focus on the change in expenses.

(in thousands)	<u>Gov't Activities</u>		<u>Bus-Type Activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
Program revenues						
Operating grants & donations	\$11,315	\$10,805	\$1,753	\$1,682	\$13,068	\$12,487
Capital grants & donations	586	372	-	-	586	372
Public charges	9,944	9,790	3,577	3,368	13,521	13,158
General revenues						
General property taxes	21,850	21,200	5,846	6,172	27,696	27,372
Debt service property taxes	55	110	-	-	55	110
Sales tax	5,185	5,029	-	-	5,185	5,029
Other taxes	212	201	-	-	212	201
General state aid	2,136	2,148	-	-	2,136	2,148
Investment earnings	76	500	-	-	76	500
Sale of County property	-	-	235	39	235	39
Total revenues	51,359	50,155	11,411	11,261	62,770	61,416
General government	7,405	7,498	-	-	7,405	7,498
Public safety	12,979	13,037	-	-	12,979	13,037
Public works	2,039	1,857	6,738	5,894	8,777	7,751
Health & Human Services	22,769	22,403	-	-	22,769	22,403
Culture, recreation, education	3,762	3,741	-	-	3,762	3,741
Conservation development	3,193	2,544	-	-	3,193	2,544
Interest on debt	-	1	-	-	0	1
Total expenses	52,147	51,081	6,738	5,894	58,885	56,975
Change in net position before transfers	(788)	(926)	4,674	5,367	3,885	4,441
Transfers	2,726	4,310	(2,726)	(4,310)	-	-
Change in net position	1,937	3,384	1,948	1,057	3,885	4,441
Net Position -- beginning balance	115,869	112,485	13,513	12,456	129,382	124,941
Net Position -- ending balance	\$117,806	\$115,869	\$15,461	\$13,513	\$133,267	\$129,392

**Jefferson County, Wisconsin**  
 Management Discussion and Analysis  
 December 31, 2013



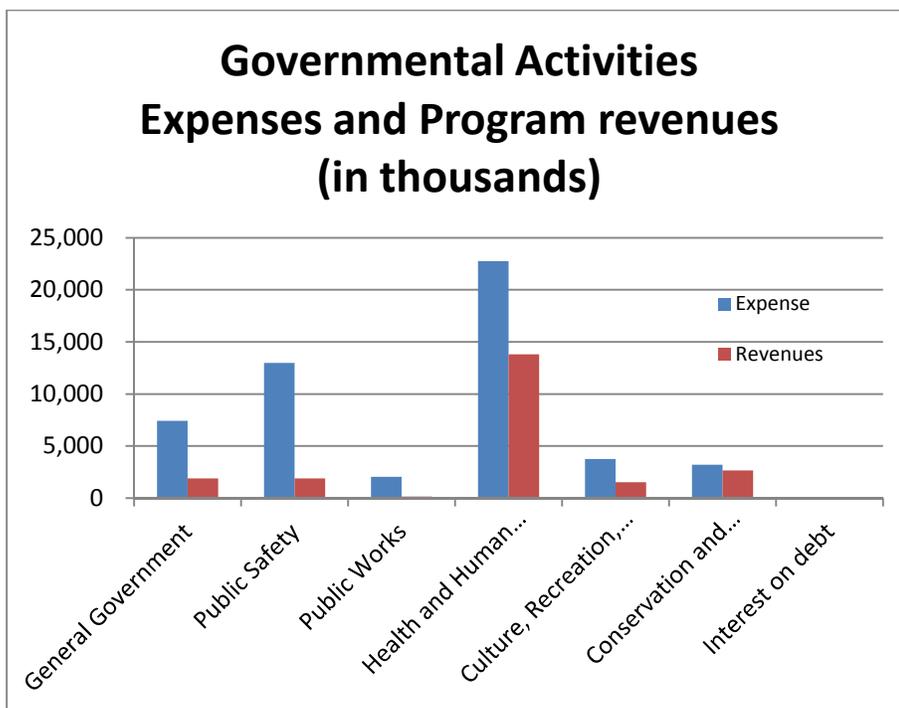
**Jefferson County, Wisconsin**  
 Management Discussion and Analysis  
 December 31, 2013

**Explanation of Functional Changes**

**Governmental activities** – Net position for governmental activities increased by \$1.9 million or 1.7%. Explanations of some of the major percentage changes above/below 10% are recapped below:

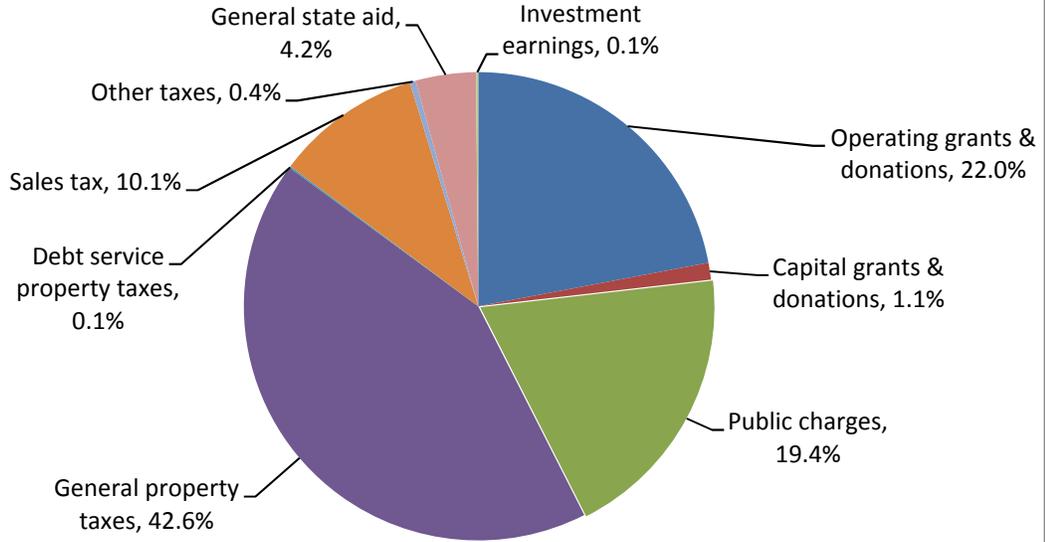
- Capital grants & donations increased \$.21 million or 57.6%. The single largest reason for this was the number of flood mitigation properties purchased increased from 1 in 2012 to 3 in 2013. For these purchases, the cash outlay was recorded as an asset, so there was no corresponding expense to offset the state aid received.
- Debt service property tax was reduced by \$55 thousand or 50%. The final payment on prior outstanding debt was made in 2013, while no payments were required for the 2013 issuance.
- Investment earnings declined by \$.42 million or 84.8%. There was a reduction in the fair market value this year on the investments that were being held by the County.
- Although the percentage decrease in debt interest seems large at 90.9%, the actual dollar amount was only \$589.
- Conservation development expenses increased by \$.65 million or 25.5%. The majority of the increase was due to the increased expenses for business flood mitigation, which is fully reimbursed by the state.

The three charts that follow compare (1) total governmental activity expenses to program revenue (which does not include general revenues of property and other taxes), (2) all revenue sources for governmental activities, and (3) all expense categories for governmental activities.

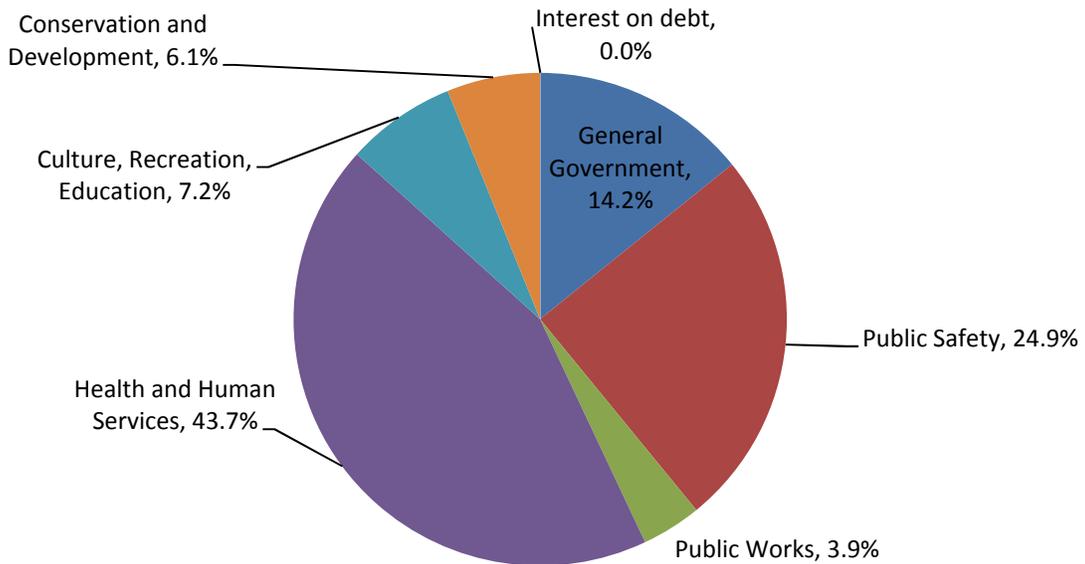


**Jefferson County, Wisconsin**  
 Management Discussion and Analysis  
 December 31, 2013

**Governmental Activities Revenue by Source**



**Governmental Activities Expense by Source**



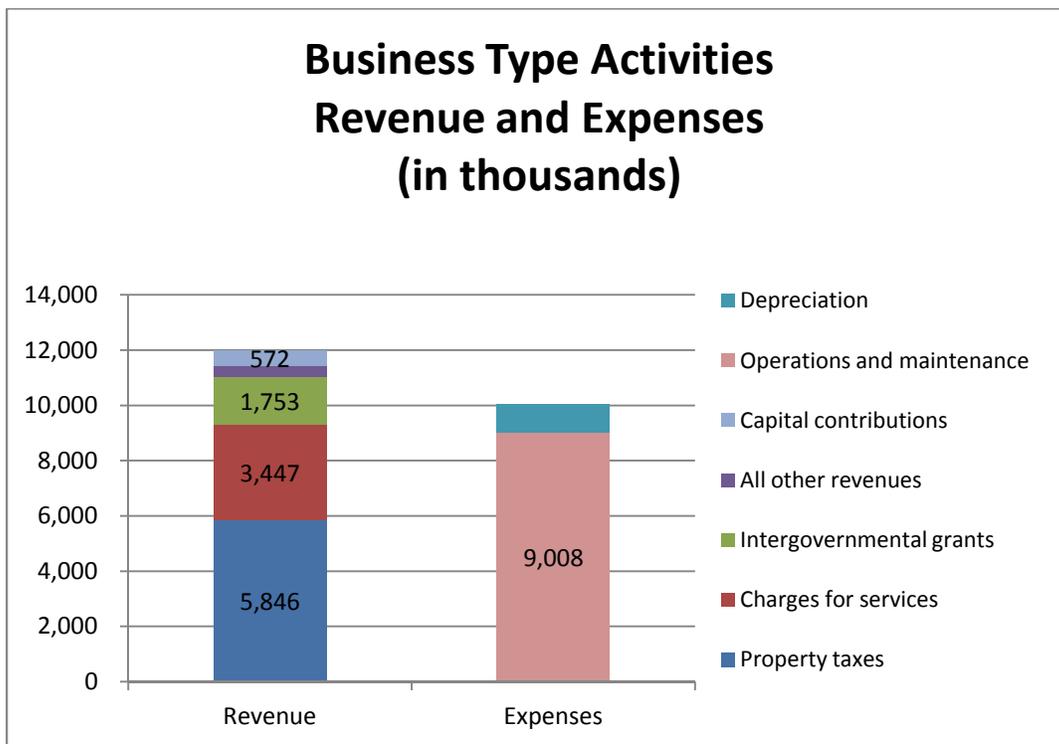
**Jefferson County, Wisconsin**  
 Management Discussion and Analysis  
 December 31, 2013

**Business-type activities**

Net position for the Highway Department increased by \$1.9 million or 14.4%. Some of the largest factors causing this increase in net position was:

- Charges for services increased by \$.25 million or 7.8%.
- Miscellaneous revenue decreased by \$40 thousand due to less accident charges to the public and a reduction material handling charges from the 2012.
- The property tax levy for 2013 decreased by \$.33 million or 5.3% over the prior year. This was the result of an additional \$.4 million for consultant fees relating to planning and design for new the Highway Department facility that was budgeted in 2012.
- Gain on disposal was up by \$.20 million which is a 506% increase from prior year due to the trade in program on certain equipment.
- Capital contribution into the Highway Department included an additional \$.57 million for the construction activity for the new Highway facility from the General Fund.

The chart below recaps the major revenue and expense categories for business type activities.



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

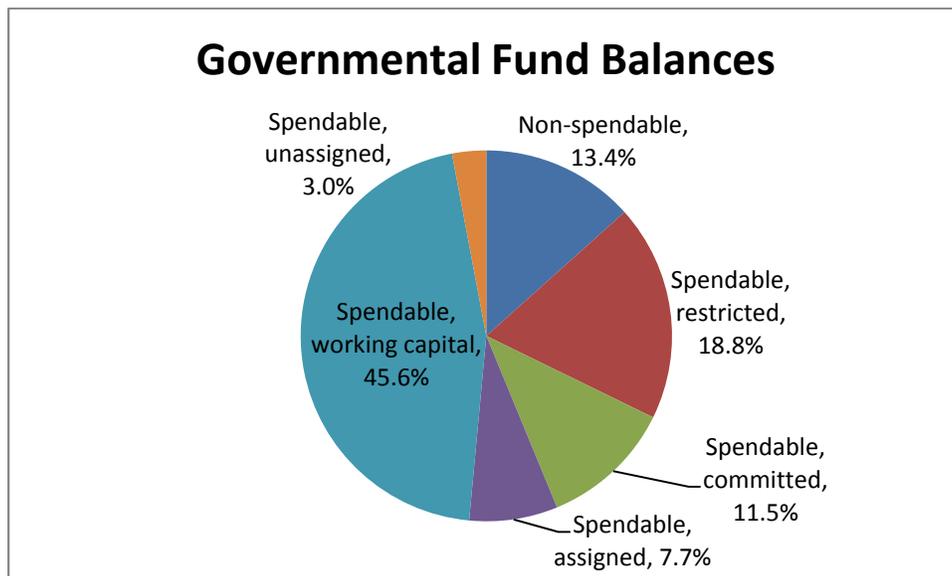
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

**Jefferson County, Wisconsin**  
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As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$35.2 million. A breakdown of the various components of the fund balance amounts is below. For even more detail, please see the notes section on pages 59 -- 61.

- Non-spendable, \$4.7 million (Cannot be spent because of their non-cash form.)
- Restricted, \$6.6 million (Funds are specifically restricted by a third party.)
- Committed, \$4.1 million (Not available for new spending because it has already been committed by the County Board.)
- Assigned, \$2.7 million (County Board has expressed their "intent" to spend these funds in the future but has not authorized the spending yet.)
- Unassigned, working capital, \$16.1 million (The adopted Fund Balance Policy requires a minimum of two months of budgeted expenditures to be retained for working capital. The value listed here is the "goal" of three months.)
- Unassigned \$1.0 million (As per the Fund Balance Policy, these funds shall be used for levy reduction, debt repayment, and/or near-term future capital purchases.)



General Fund – The General Fund is the chief operating fund for the County. The ending fund balance was \$29.2 million. This was a decrease of \$2.1 million over the prior year. The major part of this decrease was transferring of \$1.8 million to the Capital Projects fund of that \$1.5 million was for the new Highway facility.

Non-major Governmental funds – The Non-major Governmental fund balance went from \$.79 million to \$5.4 million.

The Health Department's fund balance increased by \$68 thousand. This was an increase of 8.6%. The largest factor was less expenditures needed from the original budget. Because the Health Department is not county-wide, all fund balances by statute have to remain separate from the General Fund.

The Debt service fund went from \$0 to \$85 thousand from the debt issued for the repayment of interest in 2014.

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The Capital service fund went from \$0 to \$4.4 million which is for the new Highway Facility.

Human Services – The Human Services Special Revenue Fund increased by \$.65 million or a 10.9% increase. This surplus was due to several factors including a favorable budget variance of fringe wages and operating cost for other contracted services. There were several programs with a favorable budget variance such as Economic Support, Aging & ARDC Division and Children & Families division. Behavioral Health Division had an unfavorable balance. The increased balance in committed fund balances was the result of monies authorized to be carried forward into 2014 in order to reduce the 2015 tax levy.

**Proprietary fund** – The County’s proprietary fund provides the same type of information found in the County’s government-wide financial statements, but in more detail. The County’s only remaining proprietary (or business-type) fund is the Highway Department.

