

Jefferson County, Wisconsin



Comprehensive Annual Financial Report

For the Year Ended December 31, 2012

Jefferson County, Wisconsin



Comprehensive Annual Financial Report

For the Year Ended December 31, 2012

Prepared by

Jefferson County Finance Department

Brian Lamers, Finance Director

TABLE OF CONTENTS

| | PAGE |
|---|-------------|
| INTRODUCTORY SECTION | |
| Transmittal Letter | 1 |
| Jefferson County Government Organizational Chart | 4 |
| List of Principal Officials | 5 |
| FINANCIAL SECTION | |
| Independent Auditors' Report | 7 |
| Management Discussion and Analysis | 9 |
| Basic Financial Statements | |
| Government-wide Financial Statements | |
| Statement of Net Position | 24 |
| Statement of Activities..... | 25 |
| Fund Financial Statements | |
| Balance Sheet – Governmental Funds..... | 26 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 27 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 28 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund..... | 29 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Human Services Fund | 30 |
| Statement of Net Position – Proprietary Funds | 31 |
| Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds..... | 32 |
| Statement of Cash Flows – Proprietary Funds | 33 |
| Notes to Basic Financial Statements..... | 34 |

| | |
|--|----|
| Other Supplementary Information | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 66 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds | 67 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Health Department Fund | 68 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund | 69 |

STATISTICAL SECTION

| | |
|--|----|
| Net Position by Component – Last Ten Years | 70 |
| Changes in Net Position – Last Ten Years | 71 |
| Fund Balances, Governmental Funds – Last Ten Years..... | 73 |
| Changes in Fund Balances, Governmental Funds – Last Ten Years..... | 74 |
| Program Revenues by Function/Program – Last Ten Years..... | 75 |
| Tax Revenues by Source, Governmental Funds – Last Ten Years | 76 |
| Assessed Value and Actual Value of Taxable Property – Last Ten Years | 77 |
| Direct and Overlapping Property Tax Rates – Last Ten Years | 78 |
| Principal Taxpayers – Current and Nine Years Ago..... | 80 |
| Property Tax Levies and Collections – Last Ten Years..... | 81 |
| Ratio of Outstanding Debt to Equalized Valuation and Debt Per Capita – Last Ten Years . | 82 |
| Legal Debt Margin Information – Last Ten Years | 83 |
| Demographic and Economic Statistics – Last Ten Years..... | 84 |
| Principal Employers – Current and Nine Years Ago | 85 |
| Full-time Equivalent Budgeted County Positions by Functional Area – Last Ten Years | 86 |
| Miscellaneous Operation Indicators – Last Ten Years | 87 |

INTRODUCTORY SECTION

JEFFERSON COUNTY, WISCONSIN



Finance Department

Brian L Lamers, CPA, Finance Director

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June 11, 2013

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, 2012. 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 auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

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

Local Economy

Jefferson County, established in 1836, serves a population of approximately 83,857. 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

Fund Balance: The County places an emphasis on policies that maintain appropriate fund balance/net position reserves to assist with making current and long-term budgetary projections and decisions. The current policy requires a minimum of two months of budgeted expenditures to be retained for working capital, with a goal of three months to be retained. At December 31, 2012, the County has retained the three month goal and has an additional \$1.0 million available. A decision on the usage(s) of the \$1.0 million will occur during the preparation of the 2014 tax levy, which will be adopted in November 2013.

Long-term Financial Planning

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

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

Awards and Acknowledgements

The Government Finance Officers Association (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.

