

Jefferson County, Wisconsin



Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

Prepared by

Jefferson County Finance Department

David P. Ehlinger, Finance Director

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Transmittal Letter	1
Jefferson County Government Organizational Chart	5
List of Principal Officials	6
FINANCIAL SECTION	
Independent Auditor's Report	8
Management's Discussion and Analysis	10
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	25
Statement of Activities.....	26
Fund Financial Statements	
Balance Sheet - Governmental Funds	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	30
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Human Services Fund	31
Statement of Net Assets – Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds.....	33
Statement of Cash Flows – Proprietary Funds	34
Notes to Basic Financial Statements.....	36

Other Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	66
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Health Services Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund.....	68

STATISTICAL SECTION

Net Assets by Component – Last Nine Years	69
Changes in Net Assets – Last Nine Years	70
Fund Balances, Governmental Funds – Last Ten Years.....	72
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	73
Program Revenues by Function/Program – Last Nine Years.....	74
Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years	75
Assessed Value of Taxable Property – Last Ten Years	76
Direct and Overlapping Property Tax Rates – Last Ten Years	77
Principal Property Taxpayers – Current and Nine Years Ago	79
Property Tax Levies and Collections – Last Ten Years.....	80
Ratio of Outstanding Debt to Equalized Valuation and Debt Per Capita	81
Legal Debt Margin Information – Last Ten Years	82
Demographic and Economic Statistics – Last Ten Years.....	83
Principal Employers – Current and Nine Years Ago	84
Full-time Equivalent Budgeted County Positions by Functional Area – Last Ten Years	85
Operating Indicators and Capital Asset Information by Function/Program – Last Ten Years	86

INTRODUCTORY SECTION



JEFFERSON COUNTY, WISCONSIN

Finance Department

David P. Ehlinger, CPA, Finance Director

320 S Main Street, Room 109

Jefferson, WI 53549

920-674-7142

davee@jeffersoncountywi.gov

June 14, 2012

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, 2011. 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 unqualified 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 auditor's 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' report related specifically to the Single Audit is not included in this document, but is 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 government, 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 department, activity and reserve account 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.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the boarder perspective of the specific environment within which Jefferson County operates.

Local Economy – Jefferson County, established in 1836, serves a population of approximately 83,794. 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 417 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 – The County continues to follow all accounting requirements issued by the Governmental Accounting Standards Board. In addition, whenever feasible, the County follows various Best Practices as recommended by the Government Finance Officers Association (GFOA). The major financial policies include:

- Cash management – Cash temporarily idle during the year was invested in certificates of deposit, US Treasuries, US backed agencies, corporate bonds, and the Local Government Investment Pool (LGIP). The primary objectives of the County's investment policy are to preserve capital in the overall portfolio, to remain sufficiently liquid to meet cash disbursement requirements, and to realize the maximum return consistent with portfolio safety and liquidity needs. The County Treasurer is responsible for investment of County funds.
- Debt administration – The County continues to have low-cost access to the debt markets to finance various capital projects as allowed by State law. Historically, the County has been aggressive on repayment plans and had only \$163,405 in outstanding promissory notes at year end 2011. The County's current rating with Moody's Investor Service is Aa2, which is the third highest rating possible.
- Fund balance policy – Jefferson County places an emphasis on policies that maintain appropriate fund balance/net asset 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, 2011, the County has retained the three month goal and has an additional \$2.9 million available. A decision on the usage(s) of the \$2.9 million will occur during the preparation of the 2013 tax levy, which will be adopted in November 2012.
- Risk management – Jefferson County is fully insured for general liability as a member of WMMIC (Wisconsin Municipal Mutual Insurance Corporation) with a \$525,000 annual aggregate deductible. The County is self-insured for workers compensation with a \$400,000 retention insurance policy in place. For both property insurance and employee health insurance, the County is fully insured.
- Pension benefits – The County provides pension benefits for all eligible employees through the State of Wisconsin Retirement System. Beginning in August 2011, elected officials and general employees pay 50% of the contribution, whereas sworn deputies are fully paid for by the County.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) has an annual award program for a Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR will meet the program's requirements and we are submitting it to the GFOA to determine its eligibility.

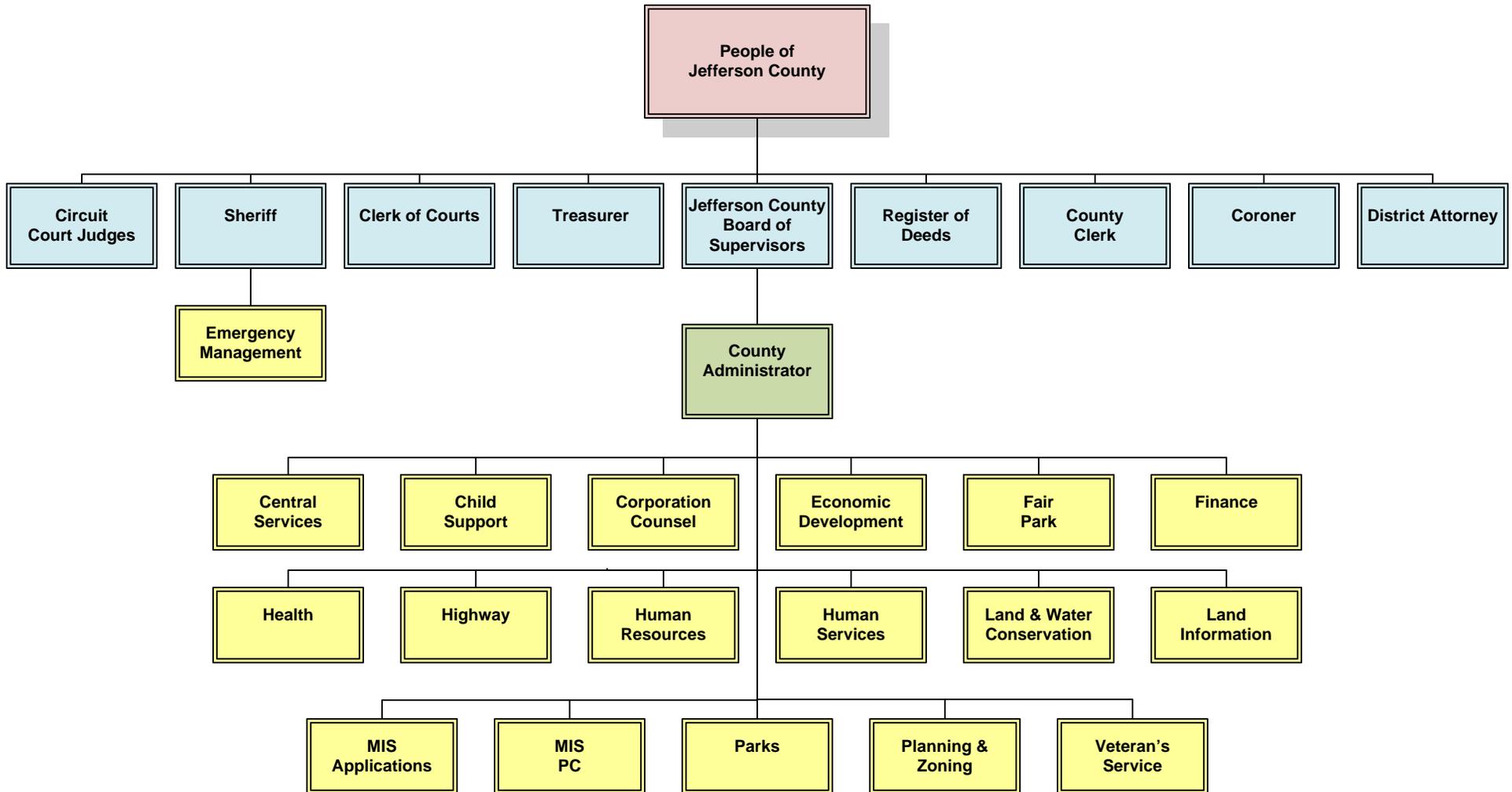
The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department as well as financial staff throughout the County. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation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

Respectfully submitted,

David P. Ehlinger, CPA
Finance Director
Jefferson County

Jefferson County Government Organizational Chart

January 2012



**Jefferson County, Wisconsin
List of Principal Officials
(as of the date the report was 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	John Molinaro (Chair)
2	Mike Kelly	17	Russell Kutz
3	Greg David	18	Jennifer Hanneman
4	Augie Tietz	19	Jim Schroeder
5	James B. Braugher	20	Jim Mode (Vice-Chair)
6	Ron Buchanan	21	John C. Kannard
7	Dwayne C. Morris	22	Blane Poulson
8	Rick L. Kuhlman (Second Vice-Chair)	23	George Jaeckel
9	Amy Rinard	24	Sarah Bregant
10	Al C. Counsell	25	Matthew Foelker
11	Donald Reese	26	Carlton Zentner
12	Gregory M. Torres	27	Glen Borland
13	Ed Morse	28	Dick Schultz
14	Pamela Rogers	29	Paul G. Babcock
15	Steven J. Nass	30	Walt Christensen

Non-Elected Department Heads

County Administrator	Gary R. Petre
Central Services	Mark Miller
Child Support	Stacey Jensen
Corporation Counsel	Philip C. Ristow
Economic Development	Dennis Heling
Emergency Management	Donna Haugom
Fair Park	David Diestler
Finance	David P. Ehlinger, 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	Kathleen Eisenmann
Veterans Services	Yvonne Duesterhoeft
Zoning and Planning	Robert Klotz

FINANCIAL SECTION

Independent Auditor's Report

To the Honorable Members
of the Board of Supervisors
Jefferson County, Wisconsin
Jefferson, Wisconsin

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, 2011, and the respective budgetary comparison for the General Fund and Human Services Fund for the year then ended, which collectively comprise Jefferson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jefferson County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Human Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2012 on our consideration of Jefferson County'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 24 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. However, we did not audit the information and express no opinion on it.

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

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

CliftonLarsonAllen LLP

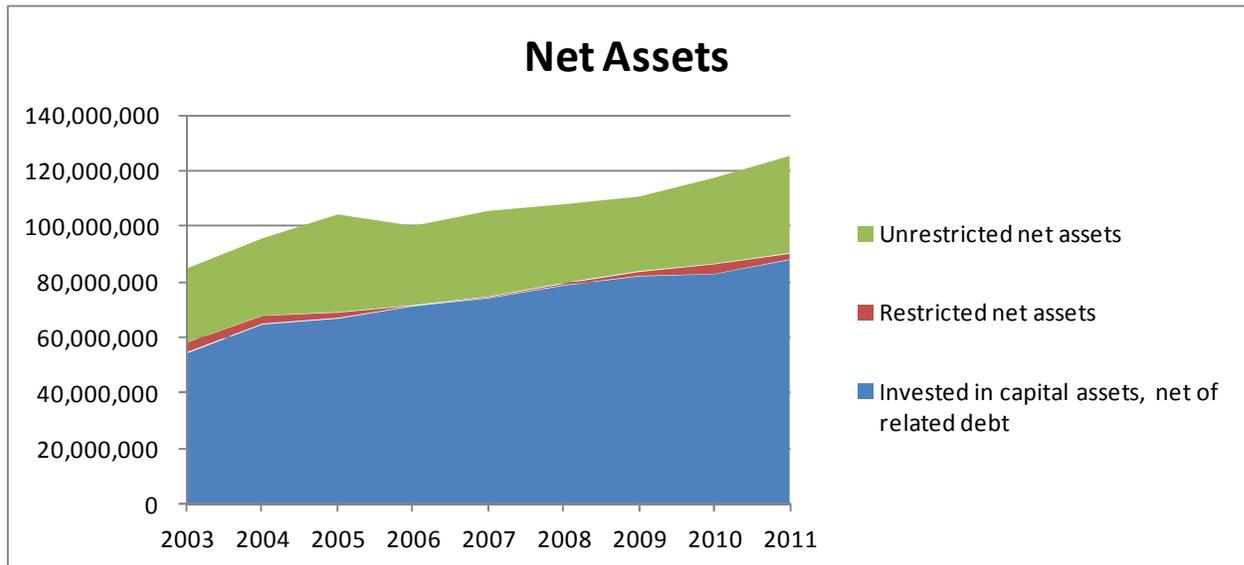
Milwaukee, Wisconsin
June 14, 2012

Jefferson County, Wisconsin
Management's Discussion and Analysis
December 31, 2011

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, 2011. 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 - 4 of this report.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2011 by \$124.94 million (*net assets*). Of this amount, \$34.6 million (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$7.8 million or 6.7%.
- Total governmental activities net assets were \$112.5 million and business type activities were \$12.5 million.
- The chart below shows the history of net asset from 2003 to current.



- As of December 31, 2011, the governmental funds had total fund balances of \$32.4 million. Of this amount, \$18.6 million is available for spending at the County's discretion (*unassigned fund balance*). Within this unassigned fund balance, the County intends to retain \$16.1 million as per the Fund Balance Policy for working capital.

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's Discussion and Analysis
December 31, 2011

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

The *Statement of Activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets 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 are only the Highway Department for 2011, as the County's nursing home was sold as of July 1, 2010.

The government-wide financial statements can be found on pages 25 - 26 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's Discussion and Analysis
December 31, 2011

The County maintains four 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 non-major 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, except the Trust & Agency Fund. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the General fund and for each individual, major 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 27- 31 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 used enterprise funds to account for its nursing home, which was sold during 2010. The County also uses enterprise funds to account for its highway department. Internal service funds are proprietary funds used to accumulate and allocate costs internally amount the County's various functions. The County does not report 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. Countryside Home was considered to be a major fund of the County. The Highway Department, is also considered a major fund and is presented by itself.

The proprietary fund financial statements can be found on pages 32- 35 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.

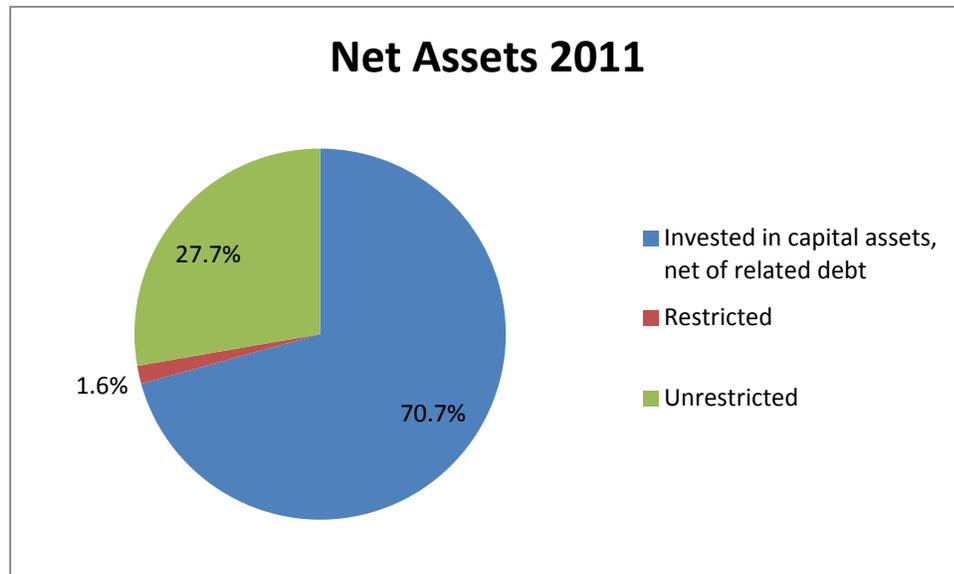
Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36- 64 of this report.

Government-wide Financial Analysis

Net Assets -- As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$124.9 million at the close of the most recent calendar year.