Highway Department – Unrestricted net position increased to \$5.6 million which was an increase of \$1.4 million or 33.3% over the prior year. The total net position increased by \$1.9 million. The major changes were from the increase in investment in capital assets, gain on disposal and capital contributions. Other factors concerning the finances of this fund have already been addressed in the discussion of the County’s business-type activities.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget resulted in an increase in net appropriations of \$.55 million.

During the year, actual revenues were \$157 thousand below the final amended budget. Some of the larger areas contributing to this were:

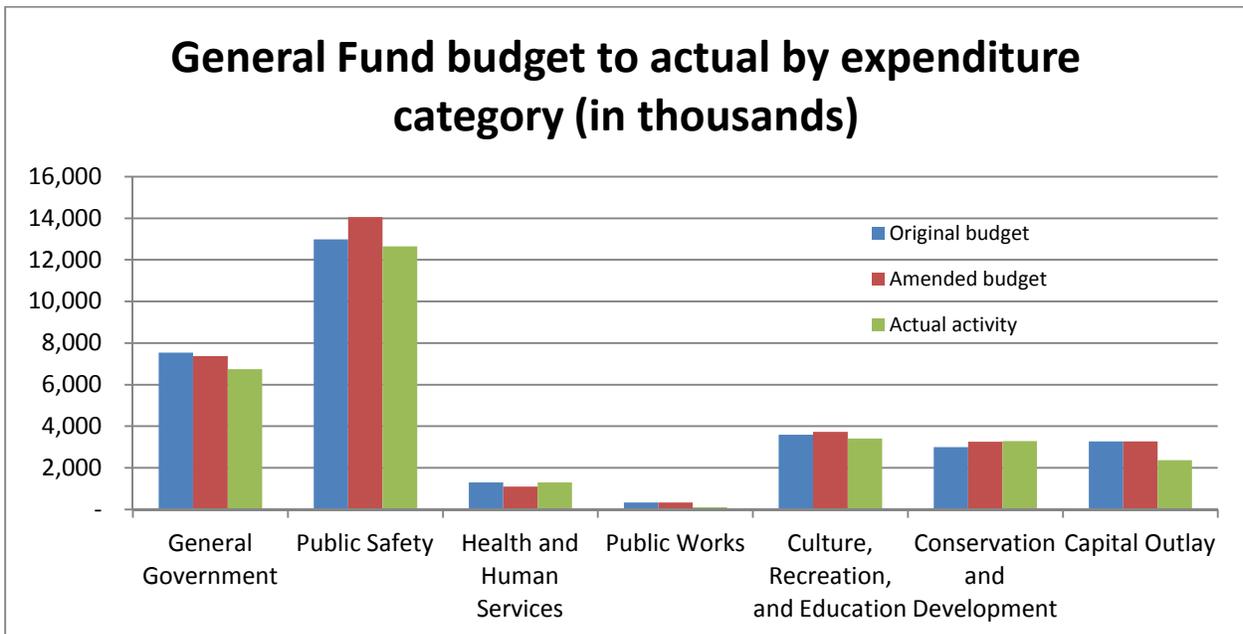
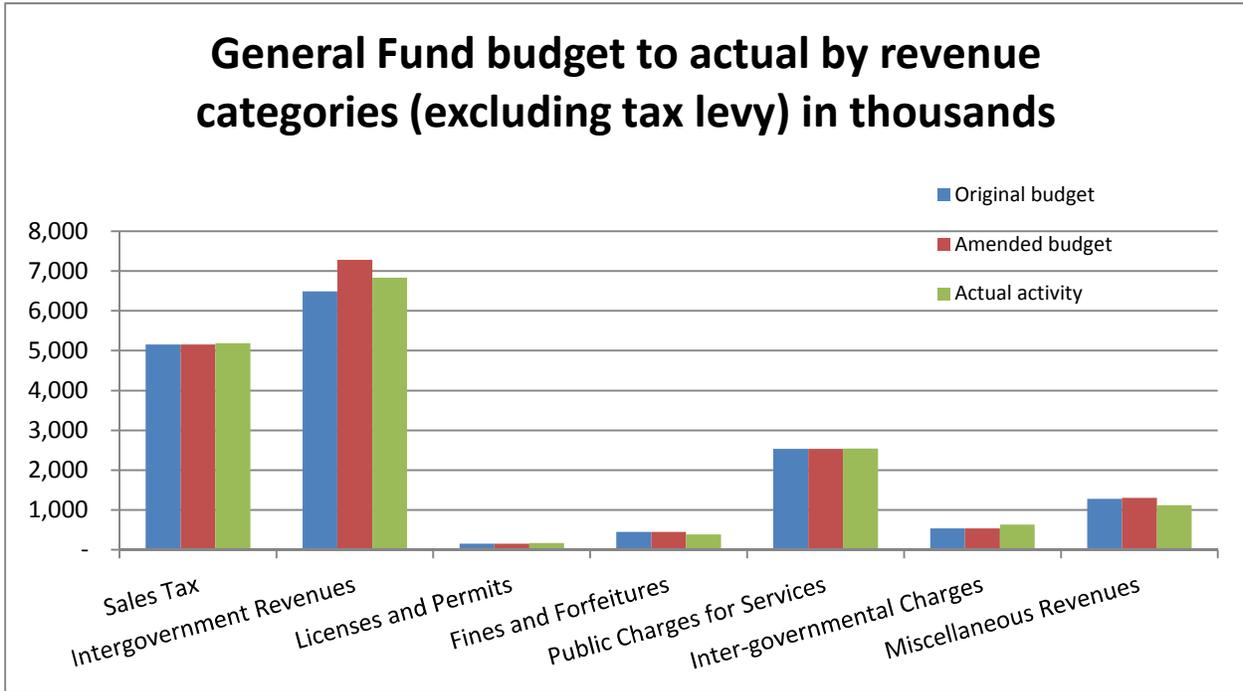
- Property taxes, were \$.40 million above budget, this variance was due to additional collection of delinquent property taxes with interest.
- Intergovernmental Revenues were \$.45 million below budgeted amounts. The biggest variable in this category that caused this was the flood mitigation program below budget by \$1.03 million due to the reduced volume of properties purchased and/or rehabilitated.
- Miscellaneous Revenues were down \$.18 million below budget. The main factor for this was the fair market value on investment was reduced by \$.26 million from the interest revenue on investments of \$.21 million.

Within expenditures in total, actual expenditures were \$3.3 million below budgeted amounts. Some of the larger areas contributing to this were:

- General Government expenditures were \$.6 million below budgeted amounts.
- Public Safety expenditures were \$1.4 million below budgeted amounts.
- Culture, Recreation and Education expenditures were \$.32 million below budgeted amounts.

The graphs on the subsequent page depict actual revenues and expenditures compared to the original and amended budgets.

**Jefferson County, Wisconsin**  
 Management Discussion and Analysis  
 December 31, 2013



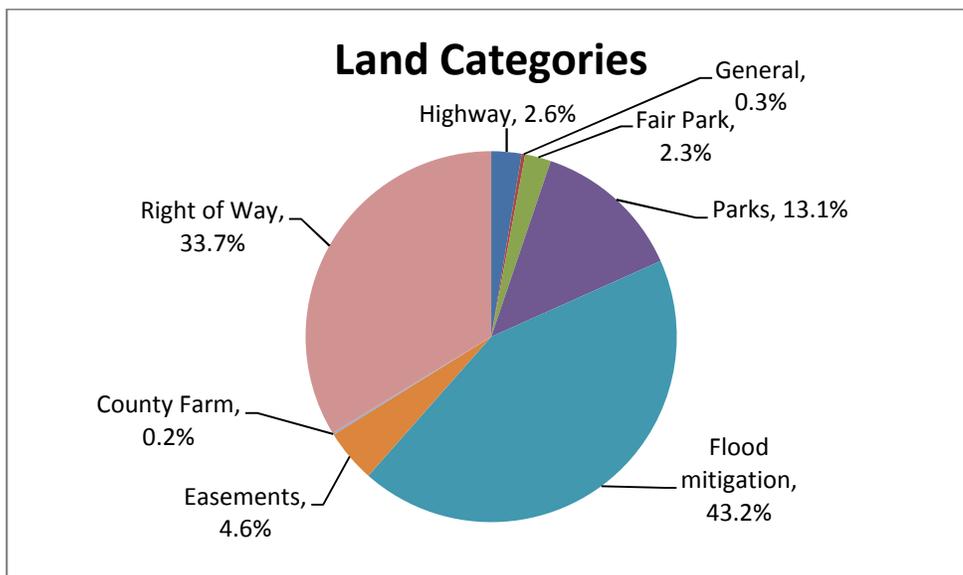
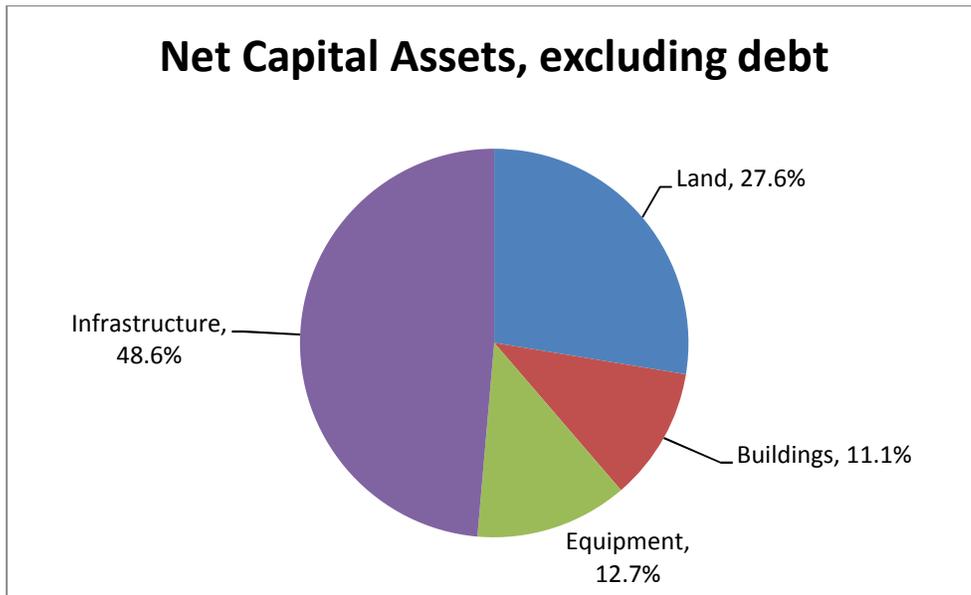
**Capital assets and Debt Administration**

**Capital Assets** – The County’s investment in capital assets for its governmental and business type activities as of December 31, 2013 was \$97 million, net of accumulated depreciation and related debt. The County issued \$3.505 million in debt, however none of the proceeds were used by the end of the year towards capital and proceeds remain in fund balance. The increase over the prior year was \$3.8 million or 3.9%. Some areas that experienced the largest increases were land for the Highway Department shops of \$.15 million and land of flood

**Jefferson County, Wisconsin**  
Management Discussion and Analysis  
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mitigation properties of \$.5 million. Buildings increased by \$1.2 million included construction of the new security entrance and bathroom remodeling at the courthouse. The Sheriff Annex building remodeling was also completed in 2013. Included in construction in progress is the new Highway facility of \$.9 million. Infrastructure increased by \$2.6 million. Equipment increased by \$.17 million.

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements. Further details of the County's capital assets can be found in the notes to the financial statements on pages 53 - 54. In addition, the charts below provide a graphical breakdown.

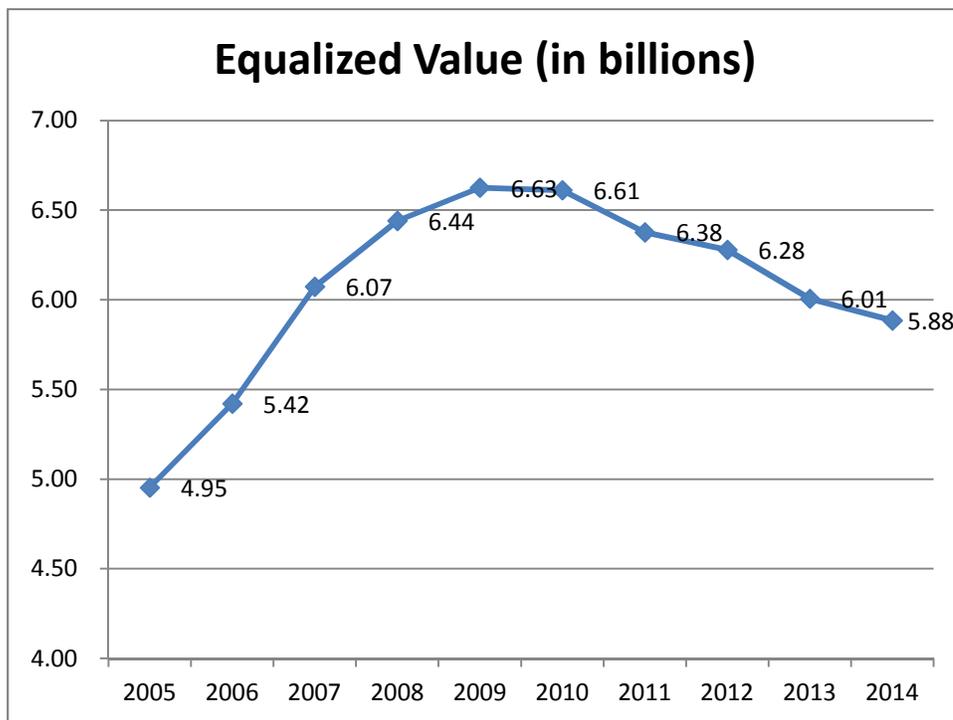


**Jefferson County, Wisconsin**  
Management Discussion and Analysis  
December 31, 2013

**Long-term debt** -- At the end of the current fiscal year, the County had total general obligation debt outstanding of \$3.505 million. The County under the new standardized rating system from Moody's Investor Service for its general obligation debt is an Aa2, which is the third highest rating possible. Further details of the County's long-term debt activity can be found in the notes to the financial statements on pages 56-57.

**Economic Factors and Next year's Budget and Rates**

Located between the two largest population centers in the State of Wisconsin (i.e. Milwaukee and Madison), the County has averaged annual decrease in growth of 2.33% over the last five years. The growth has been negative for the past five years.



The County has approved a new Highway Facility and has issued debt of \$3.505 million and in 2014 is discussing issuing another \$9.995 million of new debt. Current Wisconsin Statutes allows the levy to be raised by the new debt amount. If this happens, there will be a spike in the tax levy.