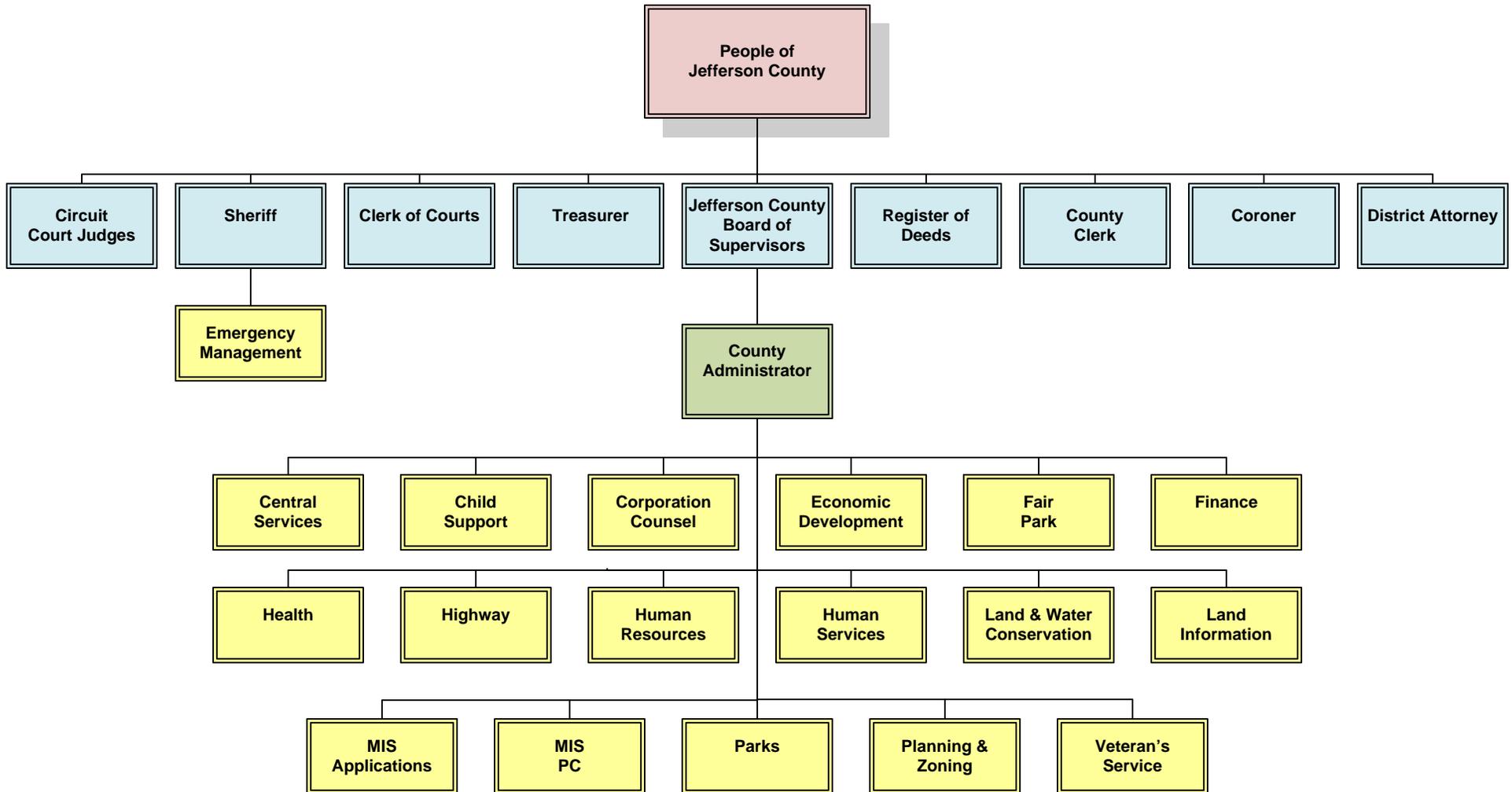
The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department as well as financial staff throughout the County. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation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

Respectfully submitted,

Brian L. Lamers, CPA
Finance Director
Jefferson County

Jefferson County Government Organizational Chart

January 2012



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

Elected Officials

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

County Board of Supervisors

| Dist | Name | Dist | Name |
|------|-------------------------------------|------|-----------------------|
| 1 | Richard C. Jones | 16 | John Molinaro (Chair) |
| 2 | Mike Kelly | 17 | Russell Kutz |
| 3 | Greg David | 18 | Jennifer Hanneman |
| 4 | Augie Tietz | 19 | Jim Schroeder |
| 5 | James B. Braughler | 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 | Vacant |
| 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 | Brian L. Lamers, CPA |
| Health | Gail Scott |
| Highway | William T. Kern |
| Human Resources | Terri M. Palm-Kostroski |
| Human Services | Kathleen Cauley |
| Land and Water Conservation | Mark Watkins |
| Land Information | Andrew J. Erdman |
| Management Information Systems | John Rageth |
| Management Information Systems | Roland Welsch |
| Parks | Joseph Nehmer |
| UW Extension | Kathleen Eisenmann |
| Veterans Services | Yvonne Duesterhoeft |
| Zoning and Planning | Robert Klotz |

FINANCIAL SECTION



Independent Auditors' Report

Board of Supervisors
Jefferson County, Wisconsin
Jefferson, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Wisconsin, as of and for the year ended December 31, 2012, and the respective budgetary comparison for the General Fund and the Human Services Fund and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Wisconsin, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Human Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2013 on our consideration of the Jefferson County, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County, Wisconsin's internal control over financial reporting and compliance.