Jefferson County, Wisconsin
Management's Discussion and Analysis
December 31, 2011

<u>Category</u>	<u>Gov't Activities</u>		<u>Bus-Type Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Current Assets	71,960	70,294	11,679	10,355	83,639	80,649
Capital Assets	80,649	75,912	7,835	7,561	88,484	83,473
Total Assets	<u>152,609</u>	<u>146,206</u>	<u>19,514</u>	<u>17,917</u>	<u>172,123</u>	<u>164,123</u>
Current Liabilities	36,181	36,417	6,527	5,715	42,708	42,132
Long-Term Liabilities	3,943	4,305	531	555	4,474	4,859
Total Liabilities	<u>40,124</u>	<u>40,722</u>	<u>7,058</u>	<u>6,269</u>	<u>47,182</u>	<u>46,991</u>
Net Assets:						
Invested in capital assets, net of related debt	80,485	75,382	7,835	7,561	88,320	82,943
Restricted	1,858	3,286	114	92	1,972	3,378
Unrestricted	30,142	26,816	4,507	3,994	34,649	30,810
Total Net Assets	<u>112,485</u>	<u>105,484</u>	<u>12,456</u>	<u>11,647</u>	<u>124,941</u>	<u>117,131</u>



Jefferson County, Wisconsin
Management's Discussion and Analysis
December 31, 2011

The large portion of the County's net assets (70.7%) 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 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 assets (1.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (27.7% or \$34.6 million) may be used to meet the County's ongoing obligations to citizens and creditors.

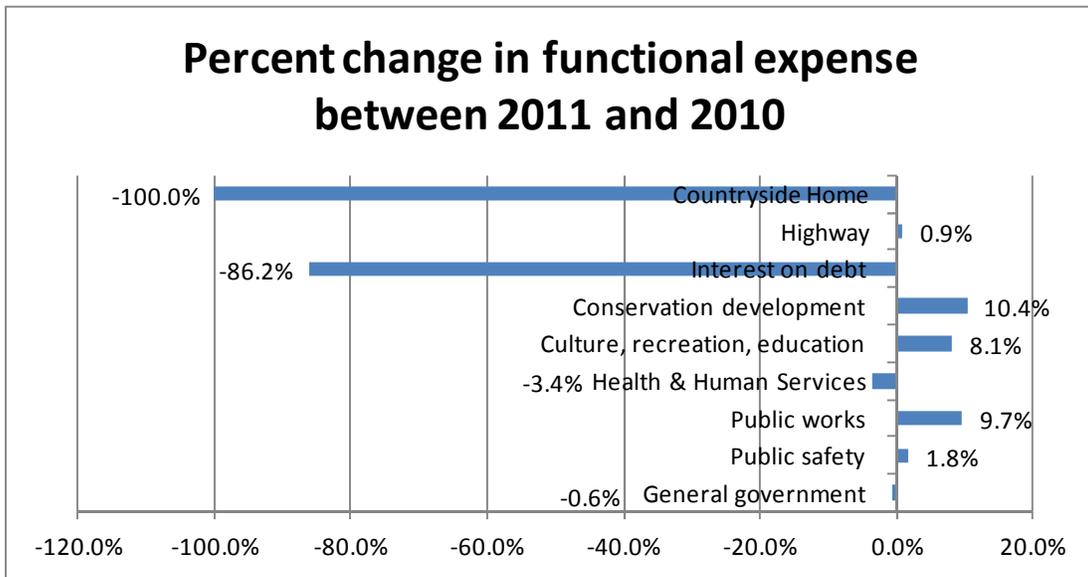
The chart on page 10 recaps the growth in the various categories of net assets since 2003.

Change in net assets – At the end of the calendar year, the County reported total revenues of \$64.8 million and total expenses of \$57.0 million, which resulted in an increase of \$7.8 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. The two graphs focus on the change in expenses.

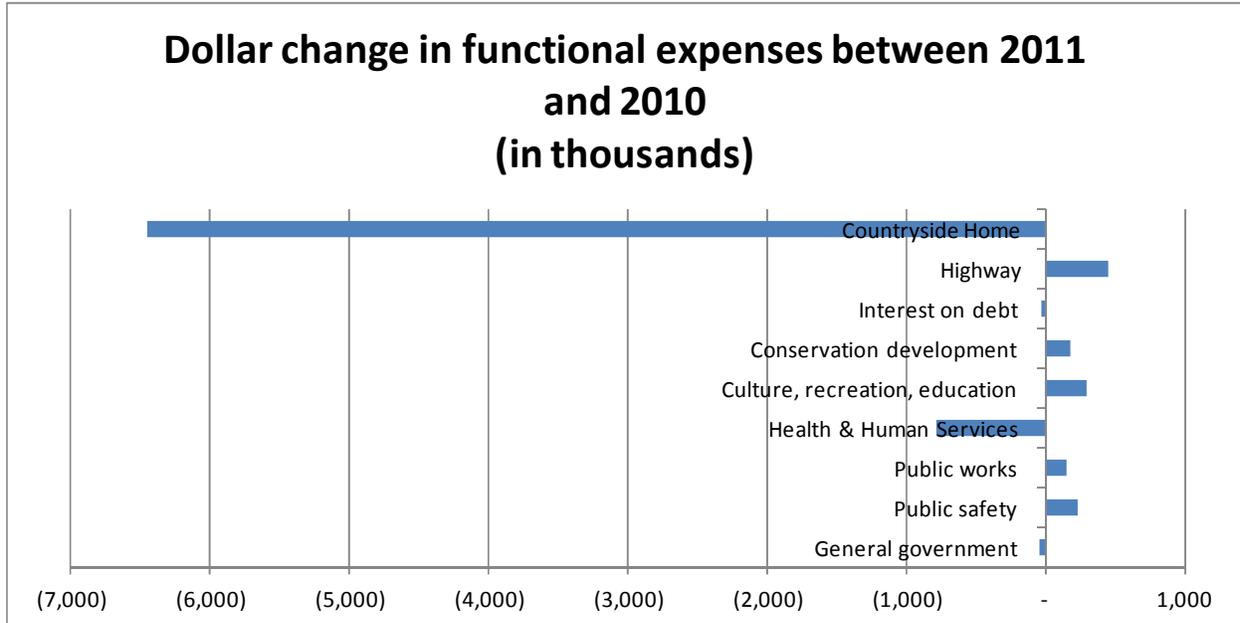
Category	<u>Gov't Activities</u>		<u>Bus-Type Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Program revenues						
Operating grants & donations	11,747	11,472	1,730	2,416	13,477	13,888
Capital grants & donations	2,997	5,146			2,997	5,146
Charges for services	8,853	8,278	3,608	8,357	12,461	16,635
General property taxes	22,109	18,581	5,350	8,151	27,459	26,733
Debt service property taxes	346	269			346	269
Sales tax	4,994	4,911			4,994	4,911
Other taxes	194	193			194	193
General state aid	2,546	2,551			2,546	2,551
Investment earnings	322	312			322	312
Sale of County property		317	51			317
Loss on sale of Countryside				(1,270)		(1,270)
Total revenues	54,108	52,032	10,739	17,654	64,847	69,686

Jefferson County, Wisconsin
Management's Discussion and Analysis
December 31, 2011

	<u>Gov't Activities</u>		<u>Bus-Type Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Expenses						
General government	7,436	7,483			7,436	7,483
Public safety	13,429	13,197			13,429	13,197
Public works	1,726	1,574	6,326	5,922	8,052	7,495
Health & Human Services	22,189	22,976		6,447	22,189	29,423
Culture, recreation, education	3,907	3,613			3,907	3,613
Conservation development	1,918	1,737			1,918	1,737
Interest on debt	4	28			4	28
Total expenses	50,609	50,608	6,326	12,368	56,935	62,976
Change in net assets before transfers	3,500	1,424	4,310	5,286	7,810	6,710
Transfers	3,501	11,290	(3,501)	(11,290)	0	0
Change in net assets	7,001	12,714	809	(6,004)	7,810	6,710
Net Assets -- beginning balance	105,484	92,771	11,647	17,651	117,131	110,422
Net Assets -- ending balance	112,485	105,484	12,456	11,647	124,941	117,131



Jefferson County, Wisconsin
 Management's Discussion and Analysis
 December 31, 2011



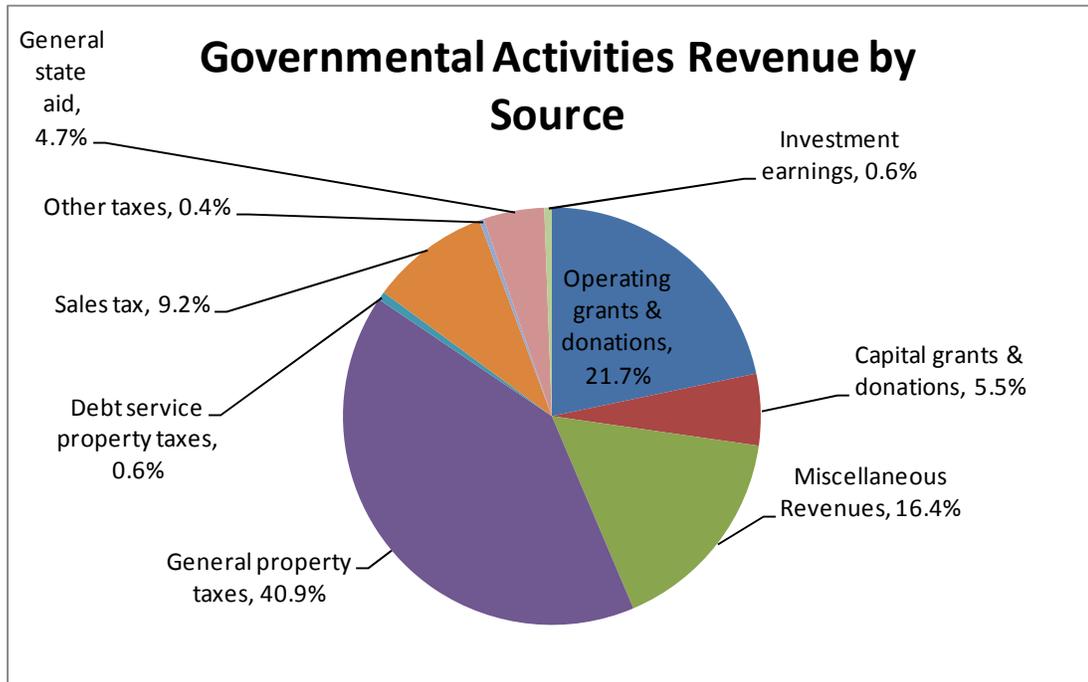
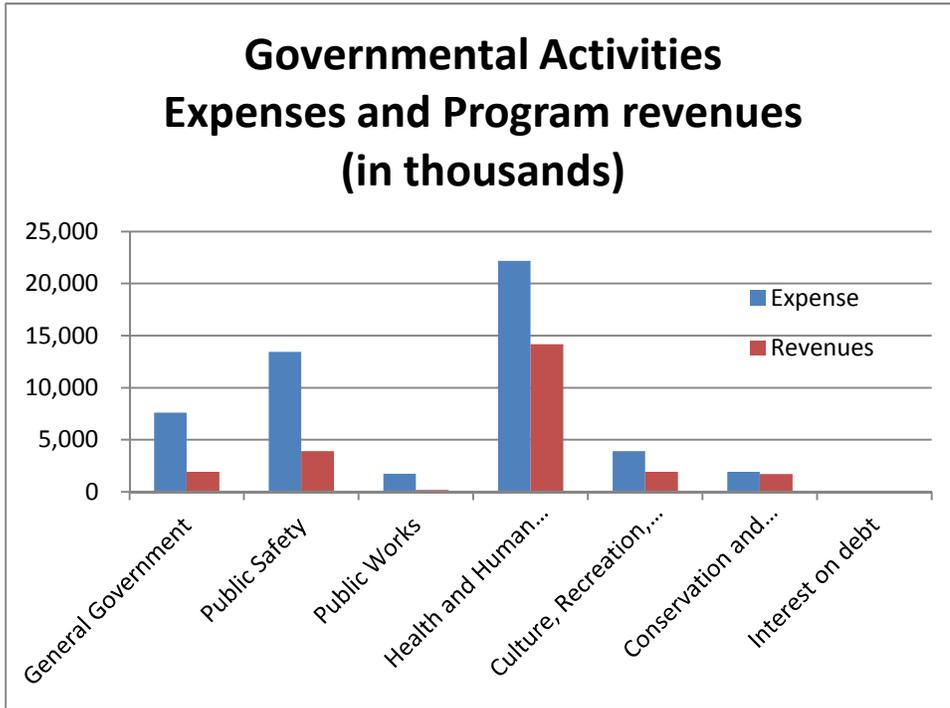
Explanation of Functional Changes -- The sale of the County's nursing home (Countryside Home) occurred as of July 1, 2010. As such, within the proprietary funds, calendar year 2010 showed only six months of activity (\$6.4 million) and 2011 showed no activity at all. Within the governmental funds, net closeout costs of \$83,000 and \$243,000 were incurred for 2010 and 2011, respectively. Unemployment compensation, workers compensation, and health insurance accounted for the majority of the closeout costs.

Governmental activities – Net assets for governmental activities increased by \$7.0 million or 6.6%. Explanations of some of the major percentage changes above/below 10% are recapped below:

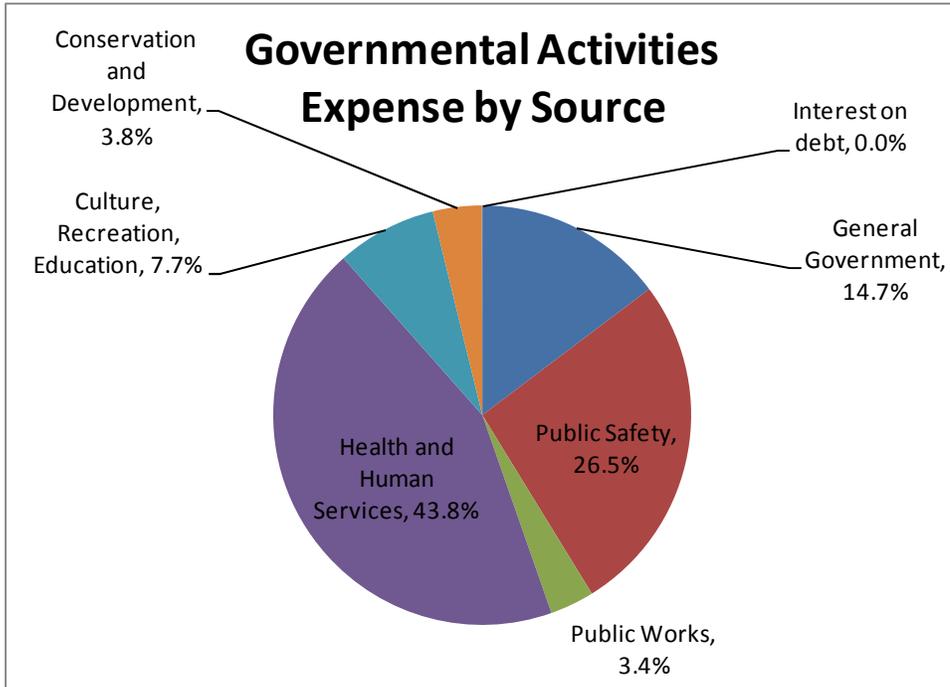
- Capital grants & donations were down \$2.1 million or 41.8%. The single largest reason for this was the number of flood mitigation properties purchased decreased from 32 in 2010 to 12 in 2011. For these purchases, the cash outlay was recorded as an asset, so there was no corresponding expense to offset the state aid received.
- Health and Human Services expenses were down \$0.8 million. This was due to a variety of factors, but the largest were reduced client expenditures for alternate care, inpatient care, and psychiatric care.
- As a result of decreased Health/Human Services expenses, total expenses remained flat for all governmental activities in total.
- Although the percentage decrease in debt interest seems large at 86.2%, the actual dollar amount was only \$24,488.
- Conservation development expenses increased by \$.2 million or 10.4%. This was because of 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's Discussion and Analysis
 December 31, 2011



Jefferson County, Wisconsin
Management's Discussion and Analysis
December 31, 2011



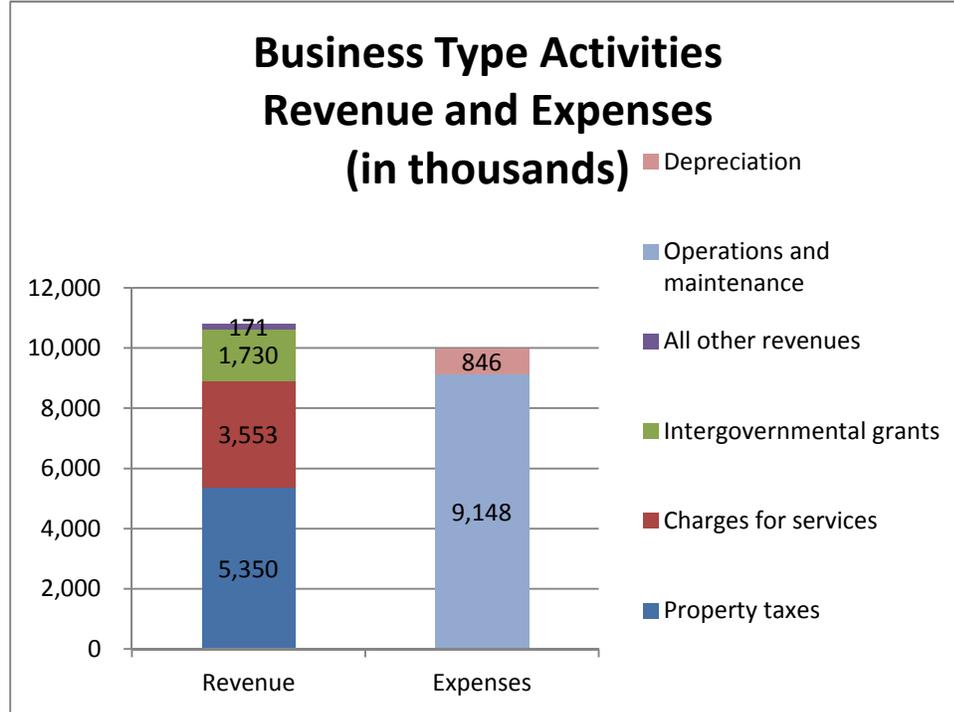
Business-type activities

Net assets for the Highway Department increased by \$809,000 or 6.9%. Some of the largest factors causing this increase in net asset were:

- Charges for services were down by \$542,000 or 13.2%. There was a large project completed during 2010 for the Village of Sullivan for \$0.5 million that skews the amounts.
- The property tax levy for 2011 increased by \$1.3 million or 33.2% over the prior year. This was the result of more County road construction projects rather than maintenance projects being budgeted for.