**Jefferson County, Wisconsin**  
Management Discussion and Analysis  
December 31, 2013

**Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in them, comply with finance-related laws, and demonstrate the County's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jefferson County Finance Department, 311 S. Center Avenue, Jefferson, WI 53549.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Net Position**  
**December 31, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,468,946	\$ 4,872,691	\$ 20,341,637
Investments	15,922,225	-	15,922,225
Receivables, net			
Taxes	27,973,247	5,949,105	33,922,352
Accounts	4,777,536	740,580	5,518,116
Inventories	-	925,948	925,948
Other assets	106,680	-	106,680
Prepaid Items	969,042	72,437	1,041,479
Investment in WMMIC	979,124	-	979,124
Restricted Cash and Cash Equivalents	1,110,826	-	1,110,826
Capital Assets, Not Being Depreciated	26,509,435	1,609,301	28,118,736
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	60,667,706	8,173,938	68,841,644
<b>TOTAL ASSETS</b>	<b>154,484,767</b>	<b>22,344,000</b>	<b>176,828,767</b>
<b>LIABILITIES</b>			
Accounts Payable	5,330,175	194,456	5,524,631
Delinquent Special Assessments			
Due to Other Governments	99,432	-	99,432
Accrued Payroll and Related Liabilities	1,830,372	183,800	2,014,172
Unearned Revenues	35,923	-	35,923
Liabilities Payable from Restricted Assets	969,750	-	969,750
Long-term Liabilities			
Accrued Compensated Absences			
Current Portion	3,130,757	486,932	3,617,689
Noncurrent Portion	628,923	68,445	697,368
Bond Premium			
Current Portion	4,680	-	4,680
Noncurrent Portion	88,926	-	88,926
General Obligation Debt			
Noncurrent Portion	3,505,000	-	3,505,000
<b>TOTAL LIABILITIES</b>	<b>15,623,938</b>	<b>933,633</b>	<b>16,557,571</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Subsequent year tax levy	21,055,262	5,949,105	27,004,367
<b>NET POSITION</b>			
Investment in Capital Assets	87,177,141	9,783,239	96,960,380
Restricted	3,040,930	119,805	3,160,735
Unrestricted	27,587,496	5,558,218	33,145,714
<b>TOTAL NET POSITION</b>	<b>\$ 117,805,567</b>	<b>\$ 15,461,262</b>	<b>\$ 133,266,829</b>

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Activities**  
**For the Year Ended December 31, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Government	\$ 7,404,585	\$ 1,426,523	\$ 447,138	\$ -	\$ (5,530,924)	\$ -	\$ (5,530,924)
Public Safety	12,979,178	1,098,318	301,118	470,744	(11,108,998)	-	(11,108,998)
Public Works	2,039,356	93,741	39,130	-	(1,906,485)	-	(1,906,485)
Health and Human Services	22,768,650	5,801,871	8,010,256	-	(8,956,523)	-	(8,956,523)
Culture, Recreation, and Education	3,761,691	1,226,261	279,903	-	(2,255,527)	-	(2,255,527)
Conservation and Development	3,194,232	297,442	2,237,208	115,000	(544,582)	-	(544,582)
Interest on Debt	59	-	-	-	(59)	-	(59)
<b>Total Governmental Activities</b>	<u>52,147,751</u>	<u>9,944,156</u>	<u>11,314,753</u>	<u>585,744</u>	<u>(30,303,098)</u>	<u>-</u>	<u>(30,303,098)</u>
<b>Business-type Activities</b>							
Highway	6,737,846	3,577,392	1,753,405	-	-	(1,407,049)	(1,407,049)
<b>Total Primary Government</b>	<u>\$ 58,885,597</u>	<u>\$ 13,521,548</u>	<u>\$ 13,068,158</u>	<u>\$ 585,744</u>			
<b>General Revenues</b>							
Property Taxes, Levied for General Purposes					21,850,075	5,845,949	27,696,024
Property Taxes, Levied for Debt Service					54,584	-	54,584
Sales Tax					5,185,167	-	5,185,167
Other Taxes					211,624	-	211,624
General State Aid not Restricted to Specific Functions					2,136,112	-	2,136,112
Investment Earnings					76,253	-	76,253
Gain on Sale of Capital Assets					-	234,784	234,784
Total General Revenues					<u>29,513,815</u>	<u>6,080,733</u>	<u>35,594,548</u>
<b>Transfers</b>					<u>2,725,717</u>	<u>(2,725,717)</u>	<u>-</u>
<b>Total General Revenues and Transfers</b>					<u>32,239,532</u>	<u>3,355,016</u>	<u>35,594,548</u>
<b>Change in Net Position</b>					1,936,434	1,947,967	3,884,401
<b>Net Position</b>							
<b>Beginning of Year</b>					<u>115,869,133</u>	<u>13,513,295</u>	<u>129,382,428</u>
<b>End of Year</b>					<u>\$ 117,805,567</u>	<u>\$ 15,461,262</u>	<u>\$ 133,266,829</u>

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2013**

	<b>General</b>	<b>Special Revenue Fund Human Services</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 9,483,083	\$ 842,225	\$ 5,143,638	\$ 15,468,946
Investments	15,922,225	-	-	15,922,225
Property Taxes Receivables				
Current Year Tax Levy	12,915,824	8,302,128	887,279	22,105,231
Delinquent Property Taxes	5,868,016	-	-	5,868,016
Accounts Receivable				
Due from Other Government Units	1,874,248	492,008	17,625	2,383,881
General Accounts Receivable	1,543,790	683,174	166,691	2,393,655
Inventories	106,680	-	-	106,680
Prepaid Expenditures	767,134	180,248	21,660	969,042
Investment in WMMIC	979,124	-	-	979,124
Restricted Cash and Cash Equivalents	522,418	588,408	-	1,110,826
<b>Total Assets</b>	<b>\$ 49,982,542</b>	<b>\$ 11,088,191</b>	<b>\$ 6,236,893</b>	<b>\$ 67,307,626</b>
<b>Liabilities</b>				
Accounts Payable	\$ 4,218,278	\$ 2,081,647	\$ -	\$ 6,299,925
Delinquent Special Assessments Due to Other Governments	99,432	-	-	99,432
Accrued Liabilities	1,791,685	38,687	-	1,830,372
Unearned Revenues	34,629	1,294	-	35,923
<b>Total Liabilities</b>	<b>6,144,024</b>	<b>2,121,628</b>	<b>-</b>	<b>8,265,652</b>
<b>Deferred Inflows of Resources</b>				
Subsequent Year Tax Levy	11,865,855	8,302,128	887,279	21,055,262
Delinquent Taxes	2,128,413	-	-	2,128,413
Grant Funds	326,215	-	-	326,215
Delinquent Fees	300,789	-	-	300,789
<b>Total Deferred Inflows</b>	<b>14,621,272</b>	<b>8,302,128</b>	<b>887,279</b>	<b>23,810,679</b>
<b><u>Fund Balances</u></b>				
Nonspendable	4,513,985	180,248	21,660	4,715,893
Restricted	2,151,990	52,472	4,435,075	6,639,537
Committed	2,740,019	431,715	892,879	4,064,613
Assigned	2,717,870	-	-	2,717,870
Unassigned	17,093,382	-	-	17,093,382
<b>Total Fund Balances</b>	<b>29,217,246</b>	<b>664,435</b>	<b>5,349,614</b>	<b>35,231,295</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 49,982,542</b>	<b>\$ 11,088,191</b>	<b>\$ 6,236,893</b>	
Amounts reported for the governmental activities in the statement of net position are different because:				
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.				87,177,141
Long-term debt is not due and payable in the current period and therefore is not reported in the funds.				(3,505,000)
Bond issue premium is to be amortized over the life of the bond and therefore not reported in the funds.				(93,606)
Accrued interest is not due and payable in the current period and therefore is not reported in the funds.				-
Other long-term assets that are not available to pay current period expenditures and therefore are deferred in the funds.				2,755,417
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.				(3,759,680)
<b>Total Assets per Statement of Net Position</b>				<b>\$ 117,805,567</b>

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2013**

	<u>General</u>	<u>Special Revenue Fund Human Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>				
Property Taxes	\$ 12,688,286	\$ 8,019,652	\$ 1,578,829	\$ 22,286,767
Sales Taxes	5,185,167	-	-	5,185,167
Intergovernmental Revenues	6,834,694	6,444,539	459,384	13,738,617
Licenses and Permits	174,289	-	-	174,289
Fines and Forfeitures	388,273	-	-	388,273
Public Charges for Services	2,539,992	3,621,194	896,849	7,058,035
Intergovernmental Charges	631,350	1,195,589	82,269	1,909,208
Miscellaneous Revenues	1,123,647	162,396	7,601	1,293,644
<b>Total Revenues</b>	<u>29,565,698</u>	<u>19,443,370</u>	<u>3,024,932</u>	<u>52,034,000</u>
<b>Expenditures</b>				
General Government	6,742,721	-	-	6,742,721
Public Safety	12,641,429	-	-	12,641,429
Public Works	1,294,686	-	-	1,294,686
Health and Human Services	109,688	19,117,356	2,273,595	21,500,639
Culture, Recreation, and Education	3,413,055	-	-	3,413,055
Conservation and Development	3,290,331	-	-	3,290,331
Capital Outlay	2,362,235	273,917	1,463,736	4,099,888
Debt Service				
Principal	-	-	54,468	54,468
Interest	-	-	78,699	78,699
<b>Total Expenditures</b>	<u>29,854,145</u>	<u>19,391,273</u>	<u>3,870,498</u>	<u>53,115,916</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(288,447)</u>	<u>52,097</u>	<u>(845,566)</u>	<u>(1,081,916)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Sale of Capital Assets	-	-	-	-
General obligation debt issued	-	-	3,505,000	3,505,000
Premium on debt issued	-	-	93,607	93,607
Transfer In	-	13,191	1,806,386	1,819,577
Transfer Out	(1,828,658)	-	-	(1,828,658)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,828,658)</u>	<u>13,191</u>	<u>5,404,993</u>	<u>3,589,526</u>
<b>Change in Fund Balances</b>	(2,117,105)	65,288	4,559,427	2,507,610
<b>Fund Balances, Beginning of Year</b>	<u>31,334,351</u>	<u>599,147</u>	<u>790,187</u>	<u>32,723,685</u>
<b>Fund Balances, End of Year</b>	<u>\$ 29,217,246</u>	<u>\$ 664,435</u>	<u>\$ 5,349,614</u>	<u>\$ 35,231,295</u>

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ 2,507,610

Amounts reported for governmental activities in the statement of activities are different because Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay reported in governmental statements	3,554,880
Infrastructure transferred from the Highway Department	3,306,490
Depreciation expense reported in the statement of activities	(3,298,598)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (244,433)

The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Proceeds from long term debt issued	(3,505,000)
Long-term debt principal retirement	54,468

Governmental funds report debt premiums, discounts, as other financing sources (uses) or expenditures. However, in the statement of net position, these are deferred and reported as other assets or adjustments to long-term debt. They are amortized over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Premium on debt issued	(93,606)
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Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues. 67

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. 52,896

In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as another financing source. In the statement of activities only the gain or loss on the disposal is reported.

Loss on disposition reported on the statement of activities	(398,340)
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Change in Net Position of Governmental Activities	\$ 1,936,434
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The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<b>Variance with</b> <b>Final Budget -</b>
	<u>Original</u>	<u>Final</u>		<b>Positive</b> <b>(Negative)</b>
<b>Revenues</b>				
Property Taxes	\$ 12,579,886	\$ 12,293,183	\$ 12,688,286	\$ 395,103
Sales Taxes	5,155,916	5,155,916	5,185,167	29,251
Intergovernmental Revenues	6,486,494	7,283,500	6,834,694	(448,806)
Licenses and Permits	151,910	151,910	174,289	22,379
Fines and Forfeitures	450,900	450,900	388,273	(62,627)
Public Charges for Services	2,538,679	2,538,679	2,539,992	1,313
Intergovernmental Charges for Services	535,453	541,453	631,350	89,897
Miscellaneous Revenues	<u>1,283,286</u>	<u>1,307,786</u>	<u>1,123,647</u>	<u>(184,139)</u>
<b>Total Revenues</b>	<u>29,182,524</u>	<u>29,723,327</u>	<u>29,565,698</u>	<u>(157,629)</u>
<b>Expenditures</b>				
General Government	7,545,924	7,368,704	6,742,721	625,983
Public Safety	12,977,844	14,050,088	12,641,429	1,408,659
Health and Human Services	1,303,256	1,098,578	1,294,686	(196,108)
Public Works	340,705	335,109	109,688	225,421
Culture, Recreation, and Education	3,589,564	3,732,618	3,413,055	319,563
Conservation and Development	2,992,318	3,256,418	3,290,331	(33,913)
Capital Outlay	<u>3,277,074</u>	<u>3,277,074</u>	<u>2,362,235</u>	<u>914,839</u>
<b>Total Expenditures</b>	<u>32,026,685</u>	<u>33,118,589</u>	<u>29,854,145</u>	<u>3,264,444</u>
<b>Revenues Over (Under) Expenditures</b>	(2,844,161)	(3,395,262)	(288,447)	3,106,815
<b>Other Financing Sources (Uses)</b>				
Transfer Out	<u>-</u>	<u>(1,543,127)</u>	<u>(1,828,658)</u>	<u>(285,531)</u>
<b>Change in Fund Balance</b>	<u>\$ (2,844,161)</u>	<u>\$ (4,938,389)</u>	(2,117,105)	<u>\$ 2,821,284</u>
<b>Fund Balance, Beginning of Year</b>			<u>31,334,351</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 29,217,246</u>	

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Human Services Fund**  
**For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$ 8,019,652	\$ 8,019,652	\$ 8,019,652	\$ -
Intergovernmental Revenues	6,178,373	6,324,987	6,444,539	119,552
Public Charges for Services	3,181,142	3,210,714	3,621,194	410,480
Intergovernmental Charges for Services	1,074,800	1,234,091	1,195,589	(38,502)
Miscellaneous Revenues	122,963	123,163	162,396	39,233
<b>Total Revenues</b>	<u>18,576,930</u>	<u>18,912,607</u>	<u>19,443,370</u>	<u>530,763</u>
<b>Expenditures</b>				
Health and Human Services	18,471,507	19,136,532	19,117,356	19,176
Capital Outlay	237,328	237,328	273,917	(36,589)
<b>Total Expenditures</b>	<u>18,708,835</u>	<u>19,373,860</u>	<u>19,391,273</u>	<u>(17,413)</u>
<b>Revenues Over (Under) Expenditures</b>	(131,905)	(461,253)	52,097	513,350
<b>Other Financing Uses</b>				
Transfer In	-	13,191	13,191	-
<b>Change in Fund Balance</b>	<u>\$ (131,905)</u>	<u>\$ (448,062)</u>	65,288	<u>\$ 513,350</u>
<b>Fund Balance, Beginning of Year</b>			<u>599,147</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 664,435</u>	

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2013**

	<b>Highway</b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 4,872,691
Property Taxes Receivable - Current Year Tax Levy	5,949,105
Accounts Receivable	
Due from Other Government Units	728,340
General Accounts Receivable	12,240
Inventories	925,948
Prepaid Expenditures	72,437
Total Current Assets	12,560,761
Noncurrent Assets	
Capital Assets	
Land	703,154
Buildings and improvements	2,725,493
Machinery and Equipment	13,204,997
Construction in Progress	906,147
Less Accumulated Depreciation	(7,756,552)
Total Capital Assets, Net of Accumulated Depreciation	9,783,239
<b>TOTAL ASSETS</b>	<b>22,344,000</b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	194,456
Accrued Liabilities	183,800
Accrued Compensated Absences, Current Portion	486,932
Total Current Liabilities	865,188
Long-current Liabilities	
Accrued Compensated Absences, Noncurrent Portion	68,445
<b>TOTAL LIABILITIES</b>	<b>933,633</b>
<b>DEFERRED INFLOWS</b>	
Subsequent Year Tax Levy	5,949,105
<b>NET POSITION</b>	
Investment in Capital Assets	9,783,239
Restricted	119,805
Unrestricted	5,558,218
<b>TOTAL NET POSITION</b>	<b>\$ 15,461,262</b>

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

	<b>Highway</b>
<b>Operating Revenues</b>	
Charges for Services	\$ 3,447,035
Miscellaneous Revenues	130,357
<b>Total Operating Revenues</b>	<b>3,577,392</b>
<b>Operating Expenses</b>	
Operation and Maintenance	9,007,923
Depreciation	1,036,412
<b>Total Operating Expenses</b>	<b>10,044,335</b>
<b>Operating loss</b>	<b>(6,466,943)</b>
<b>Nonoperating Revenues</b>	
Property Taxes	5,845,949
Intergovernmental Revenue	1,753,405
Gain on Disposal of Assets	234,784
<b>Income Before Transfers</b>	<b>1,367,195</b>
<b>Capital Contribution</b>	<b>571,691</b>
<b>Transfer In</b>	<b>9,081</b>
<b>Change in Net Position</b>	<b>1,947,967</b>
<b>Net Position, Beginning of Year</b>	<b>13,513,295</b>
<b>Net Position, End of Year</b>	<b>\$ 15,461,262</b>

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

	<b>Highway</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from Customers and Users	\$ 3,458,473
Payments to Suppliers	(3,009,588)
Payments to Employees	(6,021,972)
<b>Net Cash Used in Operating Activities</b>	<b>(5,573,087)</b>
 <b>Cash Flows from Noncapital Financing Activities</b>	
General Property Taxes	5,845,949
Intergovernmental Revenue	1,753,405
Transfers from Other Funds	9,081
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>7,608,435</b>
 <b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and Construction of Capital Assets	(806,721)
Proceeds from the Sale of Property and Equipment	18,749
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(787,972)</b>
 <b>Net Increase in Cash and Cash Equivalents</b>	 1,247,376
 <b>Cash and Cash Equivalents - Beginning of Year</b>	 3,625,315
 <b>Cash and Cash Equivalents - End of Year</b>	 \$ 4,872,691

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

	<u>Highway</u>
<b>Reconciliation of Operating Loss to Net Cash</b>	
<b>Used in Operating Activities</b>	
Operating Loss	\$ (6,466,943)
Adjustments to Reconcile Operating Loss to	
Net Cash Used in Operating Activities	
Depreciation Expense	1,036,412
Change in Assets and Liabilities	
Accounts Receivable	(118,918)
Inventories	159,035
Prepaid Items	(7,185)
Accounts Payable	(112,601)
Accrued Payroll	(39,861)
Other Accrued Liabilities	<u>(23,026)</u>
<b>Net Cash Used in Operating Activities</b>	<u>\$ (5,573,087)</u>
<b>Noncash Transactions</b>	
Capital Assets Transferred from Capital Projects Fund	571,691
Capital Additions for Equipment Received in Exchange for	
Equipment Traded-in	\$ 1,954,203
Net Book Value of Disposal of Capital Assets for	
Equipment Traded-in	<u>(1,729,032)</u>
Gain on assets for equipment traded in	<u>\$ 225,171</u>

The accompanying notes are an integral part of the financial statements.