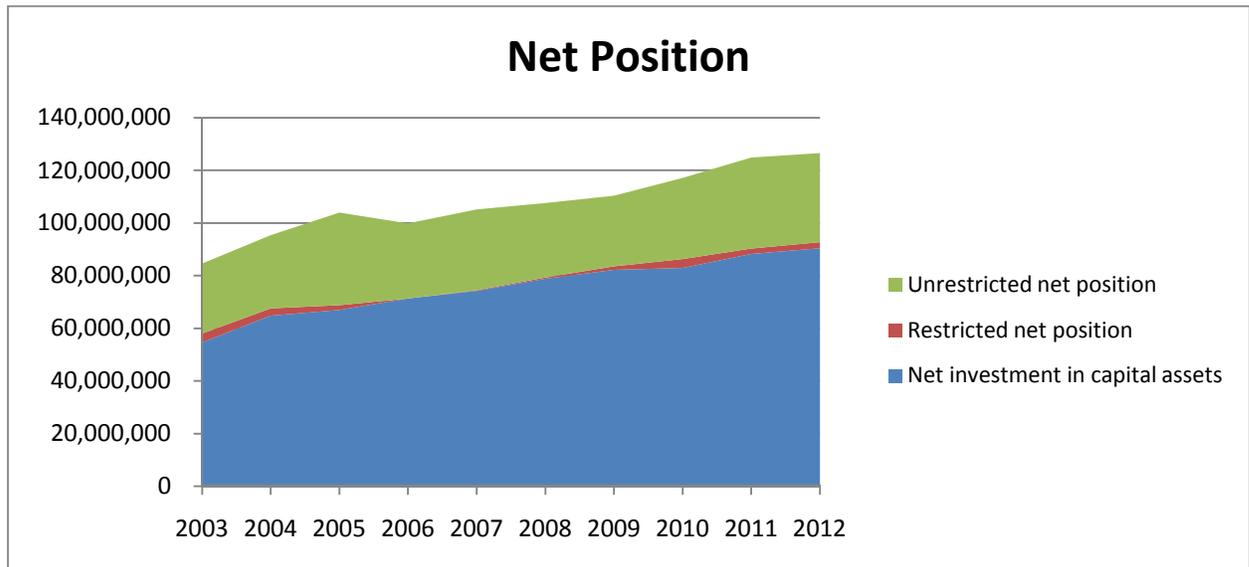
Milwaukee, Wisconsin
June 11, 2013

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

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, 2012. Efforts have been made to provide comparison to prior year data when such data is available. Please read this narrative in conjunction with the letter of transmittal, which can be found on pages 1 - 3 of this report.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2012 by \$129.4 million (*net position*). Of this amount, \$34.1 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$4.4 million or 3.6%.
- Total governmental activities net position was \$115.9 million and business type activities was \$13.5 million.
- The chart below shows the history of net position from 2003 to current.



- As of December 31, 2012, the governmental funds had total fund balances of \$32.7 million. Of this amount, \$17.4 million is available for spending at the County's discretion (*unassigned fund balance*). Within this unassigned fund balance, the County intends to retain \$16.4 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 Discussion and Analysis
December 31, 2012

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

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Jefferson County include (a) general government, (b) public safety, (c) health and human services, (d) culture, recreation, and education, (e) conservation and development, (f) public works, and (g) debt service. The business-type activities of the County is only the Highway Department for 2012.

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

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

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

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

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

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

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

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

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

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

The proprietary fund financial statements can be found on pages 31 - 33 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 34 - 65 of this report.