The chart on the next page recaps the major revenue and expense categories for business type activities.

Jefferson County, Wisconsin
 Management's Discussion and Analysis
 December 31, 2011



Financial Analysis of the County's Funds

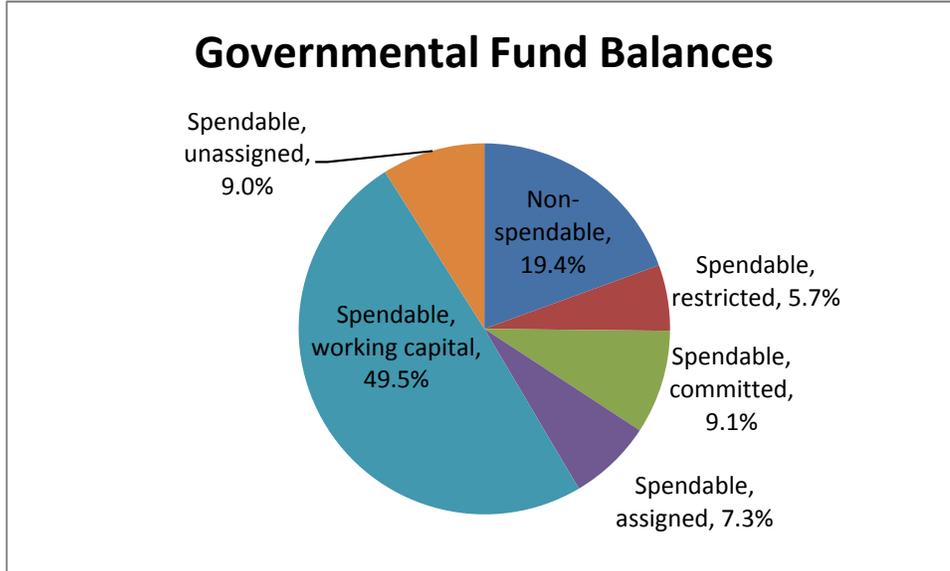
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

As of December 31, 2011, the County's governmental funds reported combined ending fund balances of \$32.4 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 - 60.

- Non-spendable, \$6.3 million (Cannot be spent because of their non-cash form.)
- Spendable, restricted, \$1.9 million (Funds are specifically restricted by a third party.)
- Spendable, committed, \$2.9 million (Not available for new spending because it has already been committed by the County Board.)
- Spendable, assigned, \$2.7 million (County Board has expressed their "intent" to spend these funds in the future but has not authorized the spending yet.)
- Spendable, 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.)
- Spendable, unassigned, \$2.5 million (As per the Fund Balance Policy, these funds shall be used for levy reduction, debt repayment, and/or near-term future capital purchases.)

Jefferson County, Wisconsin
Management's Discussion and Analysis
December 31, 2011



General Fund – The General Fund is the chief operating fund for the County. The ending fund balance was \$31.5 million. This was an increase of \$1.1 million over the prior year, or 3.5%. The majority of this increase was from two areas. The first was with the changes from 2011 Wisconsin Acts 10 & 32, non-protective service employees (i.e. sworn deputies) now had to start paying 50% of the pension contributions as well as the health insurance premiums paid by employees increased. These “employee contributions” resulted in savings to the County of about \$930,000 on a county-wide basis. The second factor causing the increase in the General Fund was that Human Services returned \$0.9 million at year-end 2011 as per the Fund Balance Policy.

Health Department – The Health Department’s fund balance increased by \$387,350 to \$556,213. This was an increase of 229%. The two largest factors causing this increase were (a) very conservative estimates for revenues within the tax levy, and (b) not budgeting for WIMCR (Wisconsin Medicare Cost Reporting) revenues received from the State. Because the Health Department is not county-wide, all fund balances by statute have to remain separate from the General Fund.

Human Services – The Human Services Special Revenue Fund increased by \$133,516 to \$389,444 or a 52.2% increase. As a result of operations Human Services transferred \$884,048 back to the General Fund as per the Fund Balance Policy. This large surplus was available because of reduced client expenditures for alternate care, inpatient care, and psychiatric care. The increased balance in committed fund balances was the result of monies authorized to be carried forward into 2012 in order to reduce the 2013 tax levy.

Debt Service -- Because of a change in the David Korth promissory note from a fixed to a variable interest rate as well as acceleration of principal payments, the Debt Service Fund received a transfer of \$27,678 during 2011 from the General Fund. As a result, there was a zero balance in this fund at year end.

Jefferson County, Wisconsin
Management's Discussion and Analysis
December 31, 2011

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

Highway Department – Unrestricted net assets increased to \$4,507,347, which was an increase of \$513,152 or 12.8% over the prior year. 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 \$.4 million.

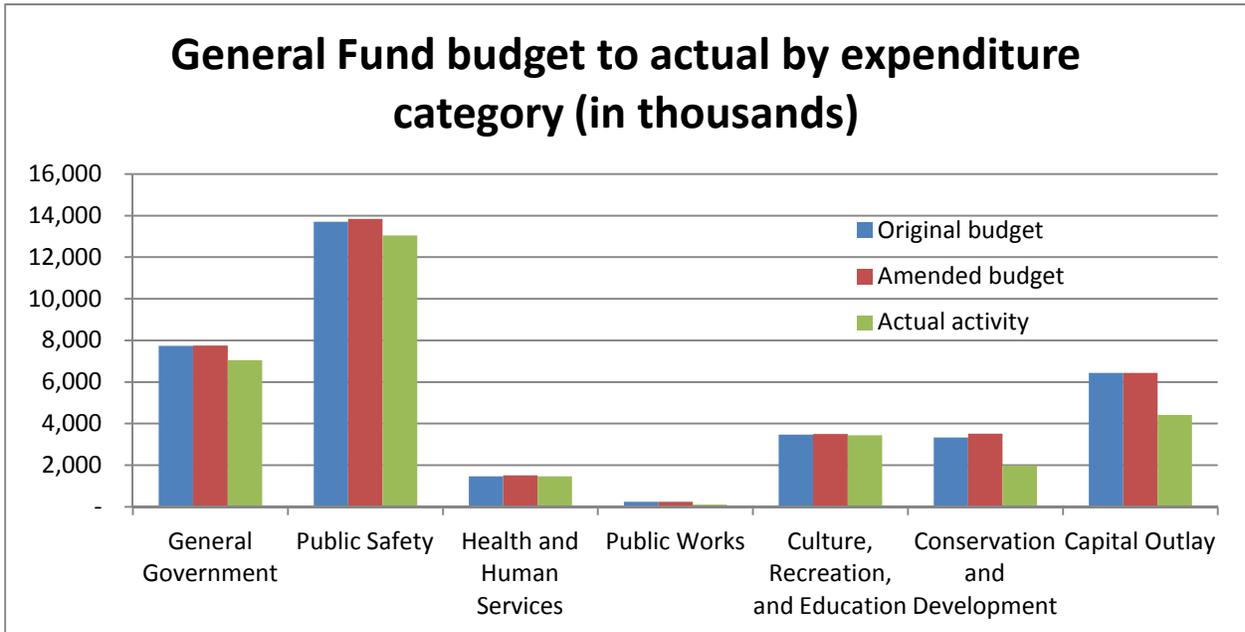
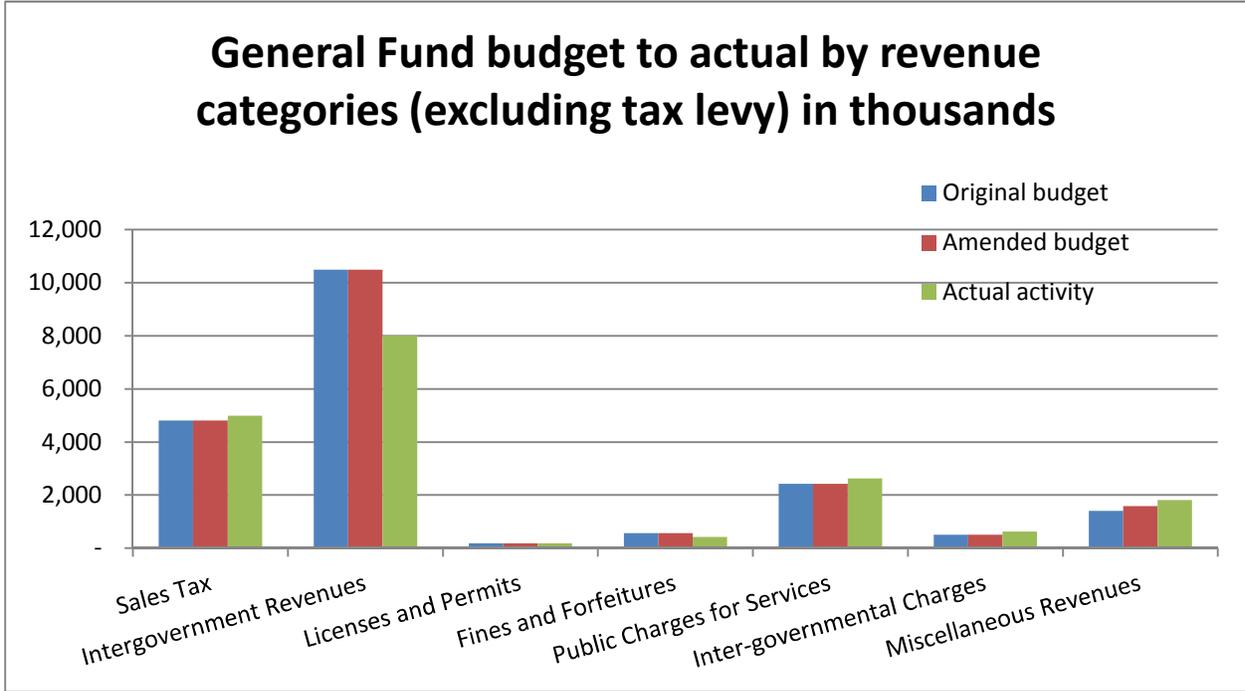
During the year, actual revenues were \$1.84 million below the final amended budget. The largest area with a variance from actual was intergovernmental revenues, which were \$2.48 million below budget. Of this intergovernmental revenue variance, the flood mitigation program was below budgeted amounts by \$1.9 million due to the reduced volume of properties purchased and/or rehabilitated.

Within expenditures in total, actual expenditures were \$5.6 million below budgeted amounts. Some of the larger areas contributing to this were:

- General Government expenditures were \$0.79 million below budgeted amounts. A total of \$0.50 million was authorized to be carried forward into the subsequent year budget.
- Public Safety expenditures were \$0.80 million below budgeted amounts. A total of \$0.54 million was authorized to be carried forward into the subsequent year budget.
- Conservation and Development expenditures were \$1.53 million below budgeted amounts. A total of \$0.63 million was authorized to be carried forward into the subsequent year budget. In addition, a pass-through forgivable loan from the Wisconsin Department of Commerce did not occur for \$0.81 million.
- Capital outlay expenditures were \$2.2 million below budgeted amounts. A total of \$1.2 million was authorized to be carried forward into the subsequent year budget. Also, fewer conservation easements were purchased than budgeted by \$0.3 million.

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

Jefferson County, Wisconsin
 Management's Discussion and Analysis
 December 31, 2011

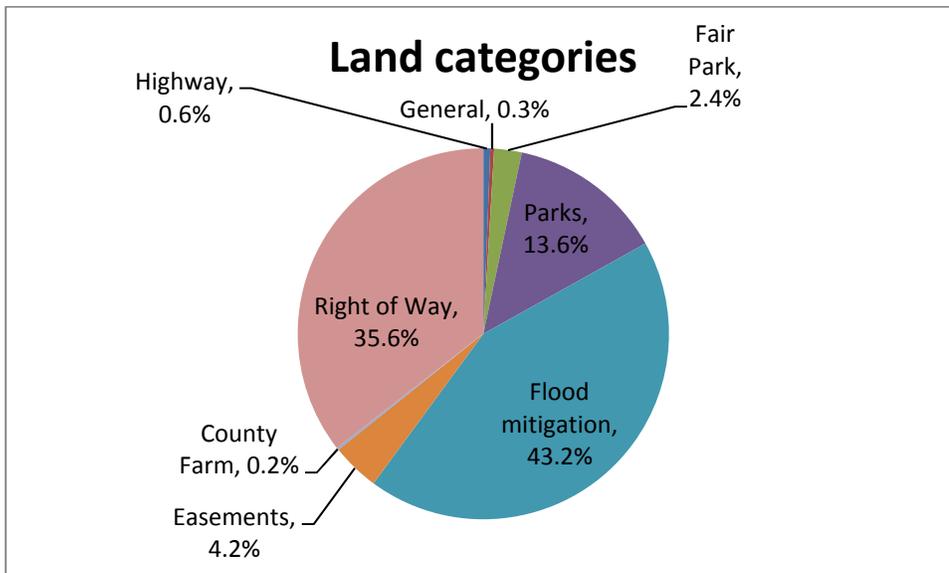
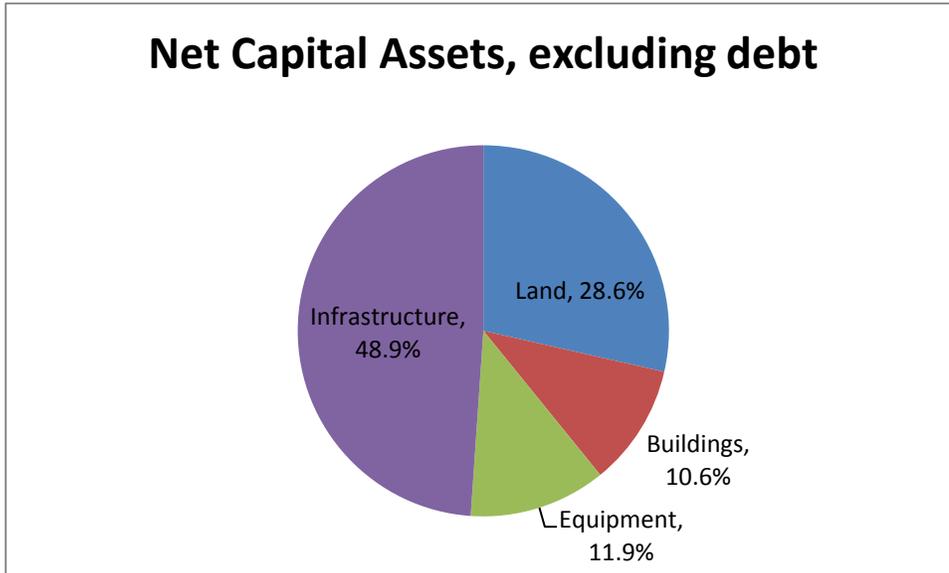


Capital assets and Debt Administration

Capital Assets – The County's investment in capital assets for its governmental and business type activities as of December 31, 2011 was \$88.3 million, net of accumulated depreciation and related debt. The increase over the prior year was \$5.4 million or 6.5%. The categories that experienced the largest increases were flood mitigation lands at \$2.3 million and infrastructure at \$2.3 million.