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies utilized by Jefferson County, Wisconsin (Jefferson County or County).

**A. Reporting Entity**

Jefferson County is a municipal corporation under the laws of the State of Wisconsin and is governed by an elected thirty member Board of Supervisors. This report includes all of the funds of Jefferson 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.

This report does not contain any component units.

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent on fees and charges for support.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Government-wide and fund financial statements** (continued)

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 inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Revenues susceptible to accrual include general intergovernmental assistance, intergovernmental contracts/grants, interdepartmental revenues, property taxes, miscellaneous taxes, charges for services 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 measureable and available under criteria described above.

The County reports deferred inflows and unearned revenues on the governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year that are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period. Unearned revenues 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 or deferred inflow or resource is removed from the balance sheet and revenue is recognized.

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described for the business-type activities previously in this note.

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 proprietary funds 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.

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Government-wide and fund financial statements (continued)**

Funds are organized as major funds or nonmajor funds within the governmental and enterprise statements. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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.
- b. 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.
- c. In addition, any other governmental or enterprise funds that the County believes are particularly important to financial statement users may be reported as a major fund.

**C. Measurement focus, basis of accounting and financial statement presentation**

The government reports the following major governmental funds:

General Fund – The General Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Human Service Fund – The fund accounts for the programs operated by the County’s Human Services. Financing is provided by federal and state grants and property taxes.

The government reports the following major enterprise funds:

Highway Fund – The fund accounts for road and bridge maintenance and construction that are provided on a cost reimbursement basis.

In addition, the County reports the following nonmajor governmental funds:

Health Services Fund  
Debt Service Fund  
Capital Projects Fund

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, liabilities and net position or equity**

**1. Cash, cash equivalents and investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County invests in accordance with Wisconsin State Statutes Section 66.0603. Under state statute, investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state;
- Bonds or securities of any county, city, drainage district, vocational education district, village, town or school district of the state;
- Bonds or securities issued or guaranteed by the Federal government;
- Any security which matures within not more than 7 years, if that security has a rating which is the highest or 2<sup>nd</sup> highest rating category assigned by Standard & Poor's corporation, Moody's investors service, or similar rating agency;
- Securities of an open-end management investment company or investment trust, if the company or trust does not charge a sales load, is registered under the investment company act of 1940, and if the portfolio is limited to bonds and securities issued by the federal government, bonds that are guaranteed as to principal and interest by the federal government, or repurchase agreements that are fully collateralized by bonds or securities of the federal government,
- The state local government investment pool.

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 statement balance and carrying value is due to outstanding checks and/or deposits in transit.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles.

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, liabilities and net position or equity** (continued)

2. Receivables and Payables (continued)

Wisconsin cities, villages and towns are charged with the responsibility of assessing taxable property, collecting taxes and making distribution to the state, county, school districts and other taxing jurisdictions. Property of manufacturing establishments and utilities is assessed by the State Department of Revenue. All assessments are made as of January 1. Taxes on real estate and personal property are levied in December of each year by each municipality within the County for each taxing jurisdiction in amounts that, when collected in the ensuing year, are sufficient to cover net operating expenses, debt service and other expenditures of the said taxing jurisdiction.

In all taxation districts, real property taxes must either be paid in full by January 31 to the taxation district treasurer, or paid in two or more installments with the first installment paid by January 31 and the balance due by July 31. Amounts paid after January 31 are paid to the County Treasurer. During February, all tax rolls are turned over to the County Treasurer who then continues to collect all delinquent and postponed taxes. Personal property taxes, special assessments, special charges and special taxes must be paid in full by January 31.

During January and February, the taxation district treasurer settles with other taxing jurisdictions for all collections through the preceding month. During August, the County Treasurer must settle in full with the underlying taxing jurisdictions for all real estate and special taxes (except special assessments). The County may then recover any tax delinquencies by enforcing the lien on the property (which commences on September 1) and retain any penalties or interest on the delinquencies for which it has settled.

Collection of delinquent personal property taxes is the duty of the local taxation district treasurer. However, if they remain uncollected after one year, each taxing jurisdiction may be billed their proportionate amount.

3. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

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

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, liabilities and net position or equity (continued)**

**4. Prepaid Items**

Certain payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable balances in the respective funds to indicate that they do not represent spendable available financial resources.

**5. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the statement of net position for the governmental activities in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and an initial cost of more than \$5,000 for all funds. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The county participated in a flood mitigation program in which purchased property is held for flood mitigation purposes.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 - 50
Road surfaces	25
Bridges	50
Equipment	3 to 15

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, liabilities and net position or equity** (continued)

6. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to certain limits. All vacation and sick pay is accrued when incurred in the government-wide financial statements. Sick pay is accrued as a liability on the government-wide financial statements as the benefits are earned by the employee but only to the extent it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

7. Deferred inflows of resources and unearned revenues

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned revenues are recorded for resources that have been received, but not yet earned.

8. Self-funded insurance

The County is self-insured for its health, dental and worker's compensation claims. The claim costs are accounted for in the General Fund. The County calculates the contribution per employee for health, dental and worker's compensation insurance, which is used to charge other funds. An estimated liability for health, dental, general liability, and worker's compensation insurance claim incurred but not reported has been accrued in the General Fund.

9. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds on a straight-line method basis, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, liabilities and net position or equity** (continued)

10. Fund equity

Government-Wide Statements:

Equity is classified as net position government-wide and proprietary fund statements and displayed in three components:

- a. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or deferred inflows or if the liability will be liquidated with the restricted assets reported.
- c. The *unrestricted* component of net position is the amount of the assets and deferred outflows, net of the liabilities and deferred inflows that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

Fund Statements:

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, the County classifies governmental fund balances as follows:

- a. Nonspendable - includes fund balance amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact.
- b. Restricted - includes fund balance amounts when constraints placed on the use of the resources are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, liabilities and net position or equity** (continued)

10. Fund equity (continued)

- c. Committed - includes fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the County Board. Committed amounts cannot be used for any other purpose unless the County Board removes or changes the specified use by taking the same type of action it employed to previously commit those funds. Fund balance amounts are committed through a formal action (ordinance or resolution) of the County Board.
- d. Assigned - includes fund balance amounts that are considered by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Fund balances may be assigned through the following: 1) The County Board has adopted a financial policy authorizing administration and committees of the County Board to assign amount for a specific purpose 2) All remaining positive spendable amounts in the governmental funds, other than the general fund, that are neither restricted nor committed. The fund balance policy includes vested benefits to be fully funded through assigned fund balance. Also included in assigned fund balance, with approval through the County Board, is the remaining balance of the Health Service Fund.
- e. Unassigned - includes the residual general fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. It also includes deficit fund balance amounts in other governmental funds.

The County considered restricted amounts to be spent first when restricted, committed, assigned and unassigned fund balances are available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County will first use committed, then assigned and lastly unassigned amounts of unrestricted fund balances when expenditures are made.

The County has adopted a policy to maintain 3 months of budgeted General and Health Department fund expenditures in its respective fund balances.

**E. Use of Estimates**

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

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

During October, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental and proprietary funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

During the year, formal budgetary integration is employed as a management control device for the governmental and proprietary funds.

The legal level of budgetary control is the function level. The detailed budget document is prepared by department level but monitored at the cost center level. A cost center can be a department or an activity within a department. Management can make transfers within a department without the approval of the County Board. Transfers between departments or budget amendments requiring the use of fund balance require initial approval by management and are subsequently authorized by the Finance Committee or County Board.

Expenditures exceeded appropriations in the following funds/functions:

General Fund:	
Health and Human Services	\$196,108
Conservation and Development	33,913
Human Services Fund:	
Capital Outlay	36,589
Health Services Fund:	
Capital Outlay	6,634

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash, cash equivalents and investments**

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

The carrying amount of the County's cash, cash equivalents and investments consist of the following:

Demand deposits	\$ 1,399,178
Petty cash	4,750
Mutual funds	21,732
Certificates of deposit	405,000
Local Government Investment Pool (LGIP)	19,621,804
US Treasury notes	5,039,715
Federal Home Loan Bank notes	2,921,184
Corporate bonds	7,961,325
<b>Total cash, cash equivalents, and investments</b>	<b><u><u>\$ 37,374,688</u></u></b>

Cash and investments are presented in the statement of net position as follows:

Cash and cash equivalents	\$ 20,341,637
Investments	15,922,225
Restricted cash	<u>1,110,826</u>
<b>Total cash, cash equivalents, and investments</b>	<b><u><u>\$ 37,374,688</u></u></b>

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

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS** (continued)

**A. Cash, cash equivalents and investments** (continued)

1. Custodial Credit Risk

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

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposits and \$250,000 for time and savings deposits.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2013, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

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, 2013, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

As of December 31, 2013, \$1,759,496 of the County's deposits of \$2,259,496 with financial institutions was in excess of federal depository insurance limits and uncollateralized.

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS** (continued)

**A. Cash, cash equivalents and investments** (continued)

2. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

The County's investment policy limits the County to investments of the following type:

- US Government securities
- US Government backed securities
- US Government Agencies that are implicitly backed by the US Government
- Wisconsin Local Government Investment Pool
- Commercial paper with companies rated AAA

In the event a corporate security subsequently drop below the rating, the County shall not purchase any additional securities issued by that corporation until such time as their rating returns to the required rating.

Below is a listing of the County investment balances subject to credit risk and the corresponding rating at the end of the year by Standard and Poor's:

<u>Security</u>	<u>Balance</u>	<u>Rating</u>
Federal Home Loan Bank notes	\$ 2,921,184	AA+
Corporate bonds	2,719,289	AA+
Corporate bonds	2,116,732	AA
Corporate bonds	801,756	AA-
Corporate bonds	1,923,383	A+
Corporate bonds	400,165	A
Local Government Investment Pool	19,621,804	Not rated
Money Market Mutual Fund	21,732	Not rated
<b>Total</b>	<b>\$ 30,526,045</b>	

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**A. Cash, cash equivalents and investments (continued)**

**3. Concentration of Credit Risk**

Concentration of credit risk refers to risk of loss attributed to the County investment in a single issuer. The County's investment policy related to concentration of credit risk is that the County Investment Officer shall diversify the investment portfolio within the allowed securities as needed with investment return, liquidity, and immediate cash flow needs kept in mind. The only limit related to concentration of securities with a single issuer shall be that no more than five percent (5%) of the investment portfolio shall be in commercial paper.

As of December 31, 2013, the issuer concentration is listed below.

<u>Issuer</u>	<u>Percent of Total Investments</u>
Federal Home Loan Bank notes	8.5%

**4. Interest Rate Risk**

Interest rate risk is the risk that, changes in interest rates will adversely affect the fair value of an investment. The County's investment policy related to interest rate risk is that the County shall not have investments with maturities longer than 36 months unless specifically recommended by the Investment Officer and approved by the Finance Committee. As of December 31, 2013, the County had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Average Maturity (Months)</u>
Money Market Mutual Fund	\$ 21,732	Not available
US Treasury notes	5,039,715	20.93
Federal Home Loan Bank notes	2,921,184	55.06
Corporate bonds	7,961,325	20.93
Local Government Investment Pool	19,621,804	2.97

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**B. Restricted assets**

Restricted assets on December 31, 2013 consisted of cash, cash equivalents and investments held for the following purposes:

General Fund		
Park land purchase and development	\$	87,445
Park endowment fund (Carlin Weld)		5,000
Sheriff restricted purposes checking accounts		89,317
Clerk of Courts certificate of deposit		100,000
Clerk of Courts checking		214,731
Clerk of Courts LGIP investment		25,925
General Fund total		<u>522,418</u>
 Human Services		
Protective payee accounts		<u>588,408</u>
 <b>Total</b>	<b>\$</b>	<b><u><u>1,110,826</u></u></b>

**C. Property tax apportionments**

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is for the subsequent year's budget, the County's apportionment is recorded as deferred inflows of resources at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's General Fund in accordance with state statutes in order to provide the County with statutory lien.

Property taxes recorded on December 31, 2013 for collection in 2014 are for the following:

State apportionment	\$	1,049,969
County apportionment		<u>27,004,367</u>
 <b>Total</b>	<b>\$</b>	<b><u><u>28,054,336</u></u></b>

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**D. Delinquent property taxes - General Fund**

Delinquent property taxes of the General Fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments, school districts and technical colleges within the County for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

On December 31, 2013 the County's General Fund reports \$4,498,656 in delinquent taxes as tax certificates as shown in the following aging.

<u>Year Acquired</u>	<u>Total</u>	<u>Special Assessments</u>	<u>Net</u>
Prior to 2007	\$ 132,876	\$ -	\$ 132,876
2007	160,940	-	160,940
2008	250,142	-	250,142
2009	429,032	6,579	422,453
2010	696,834	29,150	667,684
2011	1,117,589	26,854	1,090,735
2012	1,789,481	15,655	1,773,826
<b>Total</b>	<b>\$ 4,576,894</b>	<b>\$ 78,238</b>	<b>\$ 4,498,656</b>

In 2005, the County adopted a resolution that limits the County's requirement to settle with other taxing jurisdictions for unpaid special assessments using County funds. The County has resolved to settle in full for unpaid special assessments or special charges not to exceed a total of \$10,000 per tax parcel. Included in the above tax certificates is \$78,238 of delinquent special assessments that exceed the County's threshold of \$10,000 per tax parcel. There is \$21,194 of interest on delinquent special assessments also outstanding. These amounts will be remitted to the appropriate taxing jurisdictions only to the extent collected by the County.

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**E. Receivables**

Receivables as of year-end for the government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

Property taxes levied for subsequent year	<u>\$</u>	28,054,336
Delinquent property taxes		4,576,894
Interest on delinquent property taxes		<u>1,291,122</u>
Total delinquent taxes		<u>5,868,016</u>
Total taxes		<u>33,922,352</u>
Due from other government		3,112,220
Accounts receivable		<u>2,425,896</u>
Total accounts receivable		<u>5,538,116</u>
Gross Receivables		39,460,468
Less: allowance for uncollectible accounts		<u>(20,000)</u>
Net total receivables	<u>\$</u>	<u>39,440,468</u>

**F. Deferred inflows of resources**

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Tax Levy</u>	<u>Total</u>
Subsequent year property tax levy	\$ -	\$ 21,055,262	\$ 21,055,262
Delinquent taxes	2,128,413	-	2,128,413
Grant revenue	326,215	-	326,215
Delinquent fees	<u>300,789</u>	<u>-</u>	<u>300,789</u>
<b>Total</b>	<u>\$ 2,755,417</u>	<u>\$ 21,055,262</u>	<u>\$ 23,810,679</u>

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Capital assets**

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 5,227,040	\$ 256,900	\$ -	\$ 5,483,940
Land - right of way	9,011,505	-	-	9,011,505
Land - flood mitigation	11,048,066	506,291	-	11,554,357
Construction in Progress	1,569,645	459,633	1,569,645	459,633
Total capital assets, not being depreciated	<u>26,856,256</u>	<u>1,222,824</u>	<u>1,569,645</u>	<u>26,509,435</u>
Capital assets being depreciated				
Buildings and improvements	27,712,829	1,252,735	-	28,965,564
Roads and bridges	66,080,672	4,416,502	1,775,200	68,721,974
Equipment	9,400,664	1,538,954	614,480	10,325,138
Total capital assets being depreciated	<u>103,194,165</u>	<u>7,208,191</u>	<u>2,389,680</u>	<u>108,012,676</u>
Accumulated depreciation				
Buildings and improvements	19,192,099	584,895	-	19,776,994
Roads and bridges	21,666,745	1,843,166	1,464,046	22,045,865
Equipment	5,178,868	870,537	527,294	5,522,111
Total accumulated depreciation	<u>46,037,712</u>	<u>3,298,598</u>	<u>1,991,340</u>	<u>47,344,970</u>
Capital assets being depreciated, net of accumulated depreciation	<u>57,156,453</u>	<u>3,909,593</u>	<u>398,340</u>	<u>60,667,706</u>
Total capital assets, net of depreciation	<u>\$ 84,012,709</u>	<u>\$ 5,132,417</u>	<u>\$ 1,967,985</u>	<u>\$ 87,177,141</u>

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Capital assets (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Business Activities</b>				
Capital Assets not being depreciated				
Land--Highway	\$ 555,803	\$ 147,351	\$ -	\$ 703,154
Construction in progress	-	906,147	-	906,147
Total capital assets not being depreciated	<u>555,803</u>	<u>1,053,498</u>	<u>-</u>	<u>1,609,301</u>
Capital assets being depreciated				
Buildings and improvements	2,725,493	-	-	2,725,493
Equipment	12,809,766	2,279,117	1,883,886	13,204,997
Total capital assets being depreciated	<u>15,535,259</u>	<u>2,279,117</u>	<u>1,883,886</u>	<u>15,930,490</u>
Accumulated Depreciation				
Buildings and improvements	1,977,898	87,361	-	2,065,259
Equipment	4,887,960	949,051	145,718	5,691,293
Total accumulated depreciation	<u>6,865,858</u>	<u>1,036,412</u>	<u>145,718</u>	<u>7,756,552</u>
Capital assets being depreciated, net of accumulated depreciation	<u>8,669,401</u>	<u>1,242,705</u>	<u>1,738,168</u>	<u>8,173,938</u>
Total capital assets, net of depreciation	<u>\$ 9,225,204</u>	<u>\$ 2,296,203</u>	<u>\$ 1,738,168</u>	<u>\$ 9,783,239</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 371,180
Public Safety	485,080
Public Works	1,851,095
Health and Human Services	216,870
Culture, Recreation and Education	363,534
Conservation and Development	10,839
Total depreciation expense	<u>\$ 3,298,598</u>
Business-Type Activities-Highway	<u>\$ 1,036,412</u>

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**H. Interfund activity**

The details of interfund transfers for the year ended December 31, 2013 are shown below:

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General Fund			
Nonmajor funds-Health Services	\$ -	\$ 4,819	Fund wage adjustment
Nonmajor funds-Debt Services	-	10	Cover additional interest
Nonmajor funds-Capital Services	-	1,801,557	New Highway Building
Human Services	-	13,191	Fund wage adjustment
Highway Fund	-	9,081	Fund wage adjustment
Total General Fund	-	1,828,658	
Human Services	13,191	-	
Nonmajor Funds	1,806,386	-	
Highway Fund	9,081	-	
	<u>\$ 1,828,658</u>	<u>\$ 1,828,658</u>	

During the year, infrastructure assets related to governmental activities with a book value of \$3,306,489 were transferred from the Highway Fund. This amount has been reported as an operating expense in the Highway fund statements, rather than a transfer of financial resources. However, in the government-wide statements a transfer of capital resources was reported. Additionally construction in progress of \$571,691 was transferred from governmental activities to business type activities. In the governmental fund statements this is reflected as an expense while the Highway fund records a capital contribution. For the government wide statements these amount are reclassified and presented as transfers in and out.