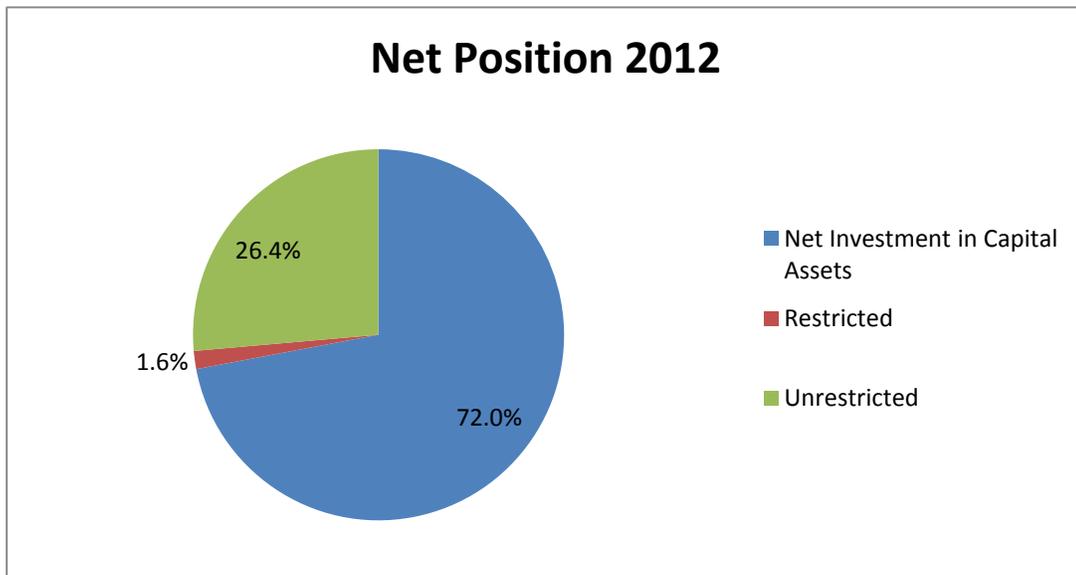
Government-wide Financial Analysis

Net Position -- As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$129.4 million at the close of the most recent calendar year.

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

Jefferson County's Net Position
(in thousands)

| Category | <u>Gov't Activities</u> | | <u>Bus-Type Activities</u> | | <u>Total</u> | |
|----------------------------------|-------------------------|-------------------|----------------------------|------------------|-------------------|-------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Current Assets | \$ 64,427 | \$ 71,961 | \$ 11,243 | \$ 11,679 | \$ 75,670 | \$ 83,640 |
| Capital Assets | <u>84,013</u> | <u>80,649</u> | <u>9,225</u> | <u>7,835</u> | <u>93,238</u> | <u>88,484</u> |
| Total Assets | 148,440 | 152,610 | 20,468 | 19,514 | 168,908 | 172,124 |
| Current Liabilities | 28,704 | 36,181 | 6,377 | 6,527 | 35,081 | 42,708 |
| Long-Term Liabilities | <u>3,867</u> | <u>3,943</u> | <u>578</u> | <u>531</u> | <u>4,445</u> | <u>4,474</u> |
| Total Liabilities | 32,571 | 40,124 | 6,955 | 7,058 | 39,526 | 47,182 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 83,958 | 80,485 | 9,225 | 7,835 | 93,183 | 88,320 |
| Restricted | 1,930 | 1,858 | 120 | 113 | 2,050 | 1,971 |
| Unrestricted | <u>29,981</u> | <u>30,143</u> | <u>4,168</u> | <u>4,508</u> | <u>34,149</u> | <u>34,651</u> |
| Total Net Position | <u>\$ 115,869</u> | <u>\$ 112,486</u> | <u>\$ 13,513</u> | <u>\$ 12,456</u> | <u>\$ 129,382</u> | <u>\$ 124,942</u> |



The large portion of the County's net position (72.0%) 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.

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

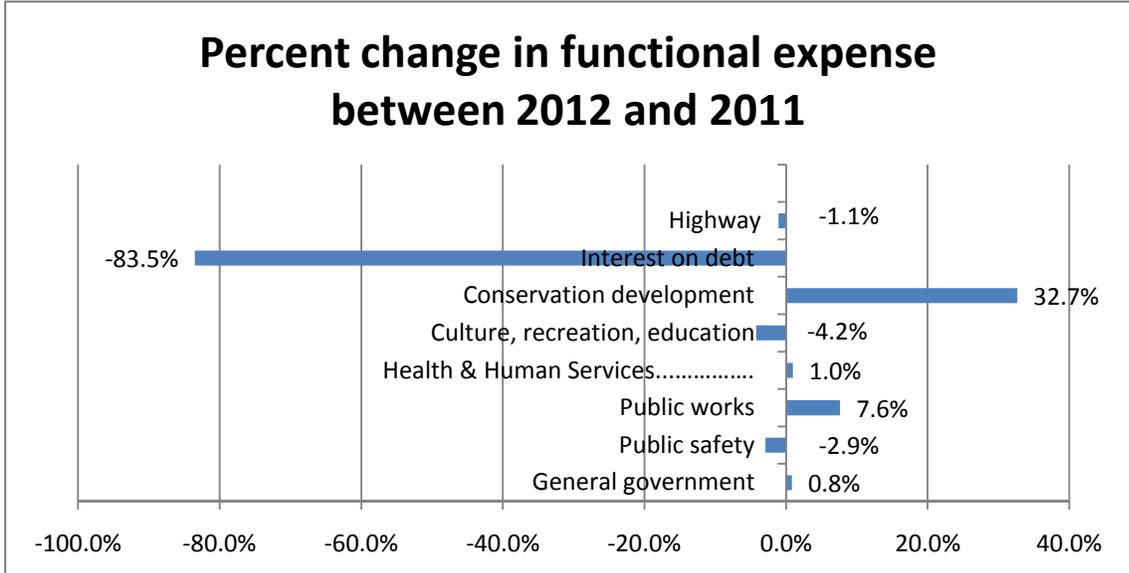
An additional portion of the County's net position (1.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (26.2% or \$33.8 million) may be used to meet the County's ongoing obligations to citizens and creditors.