Jefferson County, Wisconsin
 Management's Discussion and Analysis
 December 31, 2011

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 52 - 53. In addition, the charts below provide a graphical breakdown.



Long-term debt -- At the end of the current fiscal year, the County had total general obligation debt outstanding of \$163,405. The County has been upgraded under the new standardized rating system from Moody's Investor Service for its general obligation debt to an Aa2, which is the third highest rating possible. This small amount of debt is scheduled to be paid off by April 2013.

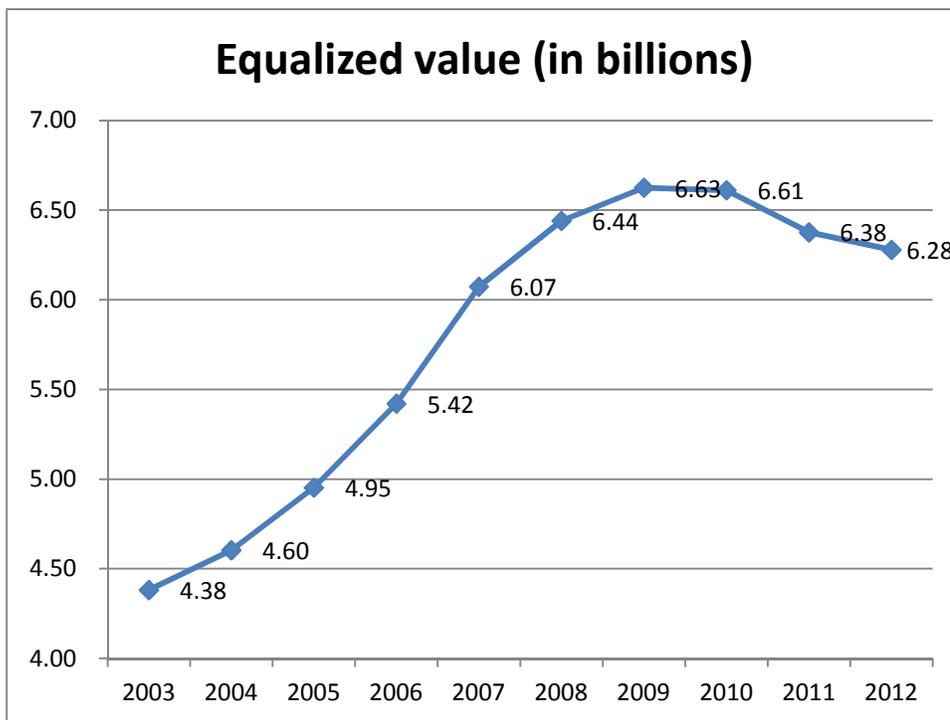
The County's outstanding general obligation debt decreased from the previous year by \$366,808 or 69.2%. The final payment for the Parks Building occurred during 2011. In addition, the promissory note with David Korth was re-financed with accelerated principal payments and

Jefferson County, Wisconsin
Management's Discussion and Analysis
December 31, 2011

lower interest rates. The interest rate decreased from a flat rate of 5.0% to a variable rate of 0.5% above investment rates earned at the Local Government Investment Pool (LGIP). 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 growth of only 0.72% over the last five years. The growth has been negative for the past two years, but has been trending downwards has decreased.



The County has been discussing a possible construction of a new Highway facility that will probably require the issuance of new debt. Current Wisconsin Statutes allows the levy to be raised by the new debt amount.

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, 320 S. Main Street, Jefferson, WI 53549.

JEFFERSON COUNTY, WISCONSIN
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,396,685	\$ 3,692,022	\$ 13,088,707
Investments	15,346,563	-	15,346,563
Receivables, net			
Taxes	37,880,110	6,171,980	44,052,090
Accounts	6,336,413	517,866	6,854,279
Inventories	6,128	1,239,306	1,245,434
Prepaid Items	850,414	58,216	908,630
Investment in WMMIC	849,937	-	849,937
Restricted Cash and Cash Equivalents	1,294,302	-	1,294,302
Capital Assets, Not Being Depreciated	25,713,587	148,887	25,862,474
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	54,935,174	7,686,389	62,621,563
TOTAL ASSETS	152,609,313	19,514,666	172,123,979
LIABILITIES			
Accounts Payable	4,970,891	194,697	5,165,588
Delinquent Special Assessments			
Due to Other Governments	7,827,294	-	7,827,294
Accrued Payroll and Related Liabilities	1,632,135	160,569	1,792,704
Accrued Interest Payable	228	-	228
Unearned Revenues			
Current Year Property Tax Levy	20,535,863	6,171,980	26,707,843
Other Unearned Revenue	32,648	-	32,648
Liabilities Payable from Restricted Assets	1,182,108	-	1,182,108
Long-term Liabilities			
Accrued Compensated Absences			
Current Portion	2,763,467	375,591	3,139,058
Noncurrent Portion	1,015,900	155,739	1,171,639
General Obligation Debt			
Current Portion	108,936	-	108,936
Noncurrent Portion	54,469	-	54,469
TOTAL LIABILITIES	40,123,939	7,058,576	47,182,515
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	80,485,356	7,835,276	88,320,632
Restricted	1,858,450	113,467	1,971,917
Unrestricted	30,141,568	4,507,347	34,648,915
TOTAL NET ASSETS	\$ 112,485,374	\$ 12,456,090	\$ 124,941,464

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

JEFFERSON COUNTY, WISCONSIN
Statement of Activities
December 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Totals
Primary Government							
Governmental Activities							
General Government	\$ 7,435,630	\$ 1,426,406	\$ 497,912	\$ -	\$ (5,511,312)	\$ -	\$ (5,511,312)
Public Safety	13,429,430	1,314,011	455,343	2,122,731	(9,537,345)	-	(9,537,345)
Public Works	1,725,668	106,801	54,244	-	(1,564,623)	-	(1,564,623)
Health and Human Services	22,188,872	4,540,059	9,629,886	-	(8,018,927)	-	(8,018,927)
Culture, Recreation, and Education	3,906,579	1,147,037	146,553	466,950	(2,146,039)	-	(2,146,039)
Conservation and Development	1,917,657	318,525	962,790	407,073	(229,269)	-	(229,269)
Interest on Debt	3,924	-	-	-	(3,924)	-	(3,924)
Total Governmental Activities	50,607,760	8,852,839	11,746,728	2,996,754	(27,011,439)	-	(27,011,439)
Business-type Activities							
Highway	6,428,256	3,607,555	1,729,569	-	-	(1,091,132)	(1,091,132)
Total Primary Government	\$ 57,036,016	\$ 12,460,394	\$ 13,476,297	\$ 2,996,754			
General Revenues							
Property Taxes, Levied for General Purposes					22,108,805	5,350,198	27,459,003
Property Taxes, Levied for Debt Service					346,469	-	346,469
Sales Tax					4,993,804	-	4,993,804
Other Taxes					194,130	-	194,130
General State Aid					2,545,627	-	2,545,627
Investment Earnings					322,268	-	322,268
Gain on Sale of Capital Assets					-	51,376	51,376
Total General Revenues					30,511,103	5,401,574	35,912,677
Transfers							
Total General Revenues and Transfers					34,012,594	1,900,083	35,912,677
Change in Net Assets							
					7,001,155	808,951	7,810,106
Net Assets							
Beginning of Year					105,484,219	11,647,139	117,131,358
End of Year					\$ 112,485,374	\$ 12,456,090	\$ 124,941,464

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

JEFFERSON COUNTY, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2011

<u>Assets</u>	<u>General</u>	<u>Special Revenue Fund Human Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 9,103,668	\$ 3,500	\$ 289,517	\$ 9,396,685
Investments	15,346,563	-	-	15,346,563
Property Taxes Receivables				
Current Year Tax Levy	12,925,793	7,647,032	1,080,365	21,653,190
Delinquent Property Taxes	16,226,920	-	-	16,226,920
Accounts Receivable				
Due from Other Government Units	2,702,565	981,438	129,737	3,813,740
General Accounts Receivable	1,598,701	705,817	218,155	2,522,673
Due from Other Funds	8,116	-	-	8,116
Inventories	6,128	-	-	6,128
Prepaid Expenditures	680,638	152,251	17,525	850,414
Investment in WMMIC	849,937	-	-	849,937
Restricted Cash and Cash Equivalents	592,062	702,240	-	1,294,302
Total Assets	\$ 60,041,091	\$ 10,192,278	\$ 1,735,299	\$ 71,968,668
 <u>Liabilities</u>				
Accounts Payable	\$ 3,951,708	\$ 2,126,317	\$ 74,974	\$ 6,152,999
Delinquent Special Assessments Due to Other Governments	7,827,294	-	-	7,827,294
Accrued Liabilities	1,592,986	15,402	23,747	1,632,135
Due to Other Funds	-	8,116	-	8,116
Deferred Revenues				
Current Year Property Tax Levy	11,808,466	7,647,032	1,080,365	20,535,863
Delinquent Property Taxes	2,955,198	-	-	2,955,198
Other Deferred Revenue	417,565	5,967	-	423,532
Total Liabilities	28,553,217	9,802,834	1,179,086	39,535,137
 <u>Fund Balances</u>				
Nonspendable	6,131,193	152,251	17,525	6,300,969
Restricted	1,302,628	17,134	538,688	1,858,450
Committed	2,719,373	220,059	-	2,939,432
Assigned	2,729,227	-	-	2,729,227
Unassigned	18,605,453	-	-	18,605,453
Total Fund Balances	31,487,874	389,444	556,213	32,433,531
Total Liabilities and Fund Balances	\$ 60,041,091	\$ 10,192,278	\$ 1,735,299	
 Amounts reported for the governmental activities in the statement of net assets are different because:				
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.				80,648,761
Long-term debt is not due and payable in the current period and therefore is not reported in the funds.				(163,405)
Accrued interest is not due and payable in the current period and therefore is not reported in the funds.				(228)
Other long-term assets that are not available to pay current period expenditures and therefore are deferred in the funds.				3,346,082
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.				(3,779,367)
Total Assets per Statement of Net Assets				\$ 112,485,374

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, 2011

	<u>General</u>	<u>Special Revenue Fund Human Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues				
Property Taxes	\$ 13,085,848	\$ 7,975,355	\$ 1,244,030	\$ 22,305,233
Sales Taxes	4,993,804	-	-	4,993,804
Intergovernmental Revenues	8,010,018	8,115,762	502,526	16,628,306
Licenses and Permits	182,439	-	-	182,439
Fines and Forfeitures	450,299	-	-	450,299
Public Charges for Services	2,634,583	2,980,192	1,447,096	7,061,871
Intergovernmental Charges	622,790	36,013	17,319	676,122
Miscellaneous Revenues	1,486,371	98,715	1,640	1,586,726
Total Revenues	<u>31,466,152</u>	<u>19,206,037</u>	<u>3,212,611</u>	<u>53,884,800</u>
Expenditures				
General Government	6,969,259	-	-	6,969,259
Public Safety	13,048,162	-	-	13,048,162
Public Works	100,446	-	-	100,446
Health and Human Services	1,467,269	18,091,133	2,462,920	22,021,322
Culture, Recreation, and Education	3,438,459	-	-	3,438,459
Conservation and Development	1,986,842	-	-	1,986,842
Capital Outlay	4,328,100	97,340	15,872	4,441,312
Debt Service				
Principal	-	-	366,808	366,808
Interest	-	-	7,339	7,339
Total Expenditures	<u>31,338,537</u>	<u>18,188,473</u>	<u>2,852,939</u>	<u>52,379,949</u>
Revenues Over (Under) Expenditures	<u>127,615</u>	<u>1,017,564</u>	<u>359,672</u>	<u>1,504,851</u>
Other Financing Sources (Uses)				
Proceeds of Sale of Capital Assets	156,338	-	-	156,338
Transfer In	884,048	-	27,678	911,726
Transfer Out	(92,585)	(884,048)	-	(976,633)
Total Other Financing Sources (Uses)	<u>947,801</u>	<u>(884,048)</u>	<u>27,678</u>	<u>91,431</u>
Change in Fund Balances	1,075,416	133,516	387,350	1,596,282
Fund Balances, Beginning of Year (Restated)	<u>30,412,458</u>	<u>255,928</u>	<u>168,863</u>	<u>30,837,249</u>
Fund Balances, End of Year	<u>\$ 31,487,874</u>	<u>\$ 389,444</u>	<u>\$ 556,213</u>	<u>\$ 32,433,531</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
December 31, 2011

Net Change in Fund Balances - Total Governmental Funds \$ 1,596,282

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	4,441,312
Capital asset purchases reported as functional expenses in the governmental fund statements	105,486
Donated capital assets	175,000
Infrastructure transferred from the Highway Department	3,566,398
Depreciation expense reported in the statement of activities	(3,136,789)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds 302,753

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 assets.

Long-term debt principal retirement	366,808
-------------------------------------	---------

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. 3,415

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. (4,779)

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.