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**I. Long-term obligations**

Legal margin for new debt

Wisconsin Statutes limit direct general obligation borrowing in the amount equivalent to 5% of the equalized valuation of taxable property. The County's legal margin for creation of additional general obligation debt on December 31, 2013 follows:

Equalized value of the County (TID in)	\$	6,186,989,100
Statutory limitation percent		5%
General obligation debt limitation, as per Section 67.03 of the Wisconsin Statutes		309,349,455
Less outstanding general obligation debt		(3,505,000)
Remaining legal margin	\$	305,844,455

General obligation debt is a direct obligation and pledge of the full faith and credit of the County. General obligation debt currently outstanding includes the following individual debt issue:

Long-term liability activity for the year ended December 31, 2013, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
General obligation notes	\$ 54,468	\$ -	\$ 54,468	\$ -	\$ -
General obligation bonds	-	3,505,000	-	3,505,000	-
Debt premium	-	93,606	-	93,606	4,680
Compensated absences	3,812,576	2,990,948	3,043,844	3,759,680	3,130,757
Total governmental activities long-term liabilities	\$ 3,867,044	\$6,589,554	\$ 3,098,312	\$ 7,358,286	\$ 3,135,437
<b>Business-Type Activities</b>					
Compensated absences	\$ 578,403	\$ 439,341	\$ 462,367	\$ 555,377	\$ 486,932

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**I. Long-term obligations (continued)**

General Obligation County Building Bonds, Series 2013A, original amount \$3,505,000 dated 12/30/13; annual principal payments commencing April 1, 2015 with final payment due April 1, 2033; interest payable semiannually at rates from 2% to 4% \$3,505,000

Debt was issued for the demolition of the old nursing home, which is the future site of the new Highway shop and for starting the construction of the new Highway shop.

Annual debt service requirement to maturity are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2014	\$ -	\$ 85,102	\$ 85,102
2015	145,000	111,600	256,600
2016	145,000	108,700	253,700
2017	150,000	105,750	255,750
2018	155,000	102,700	257,700
2019-2023	820,000	452,200	1,272,200
2024-2028	940,000	317,700	1,257,700
2029-2033	1,150,000	118,400	1,268,400
Total	<u>\$ 3,505,000</u>	<u>\$ 1,402,152</u>	<u>\$ 4,907,152</u>

Long-term obligations in the governmental activities are liquidated by the general fund and proprietary funds are expected to be liquidated from proprietary fund revenues.

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**J. Fund equity**

1. Government-wide statements

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2013 includes the following:

Investment in Capital Assets and related debt	
Land	\$ 5,483,940
Land - right of way	9,011,505
Land - flood mitigation	11,554,357
Construction in Progress	459,633
Buildings and improvements	28,965,564
Roads and bridges	68,721,974
Machinery and equipment	10,325,138
Total capital assets	<u>134,522,111</u>
Less: Accumulated depreciation	<u>(47,344,970)</u>
Total Investment in Capital Assets	87,177,141
Restricted for Economic development	920,724
Restricted for Register of deeds - statute	200,559
Restricted for County Clerk-ICC funds	280
Restricted for Land information - statute	118,609
Restricted for Parks improvement	166,920
Restricted for Public safety programs	465,045
Restricted for UW educational activities	4,439
Restricted for Fair Park - donations	15,914
Restricted for Zoning	259,500
Restricted for Human Services	52,472
Restricted for Health Services	836,468
Total restricted net position	<u>3,040,930</u>
Unrestricted	<u>27,587,496</u>
Total Governmental Activities Net Position	<u>\$ 117,805,567</u>

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS** (continued)

**J. Fund equity** (continued)

Net position of the business-type activities reported on the government-wide statement of net position at December 31, 2013 includes the following:

Net Investment in Capital Assets

Land	\$ 703,154
Buildings and improvements	2,725,493
Machinery and equipment	13,204,997
Construction Work in Progress	<u>906,147</u>
Total capital assets	17,539,791
Less: Accumulated depreciation	<u>(7,756,552)</u>
Total Invested in Capital Assets, Net of Related Debt	9,783,239
Restricted for local road improvements	119,805
Unrestricted Net Position	<u>5,558,218</u>
Total Business-type Activities Net Position	<u>\$ 15,461,262</u>

**2. Fund Statements**

Governmental fund balances reported on the fund financial statements at December 31, 2013 include the following:

Nonspendable	
General Fund	
Inventory	\$ 106,680
Delinquent property taxes	3,640,171
Prepaid expenditures	<u>767,134</u>
Total General Fund	4,513,985
Health and Human Services Fund	
Prepaid expenditures	<u>180,248</u>
Nonmajor funds	
Prepaid expenditures	<u>21,660</u>
Total nonspendable	<u><u>\$ 4,715,893</u></u>

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**J. Fund equity (continued)**

Restricted	
General Fund	
Economic development	\$ 920,724
Register of deeds - statute	200,559
County Clerk-ICC funds	280
Land information - statute	118,609
Parks improvements	166,920
Public safety programs	465,045
UW educational activities	4,439
Fair Park - donations	15,914
Zoning	<u>259,500</u>
Total General Fund	2,151,990
Human Services Fund - Human services	52,472
Nonmajor Funds	
Health services	836,468
Debt Service	85,102
Capital Projects	<u>3,513,505</u>
Total Nonmajor funds	4,435,075
Total restricted	<u><u>\$ 6,639,537</u></u>
Committed	
General Fund	
Subsequent year budget	\$ 1,186,459
General liability insurance reserve	197,593
Continuing accounts	
General Government	451,036
Public Safety	466,180
Culture, Recreation, and Education	241,217
Information Systems	<u>197,534</u>
Total General Fund	2,740,019
Human Services Fund - continuing accounts	431,714
Nonmajor Funds - Capital Projects	892,879
Total committed	<u><u>\$ 4,064,612</u></u>

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**J. Fund equity (continued)**

Assigned		
General Fund		
Vested holiday pay	\$	449
Vested sick pay		1,057,184
Vested vacation pay		1,626,300
Vested comp pay		33,937
Total General Fund		2,717,870
Total assigned	\$	2,717,870
Unassigned		
General Fund	\$	17,093,382
Total unassigned	\$	17,093,382
Total Fund Balance	\$	35,231,295

**IV. OTHER INFORMATION**

**A. Claims and other legal proceedings**

From time to time, the County becomes party to claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and Corporation Counsel that the likelihood is remote that any such pending claims or proceedings will have a material adverse effect on the County's financial position.

**B. Intergovernmental grants**

The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

**C. Risk management**

The County is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The County has chosen to retain a portion of the risks through self-insurance programs. A description of the County's risk management is presented below:

**JEFFERSON COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2013**

**IV. OTHER INFORMATION** (continued)

**C. Risk management** (continued)

1. Property and liability insurance:

In 2008, the County became a member, with certain other units of government within the State of Wisconsin, of the Wisconsin Municipal Mutual Insurance Company (WMMIC), a non-assessable mutual company which provides liability insurance and risk management services to its members. The County's coverage began as of January 1, 2009. The scope of insurance protection provided by WMMIC is broad, covering automobile liability, general liability, law enforcement liability, public official's errors and omissions, civil rights, incidental medical malpractice, personal injury, equal rights, and Americans with Disabilities Act at policy limits of \$5,000,000 per occurrence with a \$10,000,000 aggregate for general and automobile liability claims and a \$15,000,000 aggregate for errors or omissions claims. At this time, settled claims have not exceeded the commercial coverage in any of the past three years. WMMIC's exposure in its layer of insurance is limited to \$1,000,000 per occurrence in that the company purchases \$4,000,000 per occurrence in reinsurance for losses in excess of its retained layer of coverage.

WMMIC is governed by one entity-one vote. Member entities include the counties of Walworth, Brown, Chippewa, Dane, Dodge, Eau Claire, Kenosha, LaCrosse, Manitowoc, Marathon, Outagamie, St Croix, Waukesha, and the cities of Eau Claire and Madison. All member entities participate in the governing of the company. Its Board of Directors is made up of at least five representatives of the participating entities and the company's Charter allows for the appointment of two at large members to the Board of Directors. The participants elect the board members at the annual meeting. The board has the authority to adopt its own budget, set policy matters and control the financial affairs of the company.

The County's investment in WMMIC is reported on the General fund balance sheet as an investment in WMMIC. The County's original capitalization amount paid in was \$783,000. According to its bylaws, WMMIC allocated equity to members based on the percentage of participation. As of December 31, 2013, the County's percentage participation was 2.52% and the current value of their equity was \$979,124. A list of other members and their share of participation is in the WMMIC report. Separate financial statements can be obtained from WMMIC at their address of 4785 Hayes Road, Madison, Wisconsin, 53704.

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are also recorded as expenditures in various funds of the County.

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**IV. OTHER INFORMATION** (continued)

**C. Risk management** (continued)

2. Dental Insurance:

County employees, retirees, and employee dependents are eligible for dental benefits from a dental self-insurance plan. Funding is provided by charges to County departments, employees and retirees. The program is not supplemented by stop loss protection, which limits the County's annual liability. Expenses consist of payments to a third-party administrator for dental claims, and administrative fees. The claims liability of \$21,000 reported in the General Fund at December 31, 2013, is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claim liability amount for 2012 and 2013 is as follows:

	<u>Liability January 1</u>		<u>Claims and Changes in Estimates</u>		<u>Claim Payments</u>		<u>Liability December 31</u>
<b>2012</b>	\$ 26,058	\$	366,481	\$	359,539	\$	33,000
<b>2013</b>	33,000		390,893		402,893		21,000

3. Workers' Compensation:

The County has established a worker's compensation fund to finance workers' compensation awards for County employees. The program is funded by charges to County departments. The program also is supplemented by stop loss protection, which limits the County's annual liability. Expenses and accrual of claim liabilities are accounted for based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the liability for 2012 and 2013 are as follows:

	<u>Liability January 1</u>		<u>Claims and Changes in Estimates</u>		<u>Claim Payments</u>		<u>Liability December 31</u>
<b>2012</b>	\$ 163,256	\$	262,976	\$	182,615	\$	243,617
<b>2013</b>	243,617		61,630		225,051		80,196

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**IV. OTHER INFORMATION** (continued)

**C. Risk management** (continued)

4. General Liability

The County has established a general liability fund to finance general liability insurance claims. The program is funded by charges to the County departments. Expenses and accrual of claim liabilities are accounted for based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the liability for 2012 and 2013 are as follows:

	<u>Liability January 1</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability December 31</u>
<b>2012</b>	\$ -	\$ 8,157	\$ -	\$ 8,157
<b>2013</b>	8,157	(6,661)	1,496	-

**D. Defined benefit pension plans**

All eligible County employees participate in the Wisconsin Retirement System (WRS); a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rates as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**IV. OTHER INFORMATION** (continued)

**D. Defined benefit pension plans** (continued)

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.65%	6.65%
Executives & Elected Officials	7.0%	7.0%
Protected with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for County employees covered by the WRS for the year ended December 31, 2013 was \$24,312,197; the employer's total payroll was \$24,565,256. The total required contribution for the year ended December 31, 2013 was \$3,420,983, which consisted of \$1,803,260, or 7.4% of payroll from the employer and \$1,617,723, or 6.7% of payroll from employee. Total contributions for the years ending December 31, 2012 and 2011 were \$3,037,264 and \$2,925,422 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees), and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's 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 through July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

**JEFFERSON COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013**

**IV. OTHER INFORMATION** (continued)

**D. Defined benefit pension plans** (continued)

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

The WRS issues an annual financial report that may be obtained by writing to:

Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931.

This information is an integral part of the accompanying financial statements.

**OTHER SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, WISCONSIN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2013**

	<u>Health Services</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 652,152	\$ 85,102	\$ 4,406,384	\$ 5,143,638
Property Taxes Receivables				
Current Year Tax Levy	887,279	-	-	887,279
Accounts Receivable				
Due from Other Government Units	17,625	-	-	17,625
General Accounts Receivable	166,691	-	-	166,691
Prepaid Expenditures	21,660	-	-	21,660
<b>Total Assets</b>	<u>1,745,407</u>	<u>85,102</u>	<u>4,406,384</u>	<u>6,236,893</u>
<b>Deferred inflows</b>				
Subsequent year tax levy	<u>887,279</u>	<u>-</u>	<u>-</u>	<u>887,279</u>
<b>Fund Balances</b>				
Nonspendable	21,660	-	-	21,660
Restricted	836,468	85,102	3,513,505	4,435,075
Committed	-	-	892,879	892,879
<b>Total Fund Balances</b>	<u>858,128</u>	<u>85,102</u>	<u>4,406,384</u>	<u>5,349,614</u>
<b>Total Deferred Inflows and Fund Balances</b>	<u>\$ 1,745,407</u>	<u>\$ 85,102</u>	<u>\$ 4,406,384</u>	<u>\$ 6,236,893</u>

**JEFFERSON COUNTY, WISCONSIN**  
**Combining Schedule of Revenues, Expenditures, and Change in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2013**

	<u>Health Services</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues</b>				
Property Taxes	\$ 897,264	\$ 54,584	\$ 626,981	\$ 1,578,829
Intergovernmental Revenues	459,384	-	-	459,384
Public Charges for Services	896,849	-	-	896,849
Intergovernmental Charges	82,269	-	-	82,269
Miscellaneous Revenues	7,585	-	16	7,601
<b>Total Revenues</b>	<u>2,343,351</u>	<u>54,584</u>	<u>626,997</u>	<u>3,024,932</u>
<b>Expenditures</b>				
Health and Human Services	2,273,595	-	-	2,273,595
Capital Outlay	6,634	-	1,457,102	1,463,736
Debt Service				
Principal	-	54,468	-	54,468
Interest and fiscal charges	-	126	78,573	78,699
<b>Total Expenditures</b>	<u>2,280,229</u>	<u>54,594</u>	<u>1,535,675</u>	<u>3,870,498</u>
<b>Revenues Over (Under) Expenditures</b>	63,122	(10)	(908,678)	(845,566)
<b>Other Financing Sources</b>				
General obligation debt issued	-	85,102	3,419,898	3,505,000
Premium on debt issued	-	-	93,607	93,607
Transfer in	4,819	10	1,801,557	1,806,386
<b>Total Other Financing Sources</b>	<u>4,819</u>	<u>85,112</u>	<u>5,315,062</u>	<u>5,404,993</u>
<b>Change in Fund Balances</b>	67,941	85,102	4,406,384	4,559,427
<b>Fund Balances, Beginning of Year</b>	<u>790,187</u>	<u>-</u>	<u>-</u>	<u>790,187</u>
<b>Fund Balances, End of Year</b>	<u>\$ 858,128</u>	<u>\$ 85,102</u>	<u>\$ 4,406,384</u>	<u>\$ 5,349,614</u>