Change in net position – At the end of the calendar year, the County reported total revenues of \$61.4 million and total expenses of \$57.0 million, which resulted in an increase of \$4.4 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 below focus on the change in expenses.

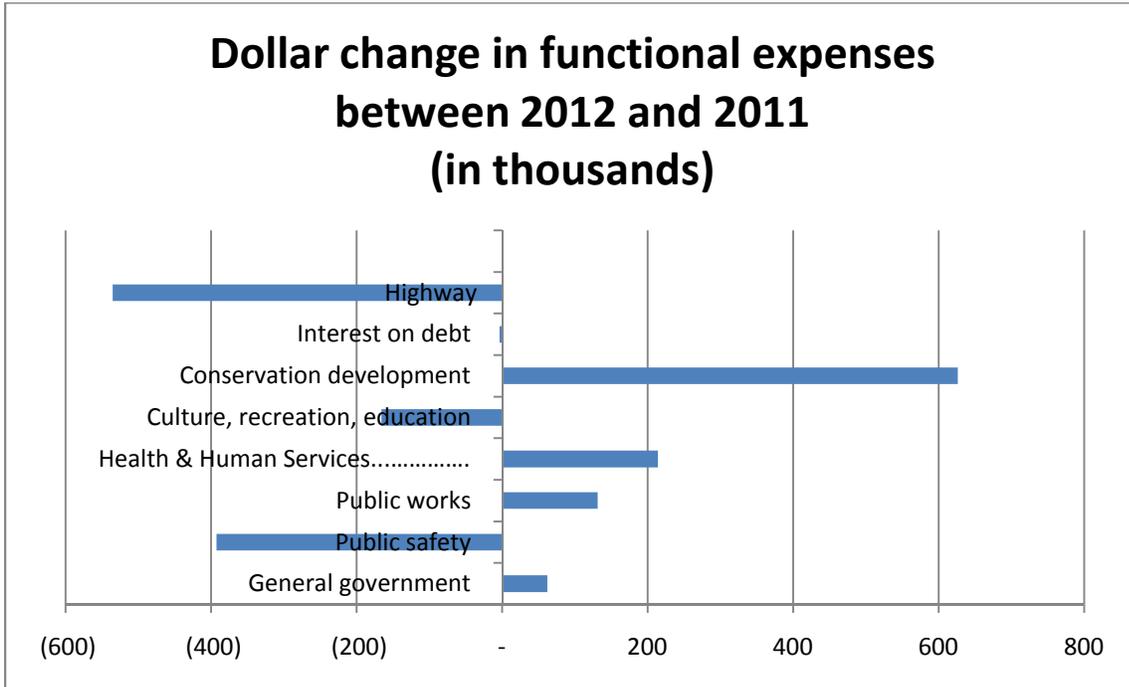
| (in thousands) | <u>Gov't Activities</u> | | <u>Bus-Type Activities</u> | | <u>Total</u> | |
|---|-------------------------|-----------|----------------------------|----------|--------------|-----------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Program revenues | | | | | | |
| Operating grants & donations | \$10,805 | \$11,747 | \$1,682 | \$1,730 | \$12,487 | \$13,477 |
| Capital grants & donations | 372 | 2,997 | | | 372 | 2,997 |
| Public charges | 9,790 | 8,853 | 3,368 | 3,608 | 13,158 | 12,461 |
| General revenues | | | | | | |
| General property taxes | 21,200 | 22,109 | 6,172 | 5,350 | 27,372 | 27,459 |
| Debt service property taxes | 110 | 346 | - | - | 110 | 346 |
| Sales tax | 5,029 | 4,994 | - | - | 5,029 | 4,994 |
| Other taxes | 201 | 194 | - | - | 201 | 194 |
| General state aid | 2,148 | 2,546 | - | - | 2,148 | 2,546 |
| Investment earnings | 500 | 322 | - | - | 500 | 322 |
| Sale of County property | - | - | 39 | 51 | 39 | 51 |
| Total revenues | 50,155 | 54,108 | 11,261 | 10,739 | 61,416 | 64,847 |
| General government | 7,498 | 7,436 | - | - | 7,498 | 7,436 |
| Public safety | 13,037 | 13,429 | - | - | 13,037 | 13,429 |
| Public works | 1,857 | 1,726 | 5,894 | 6,429 | 7,751 | 8,154 |
| Health & Human Services | 22,403 | 22,189 | - | - | 22,403 | 22,189 |
| Culture, recreation, education | 3,741 | 3,907 | - | - | 3,741 | 3,907 |
| Conservation development | 2,544 | 1,918 | - | - | 2,544 | 1,918 |
| Interest on debt | 1 | 4 | - | - | 1 | 4 |
| Total expenses | 51,081 | 50,608 | 5,894 | 6,429 | 56,975 | 57,037 |
| Change in net position before transfers | (926) | 3,500 | 5,367 | 4,310 | 4,441 | 7,810 |
| Transfers | 4,310 | 3,501 | (4,310) | (3,501) | - | - |
| Change in net position | 3,384 | 7,001 | 1,057 | 809 | 4,441 | 7,810 |
| Net Position -- beginning balance | 112,485 | 105,484 | 12,456 | 11,647 | 124,941 | 117,131 |
| Net Position -- ending balance | \$115,869 | \$112,485 | \$13,513 | \$12,456 | \$129,382 | \$124,941 |