Proceeds on the disposal of capital assets	(156,338)
Loss on disposition reported on the statement of activities	<u>(258,393)</u>

Change in Net Assets of Governmental Activities \$ 7,001,155

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 12,864,380	\$ 12,864,380	\$ 13,085,848	\$ 221,468
Sales Taxes	4,809,260	4,809,260	4,993,804	184,544
Intergovernmental Revenues	10,488,332	10,488,332	8,010,018	(2,478,314)
Licenses and Permits	184,035	184,035	182,439	(1,596)
Fines and Forfeitures	572,900	572,900	450,299	(122,601)
Public Charges for Services	2,428,579	2,428,579	2,634,583	206,004
Intergovernmental Charges for Services	508,107	508,107	622,790	114,683
Miscellaneous Revenues	1,271,607	1,446,607	1,486,371	39,764
Total Revenues	<u>33,127,200</u>	<u>33,302,200</u>	<u>31,466,152</u>	<u>(1,836,048)</u>
Expenditures				
General Government	7,712,886	7,756,127	6,969,259	786,868
Public Safety	13,705,394	13,844,705	13,048,162	796,543
Health and Human Services	1,465,098	1,510,777	1,467,269	43,508
Public Works	241,617	241,617	100,446	141,171
Culture, Recreation, and Education	3,467,324	3,496,246	3,438,459	57,787
Conservation and Development	3,332,706	3,517,939	1,986,842	1,531,097
Capital Outlay	6,542,023	6,542,023	4,328,100	2,213,923
Total Expenditures	<u>36,467,048</u>	<u>36,909,434</u>	<u>31,338,537</u>	<u>5,570,897</u>
Revenues Over (Under) Expenditures	(3,339,848)	(3,607,234)	127,615	3,734,849
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	135,000	135,000	156,338	21,338
Transfer In	82,666	966,714	884,048	(82,666)
Transfer Out	-	(92,585)	(92,585)	-
Change in Fund Balance	<u>\$ (3,122,182)</u>	<u>\$ (2,598,105)</u>	1,075,416	<u>\$ 3,673,521</u>
Fund Balance, Beginning of Year			<u>30,412,458</u>	
Fund Balance, End of Year			<u>\$ 31,487,874</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 7,975,355	\$ 7,975,355	\$ 7,975,355	\$ -
Intergovernmental Revenues	7,951,535	7,911,444	8,115,762	204,318
Public Charges for Services	3,006,958	3,006,958	2,980,192	(26,766)
Intergovernmental Charges for Services	23,218	23,218	36,013	12,795
Miscellaneous Revenues	105,050	105,050	98,715	(6,335)
Total Revenues	<u>19,062,116</u>	<u>19,022,025</u>	<u>19,206,037</u>	<u>184,012</u>
Expenditures				
Health and Human Services	19,002,573	19,002,572	18,091,133	911,439
Capital Outlay	83,757	83,757	97,340	(13,583)
Total Expenditures	<u>19,086,330</u>	<u>19,086,329</u>	<u>18,188,473</u>	<u>897,856</u>
Revenues Over (Under) Expenditures	(24,214)	(64,304)	1,017,564	1,081,868
Other Financing Uses				
Transfer Out	-	(884,048)	(884,048)	-
Change in Fund Balance	<u>\$ (24,214)</u>	<u>\$ (948,352)</u>	133,516	<u>\$ 1,081,868</u>
Fund Balance, Beginning of Year			<u>255,928</u>	
Fund Balance, End of Year			<u>\$ 389,444</u>	

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

JEFFERSON COUNTY, WISCONSIN
Statement of Net Assets
Proprietary Funds
December 31, 2011

	<u>Highway</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,692,022
Property Taxes Receivable - Current Year Tax Levy	6,171,980
Accounts Receivable	
Due from Other Government Units	390,084
General Accounts Receivable	127,782
Inventories	1,239,306
Prepaid Expenditures	58,216
Capital Assets, Not Being Depreciated	148,887
Capital Assets, Being Depreciated,	
Net of Accumulated Depreciation	<u>7,686,389</u>
TOTAL ASSETS	<u>19,514,666</u>
LIABILITIES	
Accounts Payable	194,697
Accrued Liabilities	160,569
Unearned Revenue - Current Year Tax Levy	6,171,980
Long-term liabilities - Accrued Compensated Absences	
Current Portion	375,591
Noncurrent Portion	<u>155,739</u>
TOTAL LIABILITIES	<u>7,058,576</u>
NET ASSETS	
Invested in Capital Assets	7,835,276
Restricted	113,467
Unrestricted	<u>4,507,347</u>
TOTAL NET ASSETS	<u>\$ 12,456,090</u>

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

JEFFERSON COUNTY, WISCONSIN
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Highway
Operating Revenues	
Charges for Services	\$ 3,553,154
Miscellaneous Revenues	54,401
Total Operating Revenues	3,607,555
Operating Expenses	
Operation and Maintenance	9,148,470
Depreciation	846,184
Total Operating Expenses	9,994,654
Operating loss	(6,387,099)
Nonoperating Revenues	
Property Taxes	5,350,198
Intergovernmental Revenue	1,729,569
Gain on Disposal of Assets	51,376
Income Before Transfers	744,044
Transfer In	64,907
Change in Net Assets	808,951
Net Assets, Beginning of Year	11,647,139
Net Assets, End of Year	\$ 12,456,090

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, 2011

	Highway
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 3,878,731
Payments to Suppliers	(6,303,678)
Payments to Employees	(2,742,969)
Net Cash Used in Operating Activities	(5,167,916)
 Cash Flows from Noncapital Financing Activities	
General Property Taxes	5,350,198
Intergovernmental Revenue	1,729,569
Transfers from Other Funds	64,907
Net Cash Provided by Noncapital Financing Activities	7,144,674
 Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(1,071,816)
Proceeds from the Sale of Property and Equipment	3,000
Net Cash Used in Capital and Related Financing Activities	(1,068,816)
 Net Increase in Cash and Cash Equivalents	 907,942
 Cash and Cash Equivalents - Beginning of Year	 <u>2,784,080</u>
 Cash and Cash Equivalents - End of Year	 <u>\$ 3,692,022</u>

(Continued)

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, 2011

	Highway
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	\$ (6,387,099)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation Expense	846,184
Change in Assets and Liabilities	
Accounts Receivable	271,176
Inventories	124,466
Prepaid Items	10,043
Accounts Payable	7,561
Accrued Payroll	(17,005)
Other Accrued Liabilities	(23,242)
Net Cash Used in Operating Activities	\$ (5,167,916)
 Noncash Transactions	
Capital Additions for Equipment Received in Exchange for Equipment Traded-in	\$ 1,481,889
Net Book Value of Disposal of Capital Assets for Equipment Traded-in	(1,430,513)
Gain on assets for equipment traded in	\$ 51,376

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

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, 2011

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 assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, 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.

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.

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.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described for the government-wide financial statements 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.

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

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- 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.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Services Fund - This fund accounts for social and mental health operations that are primarily funded from federal and state assistance.

The government reports the following major enterprise fund:

Highway Fund - Road and bridge maintenance and construction that are provided on a cost reimbursement basis are accounted for in this fund.

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

Health Services Fund
Debt Service Fund

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities and net assets 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, technical college 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 2nd 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.

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.

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. 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.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Receivables and Payables (continued)

In all taxation districts, real property taxes must either be paid in full by January 31 to the local taxation district treasurer, or paid in two or more installments with the first installment paid by January 31 and the balance (postponed taxes) 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 and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are charged to construction or operation and maintenance expense when used.

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

4. 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 Assets 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. 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.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

4. Capital Assets (continued)

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 participates in a flood mitigation program in which purchased property is held for flood mitigation purposes. These properties have been shown separately in the schedules of capital assets.

Property, plant, and equipment of the primary government 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

5. 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 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 employees 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.

6. Deferred/Unearned Revenue

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Self-funded Insurance

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

8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line method basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

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.

9. Fund Equity

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

- a. Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, less unexpended proceeds of borrowings.
- b. Restricted net assets - Amount of net assets that are subject to restrictions that are imposed by: 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

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.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. Fund Equity (continued)

In the governmental fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either:

- a. not in spendable form; or
- b. legally or contractually required to be maintained intact.

Restricted fund balance is reported when constraints placed on the use of resources are either:

- a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. imposed by law through constitutional provisions or enabling legislation.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County board.

Assigned fund balance is reported for amounts that are constrained by the County management's intent to be used for specific purposes, but is neither restricted nor committed.

Unassigned fund balance is the residual classification for the General Fund.

When committed, assigned, and unassigned amounts are available for use, it is the government's policy to use committed resources first, then assigned resources, then unassigned resources as they are needed.

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, 2011

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 funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

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

Expenditures may not exceed appropriations maintained for each department of the County. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Finance Committee or County Board.

III. DETAILED NOTES ON ALL FUNDS

A. Cash, cash equivalents and investments

Cash, cash equivalents and investments consist of the following:

Demand deposits	\$ 1,299,278
Petty Cash	4,750
Mutual funds	4,019,850
Certificate of deposit	405,000
Local Government Investment Pool	8,654,131
US Treasury Notes	3,453,769
Federal Home Loan Bank Notes	1,985,861
Federal Home Loan Mortgage Notes	2,783,111
Federal National Mortgage Notes	556,485
Corporate bonds	<u>6,567,337</u>
Total cash, cash equivalents and investments	<u>\$ 29,729,572</u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents and investments (continued)

Cash and investments are presented in the Statement of Net Assets as follows:

Cash and cash equivalents	\$ 13,088,707
Investments	15,346,563
Restricted cash and cash equivalents	<u>1,294,302</u>
Total cash, cash equivalents and investments	<u>\$ 29,729,572</u>

1. Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County's Policy does not address custodial credit risk.

As of December 31, 2011, the County's carrying value of the deposits was \$1,299,278, as compared to a bank balance of \$2,118,509. Of the bank balance at December 31, 2011, \$558,253 was uninsured and uncollateralized.

The State Deposit Guarantee Fund provides additional coverage of up to \$400,000 in each financial institution and the Local Government Investment Pool above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 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 additional coverage has not been considered in determining the amount of uninsured and uncollateralized balances listed above.

2. Custodial Credit Risk for Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's investment policy does not address custodial credit risk for investments

As of December 31, 2011 the County's carrying value of investments subject to custodial credit risk was \$15,346,563, of which \$14,846,562 is uninsured and uncollateralized at December 31, 2011.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents and investments (continued)

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, 2011, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

3. Credit Risk

Credit risk is the risk that, an issuer or other counterparty to an investment will not fulfill its obligations to the County. The County's investment policy limits the County to purchase investments to the investments permitted by Wisconsin Statute 66.0603.

In the event a corporate security subsequently drops below highest or second highest rating categories as defined by a nationally recognized rating agency, the County shall not purchase any additional securities issued by that corporation until such time as their rating returns to the highest or second highest rating.

Below is a listing of the County investment balances subject to credit risk and the corresponding rating at the end of the year.

<u>Security</u>	<u>Balance</u>	<u>Rating</u>
Government and Agency Mutual Funds	\$ 3,991,178	AAA
Money Market Mutual Fund	28,672	AAA
Federal Home Loan Bank Notes	1,985,861	AA+
Federal National Mortgage Notes	556,485	AA+
Federal Home Loan Mortgage	2,783,111	AA+
Corporate Bonds	2,729,225	AA+
Corporate Bonds	1,931,800	AA-
Corporate Bonds	1,906,312	A+
Local Government Investment Pool	<u>8,654,131</u>	Not rated
	<u>\$ 24,566,775</u>	

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents and investments (continued)

4. 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, 2011, the issuers with significant concentrations are:

<u>Issuer</u>	<u>Percent of Total Investments</u>
Federal Home Loan Bank Notes	7.09%
Federal Home Loan Mortgage	9.93%

5. 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, 2011, the County had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Average Maturity (Months)</u>
Federal Home Loan Bank Notes	\$ 1,985,861	32.8
Federal National Mortgage Notes	556,485	21.6
Federal Home Loan Mortgage	2,783,111	34.5
Corporate bonds	6,567,337	10.0
Local Government Investment Pool	8,654,131	3.2
Government and Agency Mutual Funds	3,991,178	Not available
Money Market Mutual Fund	28,672	Not available
US Treasury Notes	3,453,769	35.1

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Restricted assets

Restricted assets on December 31, 2011 consisted of cash, cash equivalents and investments held for the following purposes:

General Fund	
Park land purchase and development	\$ 112,194
Park deposits	5,000
Restricted purposes checking accounts	75,998
Clerk of courts checking	273,012
Clerk of courts certificate of deposit	100,000
Clerk of courts - Local Government Investment Pool	<u>25,858</u>
	592,062
Health and Human Services Fund	
Protective payee accounts	<u>702,240</u>
Total	<u><u>\$ 1,294,302</u></u>

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 not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred revenue at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are 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, 2011 for collection in 2012 are for the following:

State apportionment	\$ 1,117,327
County apportionment	<u>26,707,843</u>
Total	<u><u>\$ 27,825,170</u></u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

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 through the tax certificate process. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

In 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 \$5,756,938 of delinquent special assessments that exceed the County's threshold of \$10,000 per tax parcel. These amounts will be remitted to the appropriate taxing jurisdictions only to the extent collected by the County. In addition to tax certificates, delinquent taxes includes interest of \$3,754,409. Included in the interest on delinquent taxes is \$2,070,356 of interest on delinquent special assessments that exceed the county's threshold of \$10,000 per tax parcel. These amounts will be remitted to the appropriate taxing jurisdictions only to the extent collected by the County.

On December 31, 2011, the County's General Fund reports delinquent taxes as tax certificates as shown below.

<u>Year Acquired</u>	<u>Total</u>	Johnson Creek Special Assessments	<u>Net</u>
Prior to 2005	\$ 148,116	\$ -	\$ 148,116
2005	121,358	-	121,358
2006	219,399	-	219,399
2007	1,085,603	491,051	594,552
2008	6,208,713	5,236,737	971,976
2009	1,650,257	29,150	1,621,107
2010	<u>3,039,065</u>	<u>-</u>	<u>3,039,065</u>
Total	<u>\$ 12,472,511</u>	<u>\$ 5,756,938</u>	<u>\$ 6,715,573</u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

E. Receivables

Receivables as of year-end for the government's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

Property taxes levied for subsequent year	<u>\$ 27,825,170</u>
Delinquent property taxes	12,472,511
Interest on delinquent property taxes	<u>3,754,409</u>
Total delinquent taxes	<u>16,226,920</u>
Total taxes	<u>44,052,090</u>
Due from other governments	4,203,824
Accounts receivable	<u>2,670,455</u>
Total accounts receivable	<u>6,874,279</u>
Gross receivables	50,926,369
Less: allowance for uncollectible accounts	<u>(20,000)</u>
Net total receivables	<u><u>\$ 50,906,369</u></u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

F. Capital assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 4,260,523	\$ 967,435	\$ 918	\$ 5,227,040
Land - right of way	8,920,478	63,225	-	8,983,703
Land - flood mitigation	8,631,653	2,281,662	4,142	10,909,173
Construction in Progress	1,099,573	1,036,277	1,542,179	593,671
Total capital assets, not being depreciated	<u>22,912,227</u>	<u>4,348,599</u>	<u>1,547,239</u>	<u>25,713,587</u>
Capital assets being depreciated				
Buildings and improvements	27,012,906	358,979	172,295	27,199,590
Roads and bridges	60,598,348	4,114,561	1,503,837	63,209,072
Equipment	8,600,926	1,008,236	1,397,604	8,211,558
Total capital assets being depreciated	<u>96,212,180</u>	<u>5,481,776</u>	<u>3,073,736</u>	<u>98,620,220</u>
Accumulated depreciation				
Buildings and improvements	18,107,085	667,554	134,481	18,640,158
Roads and bridges	20,231,638	1,617,294	1,332,735	20,516,197
Equipment	4,873,599	851,941	1,196,849	4,528,691
Total accumulated depreciation	<u>43,212,322</u>	<u>3,136,789</u>	<u>2,664,065</u>	<u>43,685,046</u>
Capital assets being depreciated, net of accumulated depreciation	<u>52,999,858</u>	<u>2,344,987</u>	<u>409,671</u>	<u>54,935,174</u>
Total capital assets, net of depreciation	<u>\$ 75,912,085</u>	<u>\$ 6,693,586</u>	<u>\$ 1,956,910</u>	<u>\$ 80,648,761</u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

F. Capital assets (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Business Activities				
Capital assets not being depreciated				
Land	\$ 151,287	\$ -	\$ 2,400	\$ 148,887
Capital assets, being depreciated:				
Buildings and improvements	2,723,604	-	-	2,723,604
Equipment	11,564,654	2,553,705	2,146,078	11,972,281
Total capital assets being depreciated	<u>14,288,258</u>	<u>2,553,705</u>	<u>2,146,078</u>	<u>14,695,885</u>
Accumulated depreciation				
Buildings and improvements	1,798,030	89,784	-	1,887,814
Equipment	5,080,247	756,400	714,965	5,121,682
Total accumulated depreciation	<u>6,878,277</u>	<u>846,184</u>	<u>714,965</u>	<u>7,009,496</u>
Capital assets being depreciated, net of accumulated depreciation	<u>7,409,981</u>	<u>1,707,521</u>	<u>1,431,113</u>	<u>7,686,389</u>
Total capital assets, net of depreciation	<u>\$ 7,561,268</u>	<u>\$ 1,707,521</u>	<u>\$ 1,433,513</u>	<u>\$ 7,835,276</u>

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

Governmental Activities	
General government	\$ 361,486
Public safety	456,599
Public works	1,625,222
Health and human services	193,194
Education and recreation	491,373
Conservation and development	<u>8,915</u>
Total depreciation expense - governmental activities	<u>\$ 3,136,789</u>
Business-Type Activities - Highway	<u>\$ 846,184</u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

G. Interfund activity

The details of interfund transfers for the year ended December 31, 2011 are shown below:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund		
Human Services Fund	\$ 884,048	\$ -
Nonmajor funds	-	27,678
Highway Fund	-	64,907
Total General Fund	884,048	92,585
Human Services Fund - General Fund	-	884,048
Nonmajor funds	27,678	-
Highway Fund - General Fund	64,907	-
	\$ 976,633	\$ 976,633

During the year, infrastructure assets related to governmental activities with a book value of \$3,566,398 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.