**JEFFERSON COUNTY, WISCONSIN**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Health Services Fund**  
**For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<b>Variance with</b> <b>Final Budget -</b>
	<u>Original</u>	<u>Final</u>		<b>Positive</b> <b>(Negative)</b>
<b>Revenues</b>				
Property Taxes	\$ 897,264	\$ 897,264	\$ 897,264	\$ -
Intergovernmental Revenues	461,184	461,600	459,384	(2,216)
Public Charges for Services	1,196,921	1,196,921	896,849	(300,072)
Intergovernmental Charges	85,289	85,289	82,269	(3,020)
Miscellaneous Revenues	883	883	7,585	6,702
<b>Total Revenues</b>	<u>2,641,541</u>	<u>2,641,957</u>	<u>2,343,351</u>	<u>(298,606)</u>
<b>Expenditures</b>				
Health and Human Services	2,641,541	2,646,776	2,273,595	373,181
Capital Outlay	-	-	6,634	(6,634)
<b>Total Expenditures</b>	<u>2,641,541</u>	<u>\$ 2,646,776</u>	<u>2,280,229</u>	<u>366,547</u>
<b>Revenues Over (Under) Expenditures</b>	-	(4,819)	63,122	67,941
<b>Other Financing Sources</b>				
Transfer In	-	4,819	4,819	-
<b>Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	67,941	<u>\$ 67,941</u>
<b>Fund Balances, Beginning of Year</b>			<u>790,187</u>	
<b>Fund Balances, End of Year</b>			<u>\$ 858,128</u>	

**JEFFERSON COUNTY, WISCONSIN**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Property Taxes	\$ 54,584	\$ 54,584	\$ 54,584	\$ -
<b>Expenditures</b>				
Principal	54,468	54,468	54,468	-
Interest	132	132	126	6
<b>Total Expenditures</b>	<u>54,600</u>	<u>54,600</u>	<u>54,594</u>	<u>6</u>
<b>Revenues Over (Under) Expenditures</b>	(16)	(16)	(10)	(6)
<b>Other Financing Sources</b>				
General obligation debt issued	-	-	85,102	85,102
Transfer in	-	16	10	(6)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>16</u>	<u>85,112</u>	<u>85,096</u>
<b>Change in Fund Balances</b>	<u>\$ (16)</u>	<u>\$ -</u>	85,102	<u>\$ 85,102</u>
<b>Fund Balances, Beginning of Year</b>			<u>-</u>	
<b>Fund Balances, End of Year</b>			<u>\$ 85,102</u>	

**JEFFERSON COUNTY, WISCONSIN**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Capital Projects Fund**  
**For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$ 626,981	\$ 626,981	\$ 626,981	\$ -
Miscellaneous Revenues	-	-	16	16
<b>Total Revenues</b>	<u>626,981</u>	<u>626,981</u>	<u>626,997</u>	<u>16</u>
<b>Expenditures</b>				
Capital Outlay	805,411	2,428,538	1,457,102	971,436
Debt Service				
Interest and fiscal charges	-	-	78,573	(78,573)
<b>Total Expenditures</b>	<u>805,411</u>	<u>2,428,538</u>	<u>1,535,675</u>	<u>892,863</u>
<b>Revenues Over (Under) Expenditures</b>	(178,430)	(1,801,557)	(908,678)	892,879
<b>Other Financing Sources</b>				
General obligation debt issued	-	-	3,419,898	3,419,898
Premium on debt issued	-	-	93,607	93,607
Transfer In	178,430	1,801,557	1,801,557	-
<b>Total Other Financing Sources</b>	<u>178,430</u>	<u>1,801,557</u>	<u>5,315,062</u>	<u>3,513,505</u>
<b>Change in Fund Balances</b>	<u>\$ (178,430)</u>	<u>\$ -</u>	4,406,384	<u>\$ 4,406,384</u>
<b>Fund Balances, Beginning of Year</b>			-	
<b>Fund Balances, End of Year</b>			<u>\$ 4,406,384</u>	

**STATISTICAL SECTION**

## STATISTICAL SECTION

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

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### **FINANCIAL TRENDS – TABLES 1-6**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

### **REVENUE CAPACITY – TABLES 7-10**

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

### **DEBT CAPACITY – TABLES 11-12**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt as well as the County's ability to issue additional debt in the future.

### **DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 13-14**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

### **OPERATING INFORMATION – TABLES 15-16**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the basic financial statements and/or comprehensive annual financial reports for the relevant year.

**Jefferson County, Wisconsin**  
**Table 1**  
**Net Position by Component**  
**Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 64,881,537	\$ 67,000,585	\$ 71,381,576	\$ 74,293,193	\$ 66,812,841	\$ 68,068,319	\$ 75,381,872	\$ 80,485,356	\$ 83,958,241	\$ 87,177,141
Restricted	2,758,795	1,847,088	-	208,156	329,846	1,320,180	3,286,244	1,858,450	1,929,792	3,040,930
Unrestricted	27,719,925	35,169,317	28,478,462	30,716,894	24,065,034	23,382,009	26,816,103	30,141,568	29,981,100	27,587,496
Total governmental activities net position	<u>95,360,257</u>	<u>104,016,990</u>	<u>99,860,038</u>	<u>105,218,243</u>	<u>91,207,721</u>	<u>92,770,508</u>	<u>105,484,219</u>	<u>112,485,374</u>	<u>115,869,133</u>	<u>117,805,567</u>
Business-type activities										
Net investment in capital assets	***	***	***	***	12,019,237	14,113,569	7,561,268	7,835,276	9,225,204	9,783,239
Restricted	***	***	***	***	217,032	91,674	91,674	113,467	119,651	119,805
Unrestricted	***	***	***	***	4,218,866	3,449,696	3,994,197	4,507,347	4,168,440	5,558,218
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,455,135</u>	<u>17,654,939</u>	<u>11,647,139</u>	<u>12,456,090</u>	<u>13,513,295</u>	<u>15,461,262</u>
Primary government										
Net investment in capital assets	64,881,537	67,000,585	71,381,576	74,293,193	78,832,078	82,181,888	82,943,140	88,320,632	93,183,445	96,960,380
Restricted	2,758,795	1,847,088	-	208,156	546,878	1,411,854	3,377,918	1,971,917	2,049,443	3,160,735
Unrestricted	27,719,925	35,169,317	28,478,462	30,716,894	28,283,900	26,831,705	30,810,300	34,648,915	34,149,540	33,145,714
Total primary government net position	<u>\$ 95,360,257</u>	<u>\$ 104,016,990</u>	<u>\$ 99,860,038</u>	<u>\$ 105,218,243</u>	<u>\$ 107,662,856</u>	<u>\$ 110,425,447</u>	<u>\$ 117,131,358</u>	<u>\$ 124,941,464</u>	<u>\$ 129,382,428</u>	<u>\$ 133,266,829</u>

\*\*\* Information not available. All activities were reported as Governmental for the years prior to 2008.

\* Information is from the Statement of Net Position

**Jefferson County, Wisconsin**  
**Table 2**  
**Changes in Net Position**  
**Last Ten Years**  
**(accrual basis of accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities										
General Government	\$ 7,028,745	\$ 6,642,431	\$ 8,045,426	\$ 7,527,284	\$ 8,038,208	\$ 6,883,711	\$ 7,482,859	\$ 7,435,630	\$ 7,497,904	\$ 7,404,585
Public Safety	11,562,032	12,001,222	12,017,003	12,442,360	14,186,975	13,270,246	13,197,129	13,429,430	13,036,876	12,979,178
Public Works	7,431,913	8,422,568	6,367,726	7,486,947	1,821,687	1,861,463	1,573,661	1,725,668	1,857,037	2,039,356
Health and Human Services	46,220,171	45,557,854	47,945,537	49,483,771	38,270,965	25,008,265	22,976,053	22,188,872	22,402,840	22,768,650
Culture, Recreation, and Education	2,982,596	2,749,042	3,097,610	3,280,304	3,600,004	3,472,403	3,612,676	3,906,579	3,741,054	3,761,691
Conservation and Development	1,091,690	1,115,085	1,251,635	1,359,772	1,548,127	1,236,440	1,737,143	1,917,657	2,544,135	3,194,232
Interest on Debt	-	-	338,046	272,121	51,781	39,898	28,410	3,924	648	59
Total governmental activities expenses	\$ 76,317,147	\$ 76,488,202	\$ 79,062,983	\$ 81,852,559	\$ 67,517,747	\$ 51,772,426	\$ 50,607,931	\$ 50,607,760	\$ 51,080,494	\$ 52,147,751
Business-type activities										
Countryside Home	***	***	***	***	\$ 12,174,347	\$ 12,061,511	\$ 6,446,687	\$ -	\$ -	\$ -
Highway Department	***	***	***	***	6,989,792	6,235,044	5,921,762	6,428,256	5,894,062	6,737,846
Total business-type activities expenses	-	-	-	-	19,164,139	18,296,555	12,368,449	6,428,256	5,894,062	6,737,846
Total primary government expenses	\$ 76,317,147	\$ 76,488,202	\$ 79,062,983	\$ 81,852,559	\$ 86,681,886	\$ 70,068,981	\$ 62,976,380	\$ 57,036,016	\$ 56,974,556	\$ 58,885,597
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General Government	\$ 2,193,757	\$ 3,792,960	\$ 320,455	\$ 1,545,732	\$ 1,492,884	\$ 1,574,725	\$ 1,338,178	\$ 1,426,406	\$ 1,519,900	\$ 1,426,523
Public Safety	1,962,616	2,015,501	1,107,044	1,586,760	1,466,219	1,302,260	1,194,996	1,314,011	1,205,870	1,098,318
Public Works	3,041,581	4,214,081	3,350,514	4,225,635	110,504	81,274	104,987	106,801	92,013	93,741
Health and Human Services	16,129,576	17,504,312	17,014,625	15,746,830	7,565,969	6,708,498	4,345,987	4,540,059	5,479,156	5,801,871
Culture, Recreation, and Education	1,036,366	854,675	371,603	868,896	768,193	1,001,979	1,044,024	1,147,037	1,190,726	1,226,261
Conservation and Development	414,126	403,733	195,343	817,225	783,639	420,106	250,028	318,525	302,097	297,442
Operating grants and contributions										
General Government	533,925	520,934	740,055	575,311	533,896	510,269	518,504	497,912	450,438	447,138
Public Safety	603,895	1,113,449	325,039	526,572	530,673	382,565	289,539	455,343	393,828	301,118
Public Works	1,906,281	2,560,700	1,958,601	1,792,934	38,805	28,730	-	54,244	36,109	39,130
Health and Human Services	19,134,335	20,587,956	21,155,224	24,110,848	22,522,070	9,816,057	9,805,770	9,629,886	8,215,302	8,010,256
Culture, Recreation, and Education	104,149	199,226	102,459	92,515	134,662	57,698	119,823	146,553	117,171	279,903
Conservation and Development	176,384	208,814	195,823	263,258	290,645	561,852	738,772	962,790	1,592,555	2,237,208
Capital grants and contributions										
General Government	-	-	41,883	-	-	-	-	-	225,000	-
Public Safety	-	-	285,090	49,897	257,121	570,659	5,122,628	2,122,731	136,720	470,744
Public Works	-	-	899,713	495,726	900,057	-	-	-	-	-
Health and Human Services	-	-	15,656	-	5,000	-	23,571	-	-	-
Culture, Recreation, and Education	-	-	9,443	8,400	80,000	378,363	-	466,950	10,000	-
Conservation and Development	-	-	-	-	-	-	-	407,073	-	115,000
Total governmental activities program revenues	\$ 47,236,991	\$ 53,976,341	\$ 48,088,570	\$ 52,706,539	\$ 37,480,337	\$ 23,395,035	\$ 24,896,807	\$ 23,596,321	\$ 20,966,885	\$ 21,844,653
Business-type activities:										
Charges for services:										
Highway	\$ -	\$ -	\$ -	\$ -	\$ 4,503,990	\$ 3,561,888	\$ 4,131,586	\$ 3,607,555	\$ 3,368,140	\$ 3,577,392
Elderly Care - Countryside	-	-	-	-	8,037,510	8,922,068	4,225,200	-	-	-
Operating grants and contributions										
Highway	-	-	-	-	1,974,125	1,704,857	1,986,454	1,729,569	1,682,059	1,753,405
Elderly Care - Countryside	-	-	-	-	1,273,656	1,166,965	429,407	-	-	-
Total business-type activities program revenues	-	-	-	-	15,789,281	15,355,778	10,772,647	5,337,124	5,050,199	5,330,797
Total primary government program revenues	\$ 47,236,991	\$ 53,976,341	\$ 48,088,570	\$ 52,706,539	\$ 53,269,618	\$ 38,750,813	\$ 35,669,454	\$ 28,933,445	\$ 26,017,084	\$ 27,175,450
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (29,080,156)	\$ (22,511,861)	\$ (30,974,413)	\$ (29,146,020)	\$ (30,037,410)	\$ (28,377,391)	\$ (25,711,124)	\$ (27,011,439)	\$ (30,113,609)	\$ (30,303,098)
Business-type activities	-	-	-	-	(3,374,858)	(2,940,777)	(1,595,802)	(1,091,132)	(843,863)	(1,407,049)
Total primary government net expense	\$ (29,080,156)	\$ (22,511,861)	\$ (30,974,413)	\$ (29,146,020)	\$ (33,412,268)	\$ (31,318,168)	\$ (27,306,926)	\$ (28,102,571)	\$ (30,957,472)	\$ (31,710,147)

**Jefferson County, Wisconsin**  
**Table 2**  
**Changes in Net Position**  
**Last Ten Years**  
**(accrual basis of accounting)**

	2004	2005	2006	(accrual basis of accounting) 2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	\$ 23,420,683	\$ 23,200,968	\$ 21,996,545	\$ 22,657,524	\$ 15,801,624	\$ 17,040,530	\$ 18,581,336	\$ 22,108,805	\$ 21,200,422	\$ 21,850,075
Property taxes, levied for debt service	-	-	1,857,451	1,767,240	254,779	266,663	269,481	346,469	109,744	54,584
Sales taxes	4,830,859	4,941,364	4,862,601	5,061,361	5,097,149	4,786,208	4,911,356	4,993,804	5,028,614	5,185,167
Other taxes	-	-	64,261	237,202	227,884	215,233	192,947	194,130	200,789	211,624
General state aid	2,666,700	2,598,771	2,477,135	2,567,877	2,588,923	2,660,723	2,551,153	2,545,627	2,147,815	2,136,112
(Loss) Gain on old Countryside	-	427,491	-	-	-	-	-	-	-	-
Investment earnings	-	-	1,997,938	2,213,021	1,173,207	579,274	312,281	322,268	500,337	76,253
Miscellaneous	-	-	1,726,410	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	1,387,021	-	316,638	-	-	-
Transfers	-	-	-	-	3,988,632	4,391,547	11,289,643	3,501,491	4,309,648	2,725,717
Total governmental activities	<u>\$ 30,918,242</u>	<u>\$ 31,168,594</u>	<u>\$ 34,982,341</u>	<u>\$ 34,504,225</u>	<u>\$ 30,519,219</u>	<u>\$ 29,940,178</u>	<u>\$ 38,424,835</u>	<u>\$ 34,012,594</u>	<u>\$ 33,497,369</u>	<u>\$ 32,239,532</u>
Business-type activities:										
Property taxes, levied for general purposes	\$ -	\$ -	\$ -	\$ -	\$ 9,174,434	\$ 8,528,480	\$ 8,151,177	\$ 5,350,198	\$ 6,171,980	\$ 5,845,949
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	(1,269,884)	51,376	38,734	234,784
Transfers	-	-	-	-	(3,988,632)	(4,391,547)	(11,289,643)	(3,501,491)	(4,309,648)	(2,725,717)
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,185,802</u>	<u>4,136,933</u>	<u>(4,408,350)</u>	<u>1,900,083</u>	<u>1,901,066</u>	<u>3,355,016</u>
Total primary government	<u>\$ 30,918,242</u>	<u>\$ 31,168,594</u>	<u>\$ 34,982,341</u>	<u>\$ 34,504,225</u>	<u>\$ 35,705,021</u>	<u>\$ 34,077,111</u>	<u>\$ 34,016,485</u>	<u>\$ 35,912,677</u>	<u>\$ 35,398,435</u>	<u>\$ 35,594,548</u>
<b>Change in net position</b>										
Governmental activities	\$ 1,838,086	\$ 8,656,733	\$ 4,007,928	\$ 5,358,205	\$ 481,809	\$ 1,562,787	\$ 12,713,711	\$ 7,001,155	\$ 3,383,760	\$ 1,936,434
Business-type activities	-	-	-	-	1,810,944	1,196,156	(6,004,152)	808,951	1,057,203	1,947,967
Total primary government	<u>\$ 1,838,086</u>	<u>\$ 8,656,733</u>	<u>\$ 4,007,928</u>	<u>\$ 5,358,205</u>	<u>\$ 2,292,753</u>	<u>\$ 2,758,943</u>	<u>\$ 6,709,559</u>	<u>\$ 7,810,106</u>	<u>\$ 4,440,963</u>	<u>\$ 3,884,401</u>

\*\*\* Prior to 2008, all activities were reported as governmental activities, therefore this information is not available.