Jefferson County, Wisconsin
 Management Discussion and Analysis
 December 31, 2012

**Percent change in functional expense
 between 2012 and 2011**



**Dollar change in functional expenses
 between 2012 and 2011
 (in thousands)**



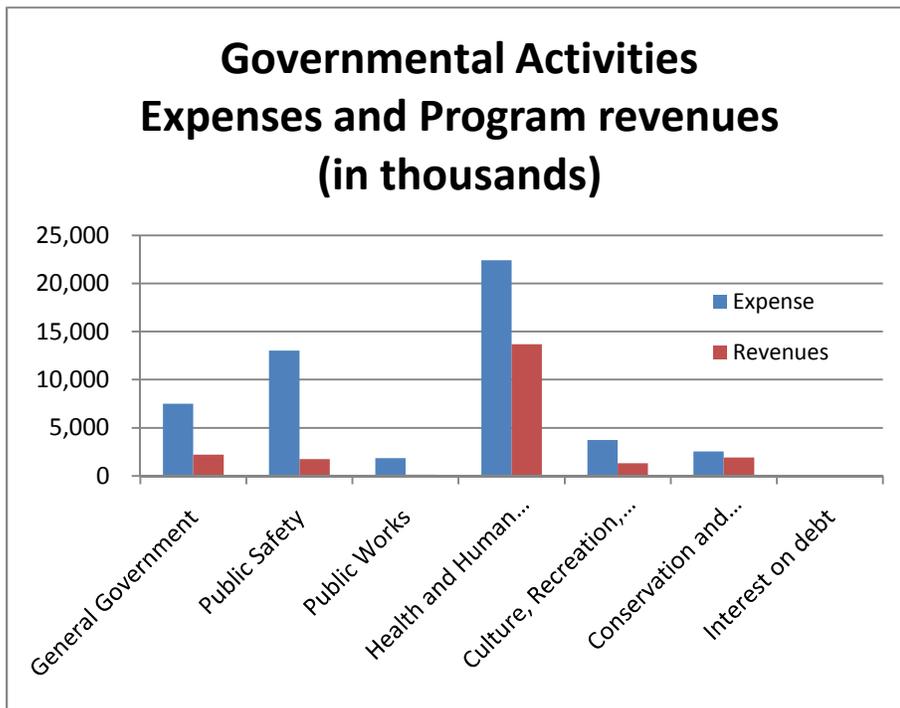
Jefferson County, Wisconsin
 Management Discussion and Analysis
 December 31, 2012