The details of interfund receivables and payables for the year ended December 31, 2011 are shown below. Interfund payables were incurred to replenish deficit fund cash balances.

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Health and Human Services Fund	\$ 8,116

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

H. Deferred/unearned revenues

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Current year property tax levy	\$ -	\$ 20,535,863	\$ 20,535,863
Delinquent property taxes interest	1,684,052	-	1,684,052
County portion of delinquent property taxes	1,271,146	-	1,271,146
Court fees receivable	295,080	-	295,080
Grant revenue	82,213	-	82,213
Other deferred revenue	13,591	32,648	46,239
	<u>3,346,082</u>	<u>32,648</u>	<u>3,378,730</u>
Total	<u>\$ 3,346,082</u>	<u>\$ 20,568,511</u>	<u>\$ 23,914,593</u>

I. Long-term obligations

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, 2011 follows:

Equalized valuation of the County (TID In)	\$ 6,583,895,500
Statutory limitation percentage	5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	329,194,775
Less: Outstanding general obligation debt	163,405
	<u>\$ 329,031,370</u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

I. Long-term obligations

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 issues:

\$875,000 promissory notes issued 7/12/00; due in quarterly installments \$27,234 through 2013; interest at 5% \$ 163,405

Annual debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	108,936	798	109,734
2013	<u>54,469</u>	<u>132</u>	<u>54,601</u>
Total	<u>\$ 163,405</u>	<u>\$ 930</u>	<u>\$ 164,335</u>

Long-term liability activity for the year ended December 31, 2011, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
General obligation notes	\$ 530,213	\$ -	\$ 366,808	\$ 163,405	\$ 108,936
Compensated absences	<u>3,774,588</u>	<u>2,929,276</u>	<u>2,924,497</u>	<u>3,779,367</u>	<u>2,763,467</u>
Total governmental activities long-term liabilities	<u>\$ 3,028,862</u>	<u>\$ 2,929,276</u>	<u>\$ 3,291,305</u>	<u>\$ 3,942,772</u>	<u>\$ 2,872,403</u>
Business-Type Activities					
Compensated absences	<u>\$ 554,572</u>	<u>\$ 468,039</u>	<u>\$ 491,281</u>	<u>\$ 531,330</u>	<u>\$ 375,591</u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity

1. Government-wide Statements

Net assets of the governmental activities reported on the government-wide statement of net assets at December 31, 2011 includes the following:

Invested in capital assets, net of accumulated depreciation and related debt		
Land	\$	5,227,040
Land - flood mitigation		10,909,173
Land - right of way		8,983,703
Construction in Progress		593,671
Buildings and improvements		27,199,590
Machinery and equipment		8,211,558
Roads and bridges		<u>63,209,072</u>
Total capital assets		124,333,807
Less: Accumulated depreciation		<u>(43,685,046)</u>
		80,648,761
Less: related long-term debt outstanding		<u>(163,405)</u>
Total Invested in Capital Assets, Net of Related Debt		<u>80,485,356</u>
Restricted for CDBG Program		138,421
Restricted for County Board - Donations		5,866
Restricted for Economic development		88,562
Restricted for Land information - statute		91,016
Restricted for Park improvements		165,310
Restricted for Public safety programs		517,885
Restricted for Register of deeds - statute		79,909
Restricted for UW educational activities		1,441
Restricted for Fair Park - donations		500
Restricted for Zoning		213,718
Restricted for Human Services		17,134
Restricted for Health Services		<u>538,688</u>
Total restricted net assets		<u>1,858,450</u>
Unrestricted		<u>30,141,568</u>
Total Governmental Activities Net Assets		<u>\$ 112,485,374</u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity (continued)

1. Government-wide Statements (continued)

Net assets of the business-type activities reported on the government-wide statement of net assets at December 31, 2011 includes the following:

Invested in capital assets, net of accumulated depreciation and related debt		
Land	\$	148,887
Buildings and improvements		2,723,604
Machinery and equipment		<u>11,972,281</u>
Total capital assets		14,844,772
Less: Accumulated depreciation		<u>(7,009,496)</u>
Total Invested in Capital Assets, Net of Related Debt		7,835,276
Restricted for local road improvements		113,467
Unrestricted		<u>4,507,347</u>
Total Business-type Activities Net Assets	\$	<u><u>12,456,090</u></u>

2. Fund Statements

Governmental Fund Balances reported on the fund financial statements at December 31, 2011 include the following:

Nonspendable		
General Fund		
Inventory	\$	6,128
Delinquent property taxes		5,444,427
Prepaid expenditures		<u>680,638</u>
Total General Fund		6,131,193
Health and Human Services Fund		
Prepaid expenditures		<u>152,251</u>
Nonmajor funds		
Prepaid expenditures		<u>17,525</u>
Total nonspendable	\$	<u><u>6,300,969</u></u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity (continued)

2. Fund Statements (continued)

Restricted	
General Fund	
CDBG Program	\$ 138,421
County Board - Donations	5,866
Economic development	88,562
Land information - statute	91,016
Park improvements	165,310
Public safety programs	517,885
Register of deeds - statute	79,909
UW educational activities	1,441
Fair Park - donations	500
Zoning	<u>213,718</u>
Total General Fund	1,302,628
Human Services Fund - Human services	17,134
Nonmajor Funds - health services	<u>538,688</u>
Total restricted	<u>\$ 1,858,450</u>
Committed	
General Fund	
Subsequent year budget	\$ 603,210
Continuing accounts	1,691,943
Information Systems	226,627
General liability insurance reserve	<u>197,593</u>
Total General Fund	2,719,373
Health and Human Services Fund - continuing accounts	<u>220,059</u>
Total committed	<u>\$ 2,939,432</u>
Assigned	
General Fund	
Vested holiday pay	1,435
Vested sick pay	886,325
Vested vacation pay	1,740,459
Vested comp pay	31,008
Compensation Study	<u>70,000</u>
Total assigned	<u>\$ 2,729,227</u>
Unassigned - General Fund	<u>\$ 18,605,453</u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

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 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 purchases commercial insurance for employee health claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from the previous year. 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.

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 insurance company which provides liability insurance and risk management services to its members. The County's coverage began on 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 exceed 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.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (continued)

C. Risk management (continued)

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, 2011, the County's percentage participation was 2.39% and the current value of its equity was \$849,937. A list of other members and their share of participation is available in the WMMIC financial statements, which can be obtained from WMMIC at 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.

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. Expenses consist of payments to a third-party administrator for dental claims, stop loss insurance premiums and administrative fees. The claims liability of \$26,058 reported in the General Fund at December 31, 2011, 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 claim liability amount for 2010 and 2011 is as follows:

		<u>Liability</u> <u>January 1</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>		<u>Liability</u> <u>December 31</u>		
2010	\$	31,685	\$	457,261	\$	462,327	\$	26,619
2011		26,619		381,354		381,915		26,058

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

IV. OTHER INFORMATION (continued)

C. Risk management (continued)

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 2010 and 2011 are as follows:

		<u>Liability</u> <u>January 1</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>		<u>Liability</u> <u>December 31</u>
2010	\$	449,079	(628)	324,069	\$	124,382
2011		124,382	263,259	250,439		137,202

4. General Liability

The County has established a general liability fund to finance general liability insurance claims. The program is funded by charges to 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 2010 and 2011 are as follows:

		<u>Liability</u> <u>January 1</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>		<u>Liability</u> <u>December 31</u>
2010	\$	5,281	\$ 69,467	\$ 18,819	\$	55,929
2011		55,929	91,570	147,499		-

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

IV. OTHER INFORMATION (continued)

D. Defined benefit pension plans

All eligible County employees participate in the Wisconsin Retirement System (System); a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 1,200 hours a year (600 hours if hired before July 1, 2011) are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for protective Occupations with Social Security) to the plan. Employers may make these contributions to the plan on behalf of protective service employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for County employees covered by the System for the year ended December 31, 2011 was \$23,583,585; the employer's total payroll was \$24,201,903. The total required contribution for the year ended December 31, 2011 was \$3,140,502. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2010 and 2009 were \$3,254,774 and \$3,349,627, 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. Final average earnings are 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 June 30, 2011 are immediately vested. For participants employed after July 1, 2011, five years of creditable service is required for eligibility.

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

V. OTHER INFORMATION (continued)

E. Subsequent events

Management evaluated subsequent events through June 14, 2012, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2011, but prior to June 14, 2012 that provide additional evidence about conditions that existed at December 31, 2011, have been recognized in the financial statements for the year ended December 31, 2011. Events or transactions that provided evidence about conditions that did not exist at December 31, 2011 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2011.

VI. RESTATEMENT

The County separated the accounting and reporting for the Health Department as of January 1, 2011. The Health Department balance at December 31, 2010 of \$168,863 was previously reported in the Health and Human Services Fund.

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, 2011

<u>Assets</u>	<u>Health Services</u>	<u>Debt Service</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 289,517	\$ -	\$ 289,517
Property Taxes Receivables			
Current Year Tax Levy	970,621	109,744	1,080,365
Accounts Receivable			
Due from Other Government Units	129,737	-	129,737
General Accounts Receivable	218,155	-	218,155
Prepaid Expenditures	17,525	-	17,525
Total Assets	<u>1,625,555</u>	<u>109,744</u>	<u>1,735,299</u>
<u>Liabilities</u>			
Accounts Payable	74,974	-	74,974
Accrued Liabilities	23,747	-	23,747
Deferred Revenues			
Current Year Property Tax Levy	970,621	109,744	1,080,365
Total Liabilities	<u>1,069,342</u>	<u>109,744</u>	<u>1,179,086</u>
<u>Fund Balances</u>			
Nonspendable	17,525	-	17,525
Restricted	538,688	-	538,688
Total Fund Balances	<u>556,213</u>	<u>-</u>	<u>556,213</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,625,555</u>	 <u>\$ 109,744</u>	 <u>\$ 1,735,299</u>

JEFFERSON COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures, and Change in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	<u>Health Services</u>	<u>Debt Service</u>	<u>Total</u>
Revenues			
Property Taxes	\$ 897,561	\$ 346,469	\$ 1,244,030
Intergovernmental Revenues	502,526	-	502,526
Public Charges for Services	1,447,096	-	1,447,096
Intergovernmental Charges	17,319	-	17,319
Miscellaneous Revenues	1,640	-	1,640
Total Revenues	<u>2,866,142</u>	<u>346,469</u>	<u>3,212,611</u>
Expenditures			
Health and Human Services	2,462,920	-	2,462,920
Capital Outlay	15,872	-	15,872
Debt Service			
Principal	-	366,808	366,808
Interest	-	7,339	7,339
Total Expenditures	<u>2,478,792</u>	<u>374,147</u>	<u>2,852,939</u>
Revenues Over (Under) Expenditures	387,350	(27,678)	359,672
Other Financing Sources			
Transfer in	-	27,678	27,678
Change in Fund Balances	387,350	-	387,350
Fund Balances, Beginning of Year (restated)	<u>168,863</u>	<u>-</u>	<u>168,863</u>
Fund Balances, End of Year	<u>\$ 556,213</u>	<u>\$ -</u>	<u>\$ 556,213</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, 2011

	<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>		
Revenues				
Property Taxes	\$ 897,561	\$ 897,561	\$ 897,561	\$ -
Intergovernmental Revenues	438,647	438,647	502,526	63,879
Public Charges for Services	1,284,561	1,284,561	1,447,096	162,535
Intergovernmental Charges	-	-	17,319	17,319
Miscellaneous Revenues	100	100	1,640	1,540
Total Revenues	<u>2,620,869</u>	<u>2,620,869</u>	<u>2,866,142</u>	<u>245,273</u>
Expenditures				
Health and Human Services	2,628,797	2,628,797	2,462,920	165,877
Capital Outlay	-	-	15,872	(15,872)
Total Expenditures	<u>2,628,797</u>	<u>2,628,797</u>	<u>2,478,792</u>	<u>150,005</u>
Change in Fund Balances	<u>\$ (7,928)</u>	<u>\$ (7,928)</u>	387,350	<u>\$ 395,278</u>
Fund Balances, Beginning of Year (restated)			<u>168,863</u>	
Fund Balances, End of Year			<u>\$ 556,213</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Property Taxes	\$ 346,469	\$ 346,469	\$ 346,469	\$ -
Expenditures				
Principal	332,964	366,808	366,808	-
Interest	13,505	7,339	7,339	-
Total Expenditures	<u>346,469</u>	<u>374,147</u>	<u>374,147</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures				
	-	(27,678)	(27,678)	-
Other Financing Sources				
Transfer in	-	27,678	27,678	-
Change in Fund Balances				
	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances, Beginning of Year			<u>-</u>	
Fund Balances, End of Year			<u>\$ -</u>	

STATISTICAL SECTION

STATISTICAL SECTION

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.

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. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Jefferson County, Wisconsin
Table 1
Net Assets by Component
Last Nine Years (A)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 54,635,944	\$ 64,881,537	\$ 67,000,585	\$ 71,381,576	\$ 74,293,193	\$ 66,812,841	\$ 68,068,319	\$ 75,381,872	\$ 80,485,356
Restricted	3,475,487	2,758,795	1,847,088	-	208,156	329,846	1,320,180	3,286,244	1,858,450
Unrestricted	<u>26,581,530</u>	<u>27,719,925</u>	<u>35,169,317</u>	<u>28,478,462</u>	<u>30,716,894</u>	<u>24,065,034</u>	<u>23,382,009</u>	<u>26,816,103</u>	<u>30,141,568</u>
Total governmental activities net assets	<u>84,692,961</u>	<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>
Business-type activities									
Invested in capital assets, net of related debt	***	***	***	***	***	12,019,237	14,113,569	7,561,268	7,835,276
Restricted	***	***	***	***	***	217,032	91,674	91,674	113,467
Unrestricted	<u>***</u>	<u>***</u>	<u>***</u>	<u>***</u>	<u>***</u>	<u>4,218,866</u>	<u>3,449,696</u>	<u>3,994,197</u>	<u>4,507,347</u>
Total business-type activities net assets	<u>-</u>	<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>
Primary government									
Invested in capital assets, net of related debt	54,635,944	64,881,537	67,000,585	71,381,576	74,293,193	78,832,078	82,181,888	82,943,140	88,320,632
Restricted	3,475,487	2,758,795	1,847,088	-	208,156	546,878	1,411,854	3,377,918	1,971,917
Unrestricted	<u>26,581,530</u>	<u>27,719,925</u>	<u>35,169,317</u>	<u>28,478,462</u>	<u>30,716,894</u>	<u>28,283,900</u>	<u>26,831,705</u>	<u>30,810,300</u>	<u>34,648,915</u>
Total primary government net assets	<u>\$ 84,692,961</u>	<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>