\* Information is from the Statement of Activities

**Jefferson County, Wisconsin**  
**Table 3**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 3,849,855	\$ 3,186,770	\$ 2,166,780	\$ 2,892,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Designated										
General Fund	17,688,797	22,749,734	23,206,218	26,955,477	-	-	-	-	-	-
Unreserved, Undesignated	-	-	3,384,619	-	-	-	-	-	-	-
Non-spendable	-	-	-	-	3,816,147	5,149,488	5,646,343	6,131,193	5,533,132	4,513,985
Restricted	-	-	-	-	329,846	1,230,905	3,114,279	1,302,628	1,203,894	2,151,990
Committed	-	-	-	-	6,021,094	4,743,732	2,432,986	2,719,373	4,514,800	2,740,019
Assigned	-	-	-	-	15,737,181	14,132,126	18,729,656	2,729,227	2,765,043	2,717,870
Unassigned	-	-	-	-	173,433	-	489,194	18,605,453	17,317,482	17,093,382
Total general fund	<u>21,538,652</u>	<u>25,936,504</u>	<u>28,757,617</u>	<u>29,847,545</u>	<u>26,077,701</u>	<u>25,256,251</u>	<u>30,412,458</u>	<u>31,487,874</u>	<u>31,334,351</u>	<u>29,217,246</u>
All Other Governmental Funds										
Reserved	3,041,757	4,584,908	2,533,146	2,128,322	-	-	-	-	-	-
Unreserved Designated	-	-	1,928,103	-	-	-	-	-	-	-
Special Revenue Fund	-	-	-	2,579,525	-	-	-	-	-	-
Non-spendable	-	-	-	-	259,342	252,328	178,800	169,776	175,670	201,908
Restricted	-	-	-	-	64,567	89,275	171,965	555,822	725,898	4,487,547
Committed	-	-	-	-	14,121	19,212	74,026	220,059	413,106	1,324,594
Assigned	-	-	-	-	-	-	-	-	74,660	-
Total all other governmental funds	<u>\$ 3,041,757</u>	<u>\$ 4,584,908</u>	<u>\$ 4,461,249</u>	<u>\$ 4,707,847</u>	<u>\$ 338,030</u>	<u>\$ 360,815</u>	<u>\$ 424,791</u>	<u>\$ 945,657</u>	<u>\$ 1,389,334</u>	<u>\$ 6,014,049</u>

Note: GASB 54 was early implemented in 2008.

\* Information is from the Balance Sheet - Governmental Funds

**Jefferson County, Wisconsin**  
**Table 4**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenue</b>										
Property Taxes	\$ 23,337,188	\$ 23,376,580	\$ 23,853,996	\$ 24,420,908	\$ 15,631,519	\$ 17,143,631	\$ 18,677,503	\$ 22,305,233	\$ 22,167,257	\$ 22,286,767
Sales Tax	4,830,859	4,941,364	4,862,601	5,061,361	5,097,149	4,786,208	4,911,356	4,993,804	5,028,614	5,185,167
Intergovernment Revenues	25,125,668	27,408,534	26,986,803	30,307,011	27,228,064	14,960,461	19,195,509	16,628,306	12,752,124	13,738,617
Fines and Licenses	1,028,347	934,226	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	292,843	297,996	224,895	220,054	185,968	182,439	178,358	174,289
Fines and Forfeitures	-	-	633,182	610,008	572,218	544,138	438,182	450,299	432,431	388,273
Public Charges for Services	11,484,675	11,113,900	18,983,912	17,960,367	9,811,290	8,831,025	6,294,531	7,061,871	7,203,332	7,058,035
Inter-governmental charges	11,078,334	14,316,813	7,454,459	4,907,679	553,662	590,222	642,951	676,122	1,557,649	1,826,939
Inter-departmental charges	-	-	-	-	-	-	-	-	87,431	82,269
Miscellaneous Revenues	-	-	2,791,283	3,425,055	2,463,973	1,569,189	1,286,966	1,586,726	1,520,794	1,293,644
Interest and Other	2,197,601	2,580,665	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>79,082,672</b>	<b>84,672,082</b>	<b>85,859,079</b>	<b>86,990,385</b>	<b>61,582,770</b>	<b>48,644,929</b>	<b>51,632,966</b>	<b>53,884,800</b>	<b>50,927,990</b>	<b>52,034,000</b>
<b>Expenditures</b>										
General Government	8,415,443	6,000,062	6,427,692	6,934,583	7,375,693	6,383,364	6,660,932	6,969,259	6,970,657	6,742,721
Public Safety	11,472,773	11,558,539	11,507,238	12,263,006	13,737,707	13,074,443	12,818,836	13,048,162	12,684,836	12,641,429
Public Works	9,127,043	9,478,056	5,763,740	5,583,036	149,495	137,569	76,564	100,446	135,273	1,294,686
Health and Human Services	46,309,506	44,324,628	49,908,754	49,346,376	37,976,647	25,150,641	22,688,387	22,021,322	22,311,781	21,500,639
Culture, Recreation, & Education	2,574,495	2,503,685	2,777,746	2,974,333	3,286,239	3,151,768	3,247,602	3,438,459	3,391,161	3,413,055
Conservation and Development	1,245,493	1,130,868	1,221,905	1,426,162	1,584,123	1,341,778	1,808,807	1,986,842	2,619,923	3,290,331
Capital Outlay	1,006,930	1,866,617	3,945,750	5,355,183	2,080,471	1,948,808	6,701,930	4,441,312	2,049,562	4,099,888
Debt service										
Principal	1,360,064	1,440,064	4,170,064	1,530,000	203,054	224,961	239,002	366,808	108,937	54,468
Interest and Fiscal Charges	485,527	428,560	334,164	241,180	51,506	41,921	30,479	7,339	807	78,699
Defeasance costs	-	-	13,500	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 81,997,274</b>	<b>\$ 78,731,079</b>	<b>\$ 86,070,553</b>	<b>\$ 85,653,859</b>	<b>\$ 66,444,935</b>	<b>\$ 51,455,253</b>	<b>\$ 54,272,539</b>	<b>\$ 52,379,949</b>	<b>\$ 50,272,937</b>	<b>\$ 53,115,916</b>
Excess of revenues over (under) expenditures	(2,914,602)	5,941,003	(211,474)	1,336,526	(4,862,165)	(2,810,324)	(2,639,573)	1,504,851	655,053	(1,081,916)
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale of capital assets	-	-	-	-	1,344,550	-	316,638	156,338	-	-
Transfer In	-	-	7,403,548	3,957,546	1,714,504	2,329,087	7,644,082	911,726	190,736	1,819,577
Transfer Out	-	-	(7,403,548)	(3,957,546)	(795,563)	(317,427)	(100,964)	(976,633)	(555,635)	(1,828,658)
General Obligation Debt Issued	-	-	-	-	-	-	-	-	-	3,505,000
Premium on Debt Issued	-	-	-	-	-	-	-	-	-	93,607
Total other financing sources (uses)	-	-	-	-	2,263,491	2,011,660	7,859,756	91,431	(364,899)	3,589,526
<b>Net change in fund balances</b>	<b>\$ (2,914,602)</b>	<b>\$ 5,941,003</b>	<b>\$ (211,474)</b>	<b>\$ 1,336,526</b>	<b>\$ (2,598,674)</b>	<b>\$ (798,664)</b>	<b>\$ 5,220,183</b>	<b>\$ 1,596,282</b>	<b>\$ 290,154</b>	<b>\$ 2,507,610</b>
Debt service as a percentage of noncapital exp.	2.3%	2.4%	5.5%	2.2%	0.4%	0.5%	0.6%	0.8%	0.2%	0.3%

\* Information is from the Statement of Revenue, Expenditures, and Fund Balance

**Jefferson County, Wisconsin**  
**Table 5**  
**Program Revenues by Function/Program**  
**Last Ten Years**  
**(accrual basis of accounting)**

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
General Government	\$ 2,727,682	\$ 4,313,894	\$ 1,102,393	\$ 2,121,043	\$ 2,026,780	\$ 2,084,959	\$ 1,856,682	\$ 1,924,318	\$ 2,195,338	\$ 1,873,661
Public Safety	2,566,511	3,128,950	1,717,173	2,163,229	2,254,013	2,255,484	6,607,163	3,892,085	1,736,418	1,870,180
Public Works	4,947,862	6,774,781	6,208,828	6,514,295	1,049,366	(61,207)	104,987	161,045	128,122	132,871
Health and Human Services	35,263,911	38,092,268	38,185,505	39,857,678	30,093,039	16,524,555	14,175,328	14,169,945	13,694,458	13,812,127
Culture, Recreation, and Education	1,140,515	1,053,901	483,505	969,811	982,855	1,438,040	1,163,847	1,760,540	1,317,897	1,506,164
Conservation and Development	590,510	612,547	391,166	1,080,483	1,074,284	981,957	988,800	1,688,388	1,894,652	2,649,650
Subtotal governmental activities	<u>47,236,991</u>	<u>53,976,341</u>	<u>48,088,570</u>	<u>52,706,539</u>	<u>37,480,337</u>	<u>23,223,788</u>	<u>24,896,807</u>	<u>23,596,321</u>	<u>20,966,885</u>	<u>21,844,653</u>
<b>Business-type activities</b>										
Countryside Home	***	***	***	***	9,311,166	10,089,030	4,654,607	-	-	-
Highway Department	***	***	***	***	6,478,115	5,266,744	6,118,040	5,337,124	5,050,199	5,330,797
Subtotal business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,789,281</u>	<u>15,355,774</u>	<u>10,772,647</u>	<u>5,337,124</u>	<u>5,050,199</u>	<u>5,330,797</u>
Total primary government	<u>\$ 47,236,991</u>	<u>\$ 53,976,341</u>	<u>\$ 48,088,570</u>	<u>\$ 52,706,539</u>	<u>\$ 53,269,618</u>	<u>\$ 38,579,562</u>	<u>\$ 35,669,454</u>	<u>\$ 28,933,445</u>	<u>\$ 26,017,084</u>	<u>\$ 27,175,450</u>

\*\*\* Information not available. All activities were reported as Governmental for the years prior to 2008.

\* Information is from the Statement of Activities

**Jefferson County, Wisconsin**  
**Table 6**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Years**  
(modified accrual basis of accounting)

Fiscal Year	Property	Sales & Use	Real Estate Fees	Statutory Interest & Penalties	Other	Total
2004	\$ 22,677,544 (a)	\$ 4,830,859	\$ 224,156	\$ 425,405	\$ 10,083	\$ 28,168,048
2005	22,537,988 (a)	4,941,364	263,456	543,824	31,310	28,317,943
2006	23,136,533 (a)	4,862,601	254,211	434,704	28,545	28,716,595
2007	23,740,079 (a)	5,061,361	207,176	443,626	30,026	29,482,268
2008	14,921,046	5,097,149	184,791	482,589	43,093	20,728,668
2009	16,305,452	4,786,208	127,642	622,946	87,591	21,929,839
2010	17,723,079	4,911,356	144,727	761,477	48,220	23,588,859
2011	21,272,368	4,993,804	140,936	838,735	53,194	27,299,037
2012	20,814,267	5,028,614	129,730	1,152,202	71,059	27,195,871
2013	21,194,519	5,185,167	154,541	880,624	57,083	27,471,934
Change 2004 - 2013	-6.5%	7.3%	-31.1%	107.0%	466.1%	-2.5%

(a) All activities were reported as Governmental Funds prior to 2008.

**Jefferson County, Wisconsin**  
**Table 7**  
**Equalized Value of Taxable Property (a)**  
**Last Ten Years**

Fiscal Year Ended Dec. 31,	Residential Property	Commercial Property	Manufacturing Property	Agricultural Property	Other	Personal Property	Less: Tax Incremental District (TID)	Total Taxable Equalized Value (b)	Total Direct Tax Rate (c)
2004	\$ 3,607,807,500	\$ 734,730,000	\$ 220,075,200	\$ 47,070,100	\$ 375,091,600	\$ 103,866,700	\$ 136,150,600	\$ 4,952,490,500	4.3317
2005	3,992,248,500	817,146,000	230,607,800	47,266,800	391,941,400	102,443,500	160,354,400	5,421,299,600	4.0783
2006	4,533,782,600	907,808,200	236,511,400	49,600,500	437,912,200	111,346,400	203,428,900	6,073,532,400	3.7293
2007	4,864,428,800	989,803,400	284,462,900	52,880,700	368,436,500	116,831,700	236,040,400	6,440,803,600	3.6158
2008	4,996,622,300	1,001,236,700	295,701,500	52,804,000	426,298,100	124,508,000	271,340,500	6,625,830,100	3.5862
2009	4,961,968,800	1,024,119,800	284,205,200	56,378,500	421,932,000	131,830,100	268,824,900	6,611,609,500	3.6739
2010	4,789,141,700	1,006,781,200	285,619,000	55,378,700	398,539,000	128,279,600	287,292,500	6,376,446,700	3.8913
2011	4,670,544,100	1,055,022,900	278,639,600	49,605,600	405,048,100	125,035,200	305,006,000	6,278,889,500	3.9401
2012	4,435,600,200	1,017,813,000	264,080,400	48,154,200	400,696,000	129,224,100	289,294,700	6,006,273,200	4.1521
2013	4,358,123,700	988,660,400	260,269,100	46,358,700	407,269,700	126,307,500	302,214,800	5,884,774,300	4.2655

**Source:** Wisconsin Department of Revenue, Bureau of Property Tax

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

**Jefferson County, Wisconsin**  
**Table 8**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**

	2004		2005		2006		2007		2008	
<b>County direct rates</b>										
General	4.3317		4.0783		3.7293		3.6158		3.5862	
Federated Library	0.2956		0.2761		0.2907		0.2901		0.2838	
Health	0.0766		0.072		0.0665		0.046		0.0473	
<b>Towns</b>										
Aztalan	12.10 - 14.26		11.06 - 12.23		9.67 - 11.41		9.09 - 11.71		10.25 - 11.60	
Cold Spring	11.99 - 12.48		10.43 - 11.48		9.54 - 10.57		10.00 - 10.80		10.17 - 10.53	
Concord	10.89 - 13.59		9.55 - 11.45		9.08 - 10.77		9.10 - 11.08		9.54 - 11.18	
Farmington	8.88 - 11.24		7.74 - 9.35		7.35 - 8.85		7.45 - 9.11		7.80 - 9.29	
Hebron	11.62 - 12.42		10.10 - 10.31		9.24 - 10.48		8.88 - 10.68		9.26 - 10.38	
Ixonia	11.13 - 11.24		10.13 - 10.42		9.66 - 9.85		9.91 - 10.19		10.43 - 10.64	
Jefferson	10.59 - 11.27		9.86 - 10.06		9.05 - 10.26		8.69 - 10.52		9.15 - 10.26	
Koshkonong	9.85 - 11.06		9.01 - 10.17		7.87 - 10.12		8.24 - 9.97		8.12 - 9.92	
Lake Mills	11.35 - 14.40		9.76 - 14.13		8.62 - 12.65		8.03 - 12.43		10.07 - 12.66	
Milford	10.49 - 12.86		9.21 - 10.82		8.39 - 10.13		7.93 - 10.33		8.81 - 10.30	
Oakland	10.59 - 14.84		9.65 - 14.00		8.31 - 12.99		7.78 - 13.00		8.92 - 13.18	
Palmyra	11.65 - 14.04		10.30 - 13.46		9.97 - 11.29		9.72 - 10.95		9.90 - 10.81	
Sullivan	11.72 - 12.96		10.19 - 12.36		9.60 - 11.11		8.82 - 10.86		10.19 - 11.25	
Sumner	11.68 - 14.55		10.47 - 13.80		9.57 - 12.82		9.96 - 12.87		9.13 - 12.95	
Waterloo	12.56 - 13.55		10.94 - 11.59		9.60 - 10.65		9.03 - 11.10		10.81 - 11.01	
Watertown	9.98 - 12.34		8.75 - 10.35		8.26 - 10.03		7.61 - 9.51		8.19 - 9.79	
<b>Villages</b>										
Cambridge	17.53 - 17.98		16.74		15.63 - 15.99		14.63		16.83	
Johnson Creek		18.57		15.46		14.52		13.99		14.04
Lac La Belle	14.05 - 14.63		12.58 - 14.08			11.57		11.32		11.65 - 12.79
Palmyra	16.58 - 18.67		15.97 - 17.52		14.09		14.14 - 15.37		15.15 - 16.05	
Sullivan		14.59		13.48		12.53		12.14		12.64
<b>Cities</b>										
Fort Atkinson		17.14		15.63		15.46		15.51		15.22
Jefferson		16.48		15.47		13.89		13.97		14.40
Lake Mills		17.06		15.32		14.07		13.79		15.82
Waterloo		20.25		17.68		16.24		16.75		16.79
Watertown		16.27		14.69		13.89		14.21		14.48
Whitewater		15.26		14.84		13.24		13.57		13.79