(A) Jefferson County Implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

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

* Information is from the Statement of Net Assets

Jefferson County, Wisconsin

Table 2

**Changes in Net Assets
Last Nine Years**

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities									
General Government	\$ 6,713,295	\$ 7,028,745	\$ 6,642,431	\$ 8,045,426	\$ 7,527,284	\$ 8,038,208	\$ 6,883,711	\$ 7,482,859	\$ 7,435,630
Public Safety	11,528,665	11,562,032	12,001,222	12,017,003	12,442,360	14,186,975	13,270,246	13,197,129	13,429,430
Public Works	8,142,694	7,431,913	8,422,568	6,367,726	7,486,947	1,821,687	1,861,463	1,573,661	1,725,668
Health and Human Services	44,101,437	46,220,171	45,557,854	47,945,537	49,483,771	38,270,965	25,008,265	22,976,053	22,188,872
Culture, Recreation, and Education	3,112,093	2,982,596	2,749,042	3,097,610	3,280,304	3,600,004	3,472,403	3,612,676	3,906,579
Conservation and Development	1,056,193	1,091,690	1,115,085	1,251,635	1,359,772	1,548,127	1,236,440	1,737,143	1,917,657
Interest on Debt	-	-	-	338,046	272,121	51,781	39,898	28,410	3,924
Total governmental activities expenses	<u>74,654,377</u>	<u>76,317,147</u>	<u>76,488,202</u>	<u>79,062,983</u>	<u>81,852,559</u>	<u>67,517,747</u>	<u>51,772,426</u>	<u>50,607,931</u>	<u>50,607,760</u>
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
Total business-type activities expenses	-	-	-	-	-	<u>19,164,139</u>	<u>18,296,555</u>	<u>12,368,449</u>	<u>6,428,256</u>
Total primary government expenses	<u>\$ 74,654,377</u>	<u>\$ 76,317,147</u>	<u>\$ 76,488,202</u>	<u>\$ 79,062,983</u>	<u>\$ 81,852,559</u>	<u>\$ 86,681,886</u>	<u>\$ 70,068,981</u>	<u>\$ 62,976,380</u>	<u>\$ 57,036,016</u>
Program Revenues									
Governmental activities:									
Charges for services									
General Government	\$ 4,229,975	\$ 2,193,757	\$ 3,792,960	\$ 320,455	\$ 1,545,732	\$ 1,492,884	\$ 1,574,725	\$ 1,338,178	\$ 1,426,406
Public Safety	1,750,200	1,962,616	2,015,501	1,107,044	1,586,760	1,466,219	1,302,260	1,194,996	1,314,011
Public Works	3,625,655	3,041,581	4,214,081	3,350,514	4,225,635	110,504	81,274	104,987	106,801
Health and Human Services	16,314,216	16,129,576	17,504,312	17,014,625	15,746,830	7,565,969	6,708,498	4,345,987	4,540,059
Culture, Recreation, and Education	814,628	1,036,366	854,675	371,603	868,896	768,193	1,001,979	1,044,024	1,147,037
Conservation and Development	378,543	414,126	403,733	195,343	817,225	783,639	420,106	250,028	318,525
Operating grants and contributions									
General Government	555,332	533,925	520,934	740,055	575,311	533,896	510,269	518,504	497,912
Public Safety	271,604	603,895	1,113,449	325,039	526,572	530,673	382,565	289,539	455,343
Public Works	2,204,741	1,906,281	2,560,700	1,958,601	1,792,934	38,805	28,730	-	54,244
Health and Human Services	17,238,943	19,134,335	20,587,956	21,155,224	24,110,848	22,522,070	9,816,057	9,805,770	9,629,886
Culture, Recreation, and Education	98,147	104,149	199,226	102,459	92,515	134,662	57,698	119,823	146,553
Conservation and Development	179,427	176,384	208,814	195,823	263,258	290,645	561,852	738,772	962,790
Capital grants and contributions									
General Government	-	-	-	41,883	-	-	-	-	-
Public Safety	-	-	-	285,090	49,897	257,121	570,659	5,122,628	2,122,731
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
Conservation and Development	-	-	-	-	-	-	-	-	407,073
Total governmental activities program revenues	<u>\$ 47,661,411</u>	<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>\$ 23,395,035</u>	<u>\$ 24,896,807</u>	<u>\$ 23,596,321</u>
Business-type activities:									
Charges for services:									
Highway	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,503,990	\$ 3,561,888	\$ 4,131,586	\$ 3,607,555
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
Elderly Care - Countryside	-	-	-	-	-	1,273,656	1,166,965	429,407	-
Total business-type activities program revenues	<u>\$ -</u>	<u>\$ 15,789,281</u>	<u>\$ 15,355,778</u>	<u>\$ 10,772,647</u>	<u>\$ 5,337,124</u>				

Jefferson County, Wisconsin
Table 2
Changes in Net Assets
Last Nine Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total primary government program revenues	\$ 47,661,411	\$ 47,236,991	\$ 53,976,341	\$ 48,088,570	\$ 52,706,539	\$ 53,269,618	\$ 38,750,813	\$ 35,669,454	\$ 28,933,445
Net (Expense)/Revenue									
Governmental activities	\$ (26,992,966)	\$ (29,080,156)	\$ (22,511,861)	\$ (30,974,413)	\$ (29,146,020)	\$ (30,037,410)	\$ (28,377,391)	\$ (25,711,124)	\$ (27,011,439)
Business-type activities	-	-	-	-	-	(3,374,858)	(2,940,777)	(1,595,802)	(1,091,132)
Total primary government net expense	\$ (26,992,966)	\$ (29,080,156)	\$ (22,511,861)	\$ (30,974,413)	\$ (29,146,020)	\$ (33,412,268)	\$ (31,318,168)	\$ (27,306,926)	\$ (28,102,571)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes, levied for general purposes	\$ 22,588,789	\$ 23,420,683	\$ 23,200,968	\$ 21,996,545	\$ 22,657,524	\$ 15,801,624	\$ 17,040,530	\$ 18,581,336	\$ 22,108,805
Property taxes, levied for debt service	-	-	-	1,857,451	1,767,240	254,779	266,663	269,481	346,469
Sales taxes	4,500,352	4,830,859	4,941,364	4,862,601	5,061,361	5,097,149	4,786,208	4,911,356	4,993,804
Other taxes	-	-	-	64,261	237,202	227,884	215,233	192,947	194,130
General state aid	2,948,689	2,666,700	2,598,771	2,477,135	2,567,877	2,588,923	2,660,723	2,551,153	2,545,627
(Loss) Gain on old Countryside	(3,516,892)	-	427,491	-	-	-	-	-	-
Investment earnings	-	-	-	1,997,938	2,213,021	1,173,207	579,274	312,281	322,268
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
Total governmental activities	\$ 26,520,938	\$ 30,918,242	\$ 31,168,594	\$ 34,982,341	\$ 34,504,225	\$ 30,519,219	\$ 29,940,178	\$ 38,424,835	\$ 34,012,594
Business-type activities:									
Property taxes, levied for general purposes	-	-	-	-	-	\$ 9,174,434	\$ 8,528,480	\$ 8,151,177	\$ 5,350,198
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	(1,269,884)	51,376
Transfers	-	-	-	-	-	(3,988,632)	(4,391,547)	(11,289,643)	(3,501,491)
Total business-type activities	-	-	-	-	-	\$ 5,185,802	\$ 4,136,933	\$ (4,408,350)	\$ 1,900,083
Total primary government	\$ 26,520,938	\$ 30,918,242	\$ 31,168,594	\$ 34,982,341	\$ 34,504,225	\$ 35,705,021	\$ 34,077,111	\$ 34,016,485	\$ 35,912,677
Change in net Assets									
Governmental activities	\$ (472,028)	\$ 1,838,086	\$ 8,656,733	\$ 4,007,928	\$ 5,358,205	\$ 481,809	\$ 1,562,787	\$ 12,713,711	\$ 7,001,155
Business-type activities	-	-	-	-	-	1,810,944	1,196,156	(6,004,152)	808,951
Total primary government	\$ (472,028)	\$ 1,838,086	\$ 8,656,733	\$ 4,007,928	\$ 5,358,205	\$ 2,292,753	\$ 2,758,943	\$ 6,709,559	\$ 7,810,106

*** 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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 4,212,408	\$ 3,676,044	\$ 3,849,855	\$ 3,186,770	\$ 2,166,780	\$ 2,892,068	\$ -	\$ -	\$ -	\$ -
Unreserved, Designated										
General Fund	18,322,112	16,918,994	17,688,797	22,749,734	23,206,218	26,955,477	-	-	-	-
Unreserved, Undesignated										
Non-spendable	-	-	-	-	3,384,619	-	-	-	-	-
Restricted	-	-	-	-	-	-	3,816,147	5,149,488	5,646,343	6,131,193
Committed	-	-	-	-	-	-	329,846	1,230,905	3,114,279	1,302,628
Assigned	-	-	-	-	-	-	6,021,094	4,743,732	2,432,986	2,719,373
Unassigned	-	-	-	-	-	-	15,737,181	14,132,126	18,729,656	2,729,227
Total general fund	<u>22,534,520</u>	<u>20,595,038</u>	<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>
All Other Governmental Funds										
Reserved	277,205	3,549,204	3,041,757	4,584,908	2,533,146	2,128,322	-	-	-	-
Unreserved Designated	66,243	3,350,769	-	-	1,928,103	-	-	-	-	-
Special Revenue Fund	-	-	-	-	-	2,579,525	-	-	-	-
Non-spendable	-	-	-	-	-	-	259,342	252,328	178,800	169,776
Restricted	-	-	-	-	-	-	64,567	89,275	171,965	555,822
Committed	-	-	-	-	-	-	14,121	19,212	74,026	220,059
Total all other governmental funds	<u>\$ 343,448</u>	<u>\$ 6,899,973</u>	<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>

Note: GASB 54 was early implemented in 2008.

* Information is from the Balance Sheet - Gov't Funds

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenue										
Property Taxes	\$ 21,241,521	\$ 22,891,496	\$ 23,337,188	\$ 23,376,580	\$ 23,853,996	\$ 24,420,908	\$ 15,631,519	\$ 17,143,631	\$ 18,677,503	\$ 22,305,233
Sales Tax	4,398,284	4,500,352	4,830,859	4,941,364	4,862,601	5,061,361	5,097,149	4,786,208	4,911,356	4,993,804
Intergovernment Revenues	19,239,240	23,496,883	25,125,668	27,408,534	26,986,803	30,307,011	27,228,064	14,960,461	19,195,509	16,628,306
Fines and Licenses	752,978	796,716	1,028,347	934,226	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	292,843	297,996	224,895	220,054	185,968	182,439
Fines and Forfeitures	-	-	-	-	633,182	610,008	572,218	544,138	438,182	450,299
Public Charges for Services	10,461,502	10,140,750	11,484,675	11,113,900	18,983,912	17,960,367	9,811,290	8,831,025	6,294,531	7,061,871
Inter-governmental charges	1,379,903	13,885,857	11,078,334	14,316,813	7,454,459	4,907,679	553,662	590,222	642,951	676,122
Miscellaneous Revenues	-	-	-	-	2,791,283	3,425,055	2,463,973	1,569,189	1,286,966	1,586,726
Interest and Other	1,552,885	2,289,894	2,197,601	2,580,665	-	-	-	-	-	-
Total Revenues	59,026,313	78,001,948	79,082,672	84,672,082	85,859,079	86,990,385	61,582,770	48,644,929	51,632,966	53,884,800
Expenditures										
General Government	6,083,084	6,848,344	8,415,443	6,000,062	6,427,692	6,934,583	7,375,693	6,383,364	6,660,932	6,969,259
Public Safety	9,878,747	10,784,352	11,472,773	11,558,539	11,507,238	12,263,006	13,737,707	13,074,443	12,818,836	13,048,162
Public Works	177,351	9,848,090	9,127,043	9,478,056	5,763,740	5,583,036	149,495	137,569	76,564	100,446
Health and Human Services	29,348,555	44,393,383	46,309,506	44,324,628	49,908,754	49,346,376	37,976,647	25,150,641	22,688,387	22,021,322
Culture, Recreation, & Education	2,463,219	2,620,976	2,574,495	2,503,685	2,777,746	2,974,333	3,286,239	3,151,768	3,247,602	3,438,459
Conservation and Development	835,396	1,084,720	1,245,493	1,130,868	1,221,905	1,426,162	1,584,123	1,341,778	1,808,807	1,986,842
Capital Outlay	1,309,127	10,989,293	1,006,930	1,866,617	3,945,750	5,355,183	2,080,471	1,948,808	6,701,930	4,441,312
Debt service										
Principal	495,402	1,206,055	1,360,064	1,440,064	4,170,064	1,530,000	203,054	224,961	239,002	366,808
Interest	168,110	548,624	485,527	428,560	334,164	241,180	51,506	41,921	30,479	7,339
Issuance Costs	-	64,721	-	-	-	-	-	-	-	-
Defeasance costs	-	-	-	-	13,500	-	-	-	-	-
Total Expenditures	\$ 50,758,991	\$ 88,388,558	\$ 81,997,274	\$ 78,731,079	\$ 86,070,553	\$ 85,653,859	\$ 66,444,935	\$ 51,455,253	\$ 54,272,539	\$ 52,379,949
Excess of revenues over (under) expenditures	8,267,322	(10,386,610)	(2,914,602)	5,941,003	(211,474)	1,336,526	(4,862,165)	(2,810,324)	(2,639,573)	1,504,851
Other Financing Sources (Uses)										
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
Transfer Out	(7,367,517)	-	-	-	(7,403,548)	(3,957,546)	(795,563)	(317,427)	(100,964)	(976,633)
Long Term Debt Proceeds	-	5,350,643	-	-	-	-	-	-	-	-
Proceeds (Refinancing) of LT Debt	416,000	(1,155,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(6,951,517)	4,195,643	-	-	-	-	2,263,491	2,011,660	7,859,756	91,431
Net change in fund balances	\$ 1,315,805	\$ (6,190,967)	\$ (2,914,602)	\$ 5,941,003	\$ (211,474)	\$ 1,336,526	\$ (2,598,674)	\$ (798,664)	\$ 5,220,183	\$ 1,596,282
Debt service as a percentage of noncapital exp.	1.3%	2.3%	2.3%	2.4%	5.5%	2.2%	0.4%	0.5%	0.6%	0.8%

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

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
General Government	\$ 4,785,307	\$ 2,727,682	\$ 4,313,894	\$ 1,102,393	\$ 2,121,043	\$ 2,026,780	\$ 2,084,959	\$ 1,856,682	\$ 1,924,318
Public Safety	2,021,804	2,566,511	3,128,950	1,717,173	2,163,229	2,254,013	2,255,484	6,607,163	3,892,085
Public Works	5,830,396	4,947,862	6,774,781	6,208,828	6,514,295	1,049,366	(61,207)	104,987	161,045
Health and Human Services	33,553,159	35,263,911	38,092,268	38,185,505	39,857,678	30,093,039	16,524,555	14,175,328	14,169,945
Culture, Recreation, and Education	912,775	1,140,515	1,053,901	483,505	969,811	982,855	1,438,040	1,163,847	1,760,540
Conservation and Development	557,970	590,510	612,547	391,166	1,080,483	1,074,284	981,957	988,800	1,688,388
Subtotal governmental activities	<u>47,661,411</u>	<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>
Business-type activities									
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
Subtotal business-type activities	<u>-</u>	<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>
Total primary government	<u>\$ 47,661,411</u>	<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>

*** 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
2002	\$ 20,603,235 (a)	\$ 4,398,284	\$ 183,543	\$ 445,800	\$ 8,933	\$ 25,639,794
2003	22,058,050 (a)	4,500,352	184,947	639,831	8,667	27,391,847
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
Change 2002 - 2011	3.2%	13.5%	-23.2%	88.1%	495.5%	6.5%

(a) All activities were reported in the Governmental Funds. Proprietary Funds were not accounted for separately per the prior auditor's interpretation.

Jefferson County, Wisconsin
Table 7
Assessed Value of Taxable Property
Last Ten Years

Fiscal Year Ended Dec. 31,	Residential Property	Commercial Property	Manufacturing Property	Agricultural Property	Other	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2002	\$ 2,855,539,850	\$ 593,387,500	\$ 200,675,600	\$ 60,811,810	\$ 307,147,600	\$ 97,474,520	\$ 4,115,036,880	5.01
2003	3,096,334,500	639,644,000	208,043,200	44,766,410	335,382,900	101,640,807	4,425,811,817	4.98
2004	3,255,265,365	664,222,405	199,965,900	43,716,300	334,457,000	94,653,937	4,592,280,907	4.94
2005	3,609,470,227	742,950,300	208,844,800	42,763,150	348,125,300	99,713,056	5,051,866,833	4.46
2006	4,026,851,811	861,674,800	227,927,300	43,464,100	346,896,600	104,353,524	5,611,168,135	4.12
2007	4,490,541,092	937,853,000	262,145,000	45,654,230	354,880,800	111,568,794	6,202,642,916	3.83
2008	4,607,845,330	966,940,400	282,415,900	45,825,800	368,901,469	121,837,906	6,393,766,805	2.33
2009	4,728,144,630	1,000,207,000	285,534,400	48,379,500	380,598,000	124,720,847	6,567,584,377	2.48
2010	4,783,184,480	1,002,675,400	288,064,900	49,667,500	392,490,000	125,191,552	6,641,273,832	2.67
2011	4,834,700,480	1,035,658,800	283,874,400	49,627,300	397,653,300	127,208,712	6,728,722,992	3.16

Source: Wisconsin Department of Revenue, Bureau of Property Tax

Note: Tax rates are per \$1,000 of assessed value.

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

	2002	2003	2004	2005	2006
County direct rates					
General	4.6903	4.7337	4.678	4.3317	4.0783
Federated Library	0.3318	0.326	0.3203	0.2956	0.2761
Health	0.1187	0.138	0.1192	0.0766	0.072
Towns					
Aztecán	13.28 - 15.26	12.43 - 14.19	11.68 - 13.84	10.79 - 11.96	9.33 - 11.07
Cold Spring	10.64 - 12.26	11.42 - 12.78	11.57 - 12.06	10.16 - 11.21	9.20 - 10.23
Concord	10.19 - 13.48	9.97 - 12.40	10.47 - 13.17	9.28 - 11.18	8.74 - 10.43
Farmington	8.44 - 10.18	8.85 - 11.30	8.46 - 10.82	7.47 - 9.08	7.01 - 8.51
Hebron	12.48 - 12.64	11.52 - 12.61	11.20 - 12.00	9.83 - 10.04	8.90 - 10.14
Ionia	12.58 - 12.59	11.73 - 12.10	10.71 - 10.82	9.86 - 10.15	9.32 - 9.51
Jefferson	11.37 - 11.53	11.22 - 11.62	10.17 - 10.85	9.59 - 9.79	8.71 - 9.92
Koshkonong	9.18 - 11.23	9.34 - 11.32	9.43 - 10.64	8.74 - 9.90	7.53 - 9.78
Lake Mills	12.24 - 15.99	11.16 - 15.28	10.93 - 13.98	9.49 - 13.86	8.28 - 12.31
Milford	10.28 - 13.44	11.45 - 13.99	10.07 - 12.44	8.94 - 10.55	8.05 - 9.79
Oakland	12.16 - 16.52	11.06 - 15.95	10.17 - 14.42	9.38 - 13.73	7.97 - 12.65
Palmyra	10.58 - 12.19	12.14 - 14.01	11.23 - 13.62	10.03 - 13.19	9.63 - 10.95
Sullivan	11.89 - 15.17	12.42 - 13.84	11.30 - 12.54	9.92 - 12.09	9.26 - 10.77
Sumner	11.92 - 15.88	11.85 - 15.31	11.26 - 14.13	10.20 - 13.53	9.23 - 12.48
Waterloo	13.12 - 13.61	12.23 - 12.49	12.14 - 13.13	10.67 - 11.32	9.26 - 10.31
Watertown	9.79 - 13.01	9.71 - 12.17	9.56 - 11.92	8.48 - 10.08	7.92 - 9.69
Villages					
Cambridge	19.46 - 19.95	18.75 - 19.18	17.11 - 17.56	16.47	15.29 - 15.65
Johnson Creek	20.35	19.01	18.15	15.19	14.18
Lac La Belle	-	14.57 - 15.79	13.63 - 14.21	12.31 - 13.81	11.23
Palmyra	16.19	18.18 - 20.05	16.16 - 18.25	15.70 - 17.25	13.75
Sullivan	16.48	15.54	14.17	13.21	12.19
Cities					
Fort Atkinson	17.62	17.58	16.72	15.36	15.12
Jefferson	17.58	17.32	16.06	15.20	13.55
Lake Mills	17.89	17.05	16.64	15.05	13.73
Waterloo	21.30	19.96	19.83	17.41	15.90
Watertown	-	15.94	15.85	14.42	13.55
Whitewater	16.10	15.49	14.84	14.57	12.90

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
County direct rates					
General	3.7293	3.6158	3.5862	3.6739	3.8913
Federated Library	0.2907	0.2901	0.2838	0.2986	0.3164
Health	0.06665	0.046	0.0473	0.125	0.1625
Towns					
Aztecán	8.95 - 11.57	10.22 - 11.57	11.38 - 11.79	12.48 - 13.03	12.36 - 13.92
Cold Spring	9.86 - 10.66	10.14 - 10.50	11.29 - 12.28	11.88 - 12.50	12.27 - 12.76
Concord	8.96 - 10.94	9.51 - 11.15	10.37 - 11.21	11.67 - 12.50	11.95 - 13.06
Farmington	7.31 - 8.97	7.77 - 9.26	9.01 - 9.87	9.38 - 10.09	10.07 - 11.46
Hebron	8.74 - 10.54	9.23 - 10.35	10.28 - 11.22	11.89 - 12.40	12.59 - 12.81
Ionia	9.77 - 10.05	10.40 - 10.61	10.99 - 11.65	12.31 - 12.32	12.34 - 12.57
Jefferson	8.55 - 10.38	9.12 - 10.23	10.32 - 11.20	11.96 - 12.47	13.70 - 13.48
Koshkonong	8.10 - 9.83	8.09 - 9.89	8.92 - 10.71	9.86 - 12.01	10.30 - 12.16
Lake Mills	7.89 - 12.29	10.04 - 12.63	10.35 - 13.65	11.29 - 15.70	11.21 - 15.13
Milford	7.79 - 10.19	8.78 - 10.27	9.53 - 11.25	11.15 - 11.53	11.34 - 12.25
Oakland	7.64 - 12.86	8.89 - 13.15	9.98 - 14.19	11.21 - 15.64	10.88 - 15.63
Palmyra	9.58 - 10.81	9.87 - 10.78	11.00 - 11.84	11.68 - 12.75	12.04 - 13.30
Sullivan	8.68 - 10.72	10.16 - 11.22	10.17 - 12.36	11.98 - 13.57	11.86 - 14.98
Sumner	9.82 - 12.73	9.10 - 12.92	10.67 - 13.72	11.82 - 15.29	11.90 - 15.36
Waterloo	8.89 - 10.96	10.78 - 10.98	11.30 - 12.34	12.24 - 12.41	12.26 - 13.15
Watertown	7.47 - 9.37	8.16 - 9.76	9.45 - 10.30	10.57 - 10.78	10.63 - 11.03
Villages					
Cambridge	14.49	16.80	17.20	19.68	19.65
Johnson Creek	13.85	14.01	14.33	15.43	15.66
Lac La Belle	11.18	11.62 - 12.76	12.93	13.73	13.65
Palmyra	14.00 - 15.23	15.12 - 16.02	16.22 - 17.06	17.63 - 18.52	18.30 - 19.16
Sullivan	12.00	12.61	13.90	16.72	17.75
Cities					
Fort Atkinson	15.37	15.19	16.39	18.11	18.40
Jefferson	13.83	14.37	15.42	17.44	18.75
Lake Mills	13.65	15.79	16.06	17.23	17.25
Waterloo	16.61	16.76	18.82	18.84	20.36
Watertown	14.07	14.45	15.63	17.57	18.21
Whitewater	13.43	13.76	12.58	17.05	16.21

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

		2011			2002		
		Taxable Assessed Value	Rank	Parentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Taxpayer	Industry						
CPG Partners LP	Commercial	\$ 34,961,300	1	0.52%	\$ 12,191,200	2	0.30%
Menards	Commercial	25,851,800	2	0.38%	13,000,700	1	0.32%
Wal-mart Real Estate	Commercial	22,721,500	3	0.34%	10,739,900	3	0.26%
Art Mtg Borrow Propco 2010-5 LLC	Manufacturing	21,570,100	4	0.32%			
Standard Process	Manufacturing	20,138,200	5	0.30%	8,130,600	9	0.20%
PH Limited Partnership	Commercial	16,269,300	6	0.24%			
Blue Dog Property	Manufacturing	15,454,200	7	0.23%			
Jones Dairy Farm	Manufacturing	11,799,100	8	0.18%	8,209,000	8	0.20%
Valero Renewable Fuel	Manufacturing	11,552,500	9	0.17%			
Barry Draeger	Commercial	9,940,700	10	0.15%			
Deer Track Park Inc.	Commercial				9,368,300	4	0.23%
Jefferson Cold Storage	Commercial				9,306,700	5	0.23%
Wis/Pak	Manufacturing				8,358,100	6	0.20%
Print (WI) QRS 12-40	Manufacturing				8,287,800	7	0.20%
Shopko Store Inc.	Commercial				7,283,500	10	0.18%
Total		<u>\$ 190,258,700</u>		<u>2.83%</u>	<u>\$ 94,875,800</u>		<u>2.31%</u>
Total County Taxable Assessed Value		6,728,722,992			4,115,036,880		

Source: Jefferson County Tax System

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

<u>Settlement Year (A)</u>	<u>Total Tax Roll</u>	<u>As of December 31 of Settlement Year</u>		<u>Cumulative as of December 31, 2011</u>	
		<u>Amount Collected</u>	<u>Percentage of Levy</u>	<u>Amount Collected</u>	<u>Percentage of Levy</u>
2002	\$ 93,955,021	\$ 92,402,791	98.35%	\$ 93,943,760	99.99%
2003	97,677,793	96,341,655	98.63%	97,654,976	99.98%
2004	101,680,477	100,228,005	98.57%	101,642,003	99.96%
2005	104,816,130	103,491,652	98.74%	104,750,103	99.94%
2006	104,776,137	103,386,716	98.67%	104,654,779	99.88%
2007	111,339,922	109,556,710	98.40%	111,120,522	99.80%
2008	117,796,257	114,571,835	97.26%	116,710,653	99.08%
2009	124,711,690	116,442,168	93.37%	118,502,977	95.02%
2010	130,967,493	128,030,120	97.76%	129,317,235	98.74%
2011	137,610,725	134,571,659	97.79%	134,571,659	97.79%

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 December 31</u>	<u>Estimated Population (A)</u>	<u>(\$000's) Personal Income (B)</u>	<u>Equalized Valuation (C)</u>	<u>Outstanding Debt</u>	<u>Percent of Debt to Equalized Valuation</u>	<u>Percent of Debt to Personal Income</u>	<u>Debt Per Capita</u>
2002	77,306	\$ 2,279,813	\$ 4,479,803,400	\$ 12,608,844	0.28%	0.55%	163.10
2003	77,811	2,344,915	4,725,683,300	15,404,449	0.33%	0.66%	197.97
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	2,914,739	6,663,739,200	530,213	0.01%	0.02%	6.34
2011	83,794	*	6,583,895,500	163,405	0.00%	*	1.95

*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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Equalized Value of Real and Personal Property (A)	<u>\$ 4,179,803</u>	<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>
Debt Limit, 5% of Equalized Valuation (Wisconsin Statutory Limitation)	\$ 208,990	\$ 236,284	\$ 254,432	\$ 279,083	\$ 313,848	\$ 333,842	\$ 344,859	\$ 344,022	\$ 333,187	\$ 329,195
Amount of Debt Applicable to Debt Limitation:										
General Obligation Promissory Notes	12,609	15,404	13,854	12,414	8,184	6,697	5,069	3,944	530	163
Less: Debt Service Funds	<u>(78)</u>	<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>
Total Amount of Debt Applicable to Debt Margin	12,531	15,228	13,836	12,396	8,180	4,854	4,802	3,675	184	163
Legal Debt margin - (Debt Capacity)	<u>\$ 196,459</u>	<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>
Percent of Debt Capacity Used	6.0%	6.4%	5.4%	4.4%	2.6%	1.5%	1.4%	1.1%	0.1%	0.0%

(A) Equalized Value from Table 11

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

Fiscal Year	(1) Population	(2) (\$000's) Personal Income	(2) Per Capita Personal Income	(3) Public School Enrollment	(3) Private School Enrollment	(4) Average Unemployment Rate
2002	77,306	\$ 2,279,813	\$ 29,732	12,032	3,832	4.8%
2003	77,811	2,344,915	30,417	11,946	3,753	5.1%
2004	78,342	2,434,704	31,225	11,925	3,599	5.0%
2005	79,188	2,515,044	31,978	11,934	3,691	4.6%
2006	80,092	2,651,277	33,446	11,919	3,714	4.5%
2007	80,411	2,731,064	34,136	12,249	3,697	4.8%
2008	81,022	2,805,133	34,812	12,410	3,559	4.9%
2009	81,310	2,789,723	34,512	12,661	3,424	9.3%
2010	83,686	2,914,739	34,824	12,844	3,317	9.2%
2011	83,794	*	*	12,809	3,254	*

*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>	<u>2011</u>		<u>2002</u>	
		<u>Range of Number of Employees</u>	<u>Rank</u>	<u>Range of Number of Employees</u>	<u>Rank</u>
Fort Healthcare Inc	General medical & surgical hospitals	500-999	1		
County of Jefferson	Executive & legislative officers, combined	500-999	2		
Trek Bicycle Corporation	Motorcycle, bicycle, & parts manufacturing	500-999	3	500-999	1
Wal-Mart	Discount department stores	500-999	4	250-499	9
Bethesda Lutheran Communities Inc	Residential mental retardation facilities	500-999	5	500-999	3
Watertown Unified School District	Elementary & secondary schools	500-999	6		
Opportunities Inc of Jefferson	Temporary help services	500-999	7	250-499	10
Aristotle Corp	Other professional equipment wholesalers	500-999	8		
Generac Power Systems Inc	Motor & generator manufacturing	500-999	9		
Fort Atkinson Public School	Elementary & secondary schools	250-499	10		
Perry Judd's Inc.	Commerical Printing			500-999	2
Fort Atkinson Memorial Health	Health care clinic			500-999	4
Doskocil Food Sercice Co	Meat production			500-999	5
Nasco Int'l Inc.	Plastic manufacturing			250-499	6
St. Coletta of Wisconsin Inc.	Residential care			250-499	7
Spacesaver Corp.	Office furniture manufacturing			250-499	8

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

Functional Areas:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	86.55	85.75	87.65	87.65	88.85	86.95	89.95	86.70	85.20	85.75
Public safety	126.55	129.05	129.05	129.65	133.65	133.15	133.15	128.90	127.90	126.80
Public Works	84.60	85.60	85.60	73.60	65.00	63.00	61.00	63.40	59.60	58.60
Health and human services	307.35 *	301.85 *	381.45	373.45	376.20	371.65	365.15	370.75	341.25	175.55
Culture & Recreation	13.60	15.80	15.85	17.85	16.75	18.35	19.90	17.30	18.10	18.20
Conservation and development	<u>14.40</u>	<u>13.40</u>	<u>15.70</u>	<u>15.70</u>	<u>16.70</u>	<u>15.70</u>	<u>14.70</u>	<u>13.00</u>	<u>13.20</u>	<u>13.00</u>
Total Position Equivalents	633.05	631.45	715.30	697.90	697.15	688.80	683.85	680.05	645.25	477.90

* FTE's for nursing at Countryside Home was not budgeted for in 2002 & 2003. The number of nurses needed was determined by the level of resident care.

Jefferson County, Wisconsin
Table 16
Operating Indicators and Capital Asset Information by Function/Program
Last Ten Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Justice and Public Safety										
Communications Center Calls for Service	52,283	62,058	62,525	60,607	60,321	59,888	62,661	73,126	78,659	74,540
Drug Task Force Cases	771	702	906	979	868	859	639	703	815	704
Annual Number of Inmates Held in Jail	3,934	4,115	4,130	4,073	4,091	4,074	3,638	3,145	2,561	2,514
Average Daily Jail Population	175.1	178.3	173.8	189.0	183.0	194.0	195.0	176.0	143.0	158.0
Health and Human Services										
Economic Support - households receiving assistance	*	3,279	3,676	3,969	4,068	4,201	4,710	5,237	5,676	6,020
Medical assistance - Number of recipients	5,435	6,422	7,118	7,280	7,436	7,868	8,865	11,110	12,257	12,713
	7%	8%	9%	9%	9%	10%	11%	13%	15%	15%
Foodshare - Number of recipients	2,572	3,107	4,004	4,498	5,118	5,672	6,376	8,594	10,511	11,499
Children Alternate Care Placements	85	79	83	91	82	100	93	121	185	147
Transportation										
Centerline Miles of Road Maintained										
Interstate	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6
State	136.4	136.4	136.4	136.4	136.4	136.4	136.4	136.4	136.4	136.4
County	256.7	257.2	257.2	257.1	257.4	257.1	256.7	256.6	256.0	256.0
Local	945.8	945.8	952.5	956.9	960.7	968.2	972.1	979.5	980.2	982.3

*Information not yet available