**Jefferson County, Wisconsin**  
**Table 8**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**

	2009		2010		2011		2012		2013	
<b>County direct rates</b>										
General	3.6739		3.8913		3.9401		4.1521		4.2655	
Federated Library	0.2986		0.3164		0.3249		0.3645		0.3455	
Health	0.125		0.1625		0.1786		0.1716		0.1726	
<b>Towns</b>										
Aztalan	11.20	- 11.61	12.21	- 12.76	12.29	- 13.85	13.27	- 13.98	13.18	- 14.03
Cold Spring	11.11	- 12.10	11.61	- 12.23	12.20	- 12.69	12.21	- 13.04	12.90	- 13.31
Concord	10.19	- 11.03	11.40	- 12.23	11.88	- 12.99	11.31	- 12.03	12.29	- 13.54
Farmington	8.83	- 9.69	9.11	- 9.82	10.00	- 11.39	10.22	- 11.33	10.23	- 11.47
Hebron	10.10	- 11.04	11.62	- 12.13	12.52	- 12.74	14.29	- 14.35	14.34	- 14.60
Ixonia	10.81	- 11.47	12.04	- 12.05	12.27	- 12.50	13.01	- 13.37	12.89	- 12.92
Jefferson	10.14	- 11.02	11.69	- 12.20	13.63	- 13.41	13.55	- 13.61	13.62	- 13.90
Koshkonong	8.74	- 10.53	9.59	- 11.74	10.23	- 12.09	10.06	- 12.47	10.52	- 12.76
Lake Mills	10.17	- 13.47	11.02	- 15.43	11.14	- 15.06	12.47	- 15.63	12.46	- 14.94
Milford	9.35	- 11.07	10.88	- 11.26	11.27	- 12.18	11.39	- 12.37	11.95	- 12.86
Oakland	9.80	- 14.01	10.94	- 15.37	10.81	- 15.56	12.02	- 16.15	12.34	- 15.88
Palmyra	10.82	- 11.66	11.41	- 12.48	11.97	- 13.23	11.98	- 13.35	12.38	- 13.94
Sullivan	9.99	- 12.18	11.71	- 13.30	11.79	- 14.91	12.78	- 15.06	12.98	- 15.11
Sumner	10.49	- 13.54	11.55	- 15.02	11.83	- 15.29	12.77	- 15.39	12.26	- 15.30
Waterloo	11.12	- 12.16	11.97	- 12.14	12.19	- 13.08	12.76	- 13.58	13.60	- 13.83
Watertown	9.27	- 10.12	10.30	- 10.51	10.56	- 10.96	11.26	- 11.93	10.79	- 11.69
<b>Villages</b>										
Cambridge	17.02		19.41		19.58		20.60		20.35	
Johnson Creek	14.15		15.16		15.59		17.02		17.06	
Lac La Belle	12.75		13.46		13.58		13.76		10.39	
Palmyra	16.04	- 16.88	17.36	- 18.25	18.23	- 19.09	19.06	- 20.27	20.18	- 20.98
Sullivan	13.72		16.45		17.68		17.82		18.23	
<b>Cities</b>										
Fort Atkinson	16.21		17.84		18.33		18.88		19.50	
Jefferson	15.24		17.17		18.68		19.34		19.91	
Lake Mills	15.88		16.96		17.18		18.69		19.03	
Waterloo	18.64		18.57		20.29		19.80		21.57	
Watertown	15.45		17.30		18.14		19.09		19.22	
Whitewater	12.40		16.78		16.14		16.82		17.36	

**Jefferson County, Wisconsin  
Table 9  
Principal Taxpayers  
Current and Nine Years Ago**

<u>Taxpayer</u>	<u>Industry</u>	2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CPG Partners LP	Commercial	\$ 32,440,400	1	0.55%	\$ 26,455,950	1	0.53%
Standard Process	Manufacturing	24,991,300	2	0.42%	10,204,900	4	0.21%
Wal-mart Real Estate	Commercial	24,077,100	3	0.41%	11,358,700	3	0.23%
Menards	Commercial	23,437,500	4	0.40%	18,684,380	2	0.38%
Art Mtg Borrow Propco 2010-5 LLC	Manufacturing	17,873,200	5	0.30%			
Clasen Quality Coating	Manufacturing	15,230,500	6	0.26%			
Watertown Square, LLC	Commercial	14,585,100	7	0.25%			
Valero Renewable Fuel	Manufacturing	12,997,500	8	0.22%			
Cold Spring Egg Farm	Commercial	12,486,404	9	0.21%			
Jones Dairy Farm	Manufacturing	12,178,600	10	0.21%	7,588,600	9	0.15%
Jefferson Cold Storage	Commercial				9,983,300	5	0.20%
Briggs & Stratton Power Products	Commercial				8,219,900	6	0.17%
Shopko Store Inc.	Commercial				6,836,400	10	0.14%
Barry Draeger	Commercial				7,778,500	7	0.16%
Audubon Park Apartments	Commercial				7,770,900	8	0.16%
<b>Total</b>		<u>\$ 190,297,604</u>		<u>3.23%</u>	<u>\$ 114,881,530</u>		<u>2.32%</u>
<b>Total County Taxable Assessed Value</b>		\$ 5,884,774,300			\$ 4,952,490,500		

Source: Jefferson County Tax System

**Jefferson County, Wisconsin  
Table 10  
Property Tax Levies and Collections  
Last Ten Years**

<b>Settlement Year (A)</b>	<b>Total Tax Roll</b>	<b>As of December 31 of Settlement Year</b>		<b>Cumulative as of December 31, 2013</b>	
		<b>Amount Collected</b>	<b>Percentage of Levy</b>	<b>Amount Collected</b>	<b>Percentage of Levy</b>
2004	\$ 101,680,477	\$ 101,667,141	99.99%	\$ 101,667,141	99.99%
2005	104,816,130	104,795,898	99.98%	104,795,898	99.98%
2006	104,776,137	104,750,625	99.98%	104,750,625	99.98%
2007	111,339,922	111,279,496	99.95%	111,279,496	99.95%
2008	117,796,257	117,635,317	99.86%	117,635,317	99.86%
2009	124,711,690	124,461,548	99.80%	124,461,548	99.80%
2010	130,967,493	130,538,460	99.67%	130,538,460	99.67%
2011	137,610,725	136,913,891	99.49%	136,913,891	99.49%
2012	141,099,809	139,982,221	99.21%	139,982,221	99.21%
2013	141,791,630	140,002,148	98.74%	140,002,148	98.74%

**Source:** Jefferson County Treasurer's Tax Settlement Reports

**Note:** The County levy is settled (collected) by the County Treasurer in the year following the year it is levied.

**Jefferson County, Wisconsin**  
**Table 11**  
**Ratio of Outstanding Debt to Equalized Valuation and Debt Per Capita**  
**Last Ten Years**

<u>Year Ending</u> <u>December 31</u>	<u>Estimated</u> <u>Population (A)</u>	<u>(\$000's)</u> <u>Personal</u> <u>Income (B)</u>	<u>Equalized</u> <u>Valuation (C)</u>	<u>Outstanding</u> <u>Debt</u>	<u>Percent of Debt</u> <u>to Equalized</u> <u>Valuation</u>	<u>Percent of Debt</u> <u>to Personal</u> <u>Income</u>	<u>Debt Per</u> <u>Capita</u>
2004	78,342	\$ 2,434,704	\$ 5,088,641,100	\$ 13,853,742	0.27%	0.57%	\$ 176.84
2005	79,188	2,515,044	5,581,654,000	12,413,678	0.22%	0.49%	156.76
2006	80,092	2,651,277	6,276,961,300	8,184,175	0.13%	0.31%	102.18
2007	80,411	2,731,064	6,676,844,000	6,697,230	0.10%	0.25%	83.29
2008	81,022	2,805,133	6,897,170,600	5,069,176	0.07%	0.18%	62.57
2009	81,310	2,789,723	6,880,434,400	3,944,215	0.06%	0.14%	48.51
2010	83,686	2,835,542	6,663,739,200	530,213	0.01%	0.02%	6.34
2011	83,794	2,939,310	6,583,895,500	163,405	0.00%	0.01%	1.95
2012	83,857	3,104,495	6,295,567,900	54,468	0.00%	0.00%	0.65
2013	83,940	*	6,186,989,100	3,505,000	0.06%	*	41.76

\*Information not yet available

NOTES:

(A) Source: Census Data, Wisconsin Department of Administration.

(B) Bureau of Economic Analysis - US Department of Commerce

(C) Wisconsin Department of Revenue Property Tax Reports.

**Jefferson County, Wisconsin**  
**Table 12**  
**Legal Debt Margin Information**  
**Last Ten Years**  
**(dollars in thousands)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Equalized Value of Real and Personal Property (A)	<u>\$ 4,725,683</u>	<u>\$ 5,088,641</u>	<u>\$ 5,581,654</u>	<u>\$ 6,276,961</u>	<u>\$ 6,676,844</u>	<u>\$ 6,897,171</u>	<u>\$ 6,880,434</u>	<u>\$ 6,663,739</u>	<u>\$ 6,583,896</u>	<u>\$ 6,295,568</u>	<u>\$ 6,186,989</u>
Debt Limit, 5% of Equalized Valuation (Wisconsin Statutory Limitation)	\$ 236,284	\$ 254,432	\$ 279,083	\$ 313,848	\$ 333,842	\$ 344,859	\$ 344,022	\$ 333,187	\$ 329,195	\$ 314,778	\$ 309,349
Amount of Debt Applicable to Debt Limitation:											
General Obligation Promissory Notes	15,404	13,854	12,414	8,184	6,697	5,069	3,944	530	163	54	3,505
Less: Debt Service Funds	<u>(176)</u>	<u>(18)</u>	<u>(18)</u>	<u>(4)</u>	<u>(1,843)</u>	<u>(267)</u>	<u>(269)</u>	<u>(346)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Amount of Debt Applicable to Debt Margin	15,228	13,836	12,396	8,180	4,854	4,802	3,675	184	163	54	3,505
Legal Debt margin - (Debt Capacity)	<u>\$ 221,056</u>	<u>\$ 240,596</u>	<u>\$ 266,687</u>	<u>\$ 305,668</u>	<u>\$ 328,988</u>	<u>\$ 340,056</u>	<u>\$ 340,346</u>	<u>\$ 333,003</u>	<u>\$ 329,031</u>	<u>\$ 314,724</u>	<u>\$ 305,844</u>
Percent of Debt Capacity Used	6.4%	5.4%	4.4%	2.6%	1.5%	1.4%	1.1%	0.1%	0.0%	0.0%	1.1%

(A) Equalized Value from Table 11

**Jefferson County, Wisconsin**  
**Table 13**  
**Demographic and Economic Statistics**  
**Last Ten Years**

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) (\$000's) Personal Income</u>	<u>Per Capita Personal Income</u>	<u>(3) Public School Enrollment</u>	<u>(3) Private School Enrollment</u>	<u>(4) Average Unemployment Rate</u>
2004	78,342	\$ 2,434,704	\$ 31,078	11,925	3,599	5.0%
2005	79,188	2,515,044	31,285	11,934	3,691	4.6%
2006	80,092	2,651,277	33,103	11,919	3,714	4.5%
2007	80,411	2,731,064	33,964	12,249	3,697	4.8%
2008	81,022	2,860,005	35,299	12,410	3,559	4.9%
2009	81,310	2,764,541	34,000	12,661	3,424	9.3%
2010	83,686	2,835,542	33,883	12,844	3,317	9.2%
2011	83,794	2,939,310	35,078	12,809	3,254	8.2%
2012	83,857	3,104,495	37,021	12,777	3,239	7.3%
2013	83,940	*	*	12,695	3,033	*

\*Information not yet available

Sources:

- (1) Fiscal year 2010 is U.S. Census figure; all other figures are estimated by the Wisconsin Department of Administration
- (2) Personal Income from Table 11.
- (3) Wisconsin Department of Public Instruction.
- (4) Bureau of Labor Statistics

**Jefferson County, Wisconsin  
Table 14  
Principal Employers  
Current and Nine Years Ago**

<u>Taxpayer</u>	<u>Industry</u>	2013		2004	
		Range of Number of Employees	Rank	Range of Number of Employees	Rank
Fort Healthcare Inc.	General medical & surgical hospitals	500-999	1	500-999	5
Generac Power Systems Inc.	Motor & generator manufacturing	500-999	2		
Trek Bicycle Corporation	Motorcycle, bicycle & parts manufacturing	500-999	3	500-999	1
Opportunities Inc of Jefferson	Temporary help services	500-999	4		
Bethesda Lutheran Communities Inc.	Residential mental facilities	500-999	5	500-999	3
County of Jefferson	Executive & legislative officers, combined	500-999	6	500-999	2
Nasco Int'l Inc.	Plastic manufacturing	250-499	7		
Fort Atkinson Public Schools	Elementary & secondary schools	250-499	8	250-499	10
Wal-Mart	Discount department stores	250-499	9	500-999	8
Spacesaver Corp.	Office furniture manufacturing	250-499	10		
Terra Staffing Services	Temporary help services			500-999	7
Watertown Unified School District	Elementary & secondary schools			500-999	6
Aristotle Corp.	Other professional equipment wholesalers			250-499	9
Perry Judd's Inc.	Commercial printing			500-999	4

**Source:** *State of Wisconsin Department of Workforce Development*

**Jefferson County, Wisconsin**  
**Table 15**  
**Full-time Equivalent Budgeted County Positions by Functional Area**  
**Last Ten Years**

<b>Functional Areas:</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General Government	87.65	87.65	88.85	86.95	89.95	86.70	85.20	85.75	88.00	91.50
Public safety	129.05	129.65	133.65	133.15	133.15	128.90	127.90	126.80	128.15	127.75
Public Works	85.60	73.60	65.00	63.00	61.00	63.40	59.60	58.60	58.60	58.60
Health and human services	381.45	373.45	376.20	371.65	365.15	370.75	341.25	175.55	176.55	178.70
Culture & Recreation	15.85	17.85	16.75	18.35	19.90	17.30	18.10	18.20	22.60	20.70
Conservation and development	15.70	15.70	16.70	15.70	14.70	13.00	13.20	13.00	13.50	13.50
<b>Total Position Equivalents</b>	<b>715.30</b>	<b>697.90</b>	<b>697.15</b>	<b>688.80</b>	<b>683.85</b>	<b>680.05</b>	<b>645.25</b>	<b>477.90</b>	<b>487.40</b>	<b>490.75</b>

**Jefferson County, Wisconsin**  
**Table 16**  
**Miscellaneous Operation Indicators**  
**Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Justice and Public Safety</b>										
Communications Center Calls for Service	62,525	60,607	60,321	59,888	62,661	73,126	78,659	74,540	75,911	62,645
Drug Task Force Cases	906	979	868	859	639	703	815	704	805	801
Annual Number of Inmates Held in Jail	4,130	4,073	4,091	4,074	3,638	3,244	2,561	2,514	2,588	2,519
Average Daily Jail Population	173.8	189.0	183.0	194.0	195.0	176.0	143.0	158.0	158.0	147.0
<b>Health and Human Services</b>										
Economic Support - households receiving assistance	3,676	3,969	4,068	4,201	4,710	5,237	5,676	6,020	7,177	7,384
Medical assistance - Number of recipients	7,118	7,280	7,436	7,868	8,865	11,110	12,257	12,713	12,453	12,459
	9%	9%	9%	10%	11%	14%	15%	15%	15%	15%
ts	2,128	2,580	2,973	3,340	3,823	5,590	7,214	7,954	9,025	9,467
Children Alternate Care Placements	83	91	82	100	93	121	185	147	158	96
<b>Transportation</b>										
Centerline Miles of Road Maintained										
Interstate	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	20.4
State	152.8	152.8	152.8	152.8	152.8	152.8	152.8	152.8	154.2	159.1
County	257.2	257.1	257.4	257.1	256.7	256.6	256.0	256.0	255.8	255.9
Local	952.5	956.9	960.7	968.2	972.1	979.5	980.2	982.3	992.2	997.0