Explanation of Functional Changes

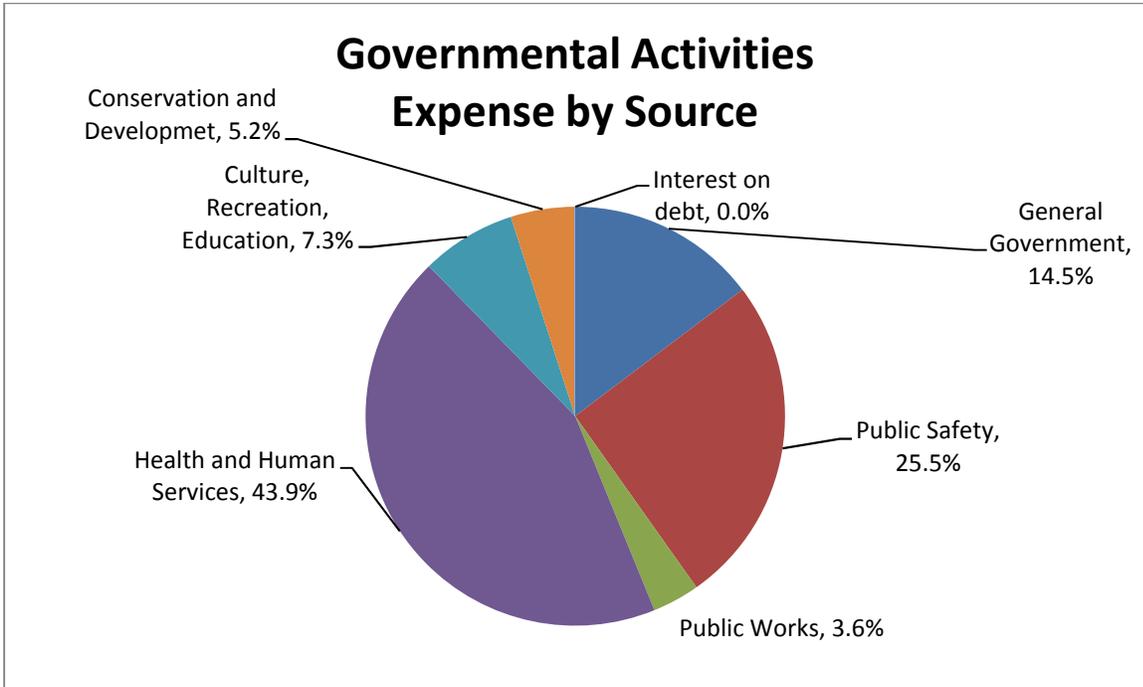
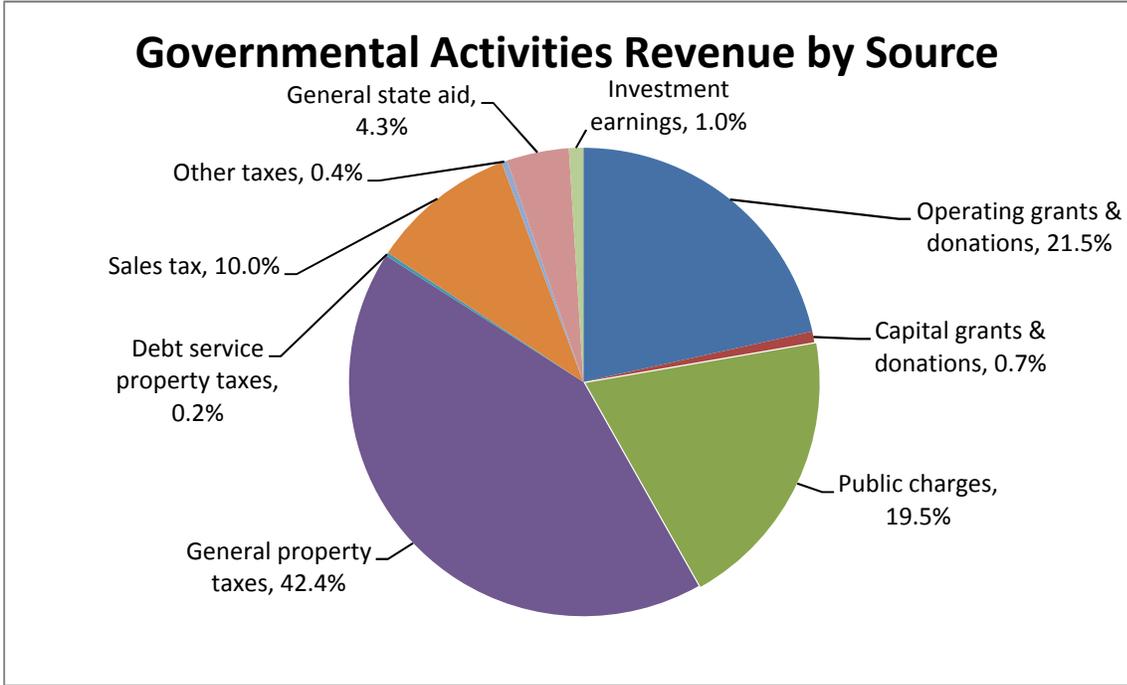
Governmental activities – Net position for governmental activities increased by \$3.4 million or 3.0%. Explanations of some of the major percentage changes above/below 10% are recapped below:

- Capital grants & donations were down \$2.6 million or 87.6%. The single largest reason for this was the number of flood mitigation properties purchased decreased from 12 in 2011 to 1 in 2012. For these purchases, the cash outlay was recorded as an asset, so there was no corresponding expense to offset the state aid received.
- Public charges revenue increased \$.9 million or 10.6%. The majority of this is from Health and Human Services increase from IM Consortium revenue.
- General state aids decreased by \$.4 million or 15.6%. This was due to the reduction in general shared revenues.
- Investment earnings increased by \$.2 million or 55.3%. This was due to the fair market adjustment of investments.
- Although the percentage decrease in debt interest seems large at 83.5%, the actual dollar amount was only \$3,276.
- Conservation development expenses increased by \$.6 million or 32.7%. The majority of the increase was due to the increased expenses for business flood mitigation, which is fully reimbursed by the state.

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



Jefferson County, Wisconsin
 Management Discussion and Analysis
 December 31, 2012



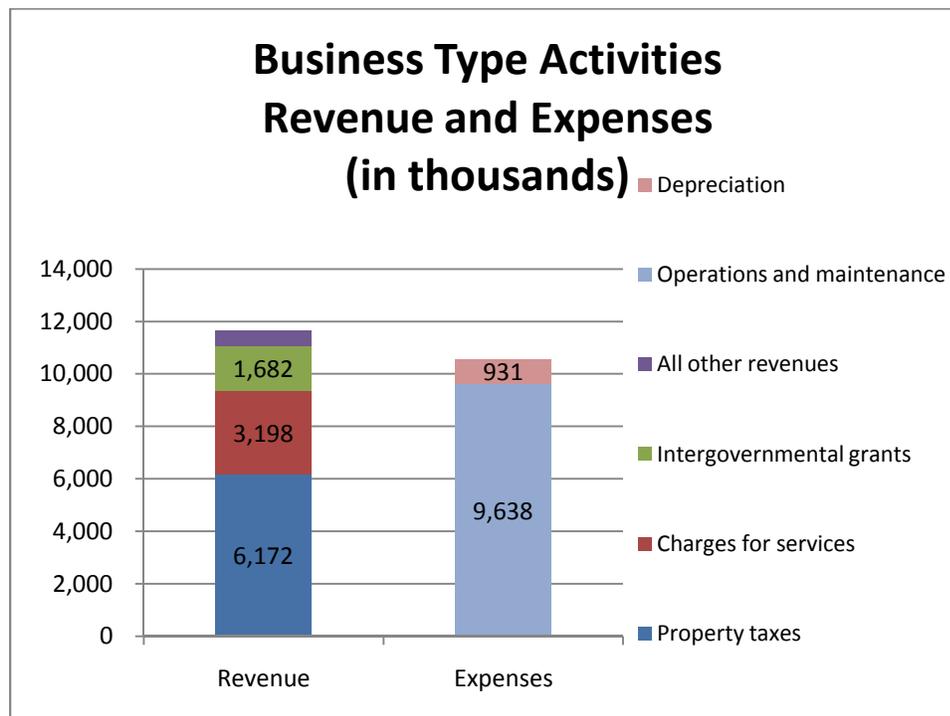
Jefferson County, Wisconsin
 Management Discussion and Analysis
 December 31, 2012

Business-type activities

Net position for the Highway Department increased by \$1.1 million or 30.7%. Some of the largest factors causing this increase in net position was:

- Charges for services were down by \$.3 million or 10.0%. Charges for municipal work was reduced by \$.4 million.
- Miscellaneous revenue was up by \$.1 million due to additional material handling charges.
- The property tax levy for 2012 increased by \$.8 million or 15.4% over the prior year. This was the result of more County road construction projects rather than maintenance projects being budgeted for and an additional \$.4 million for consultant fees relating to planning and design for new Highway Department facilities.
- Transfers into the Highway Department included an additional \$.3 million for the purchase of land for one of the satellite shops.

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



Financial Analysis of the County's Funds

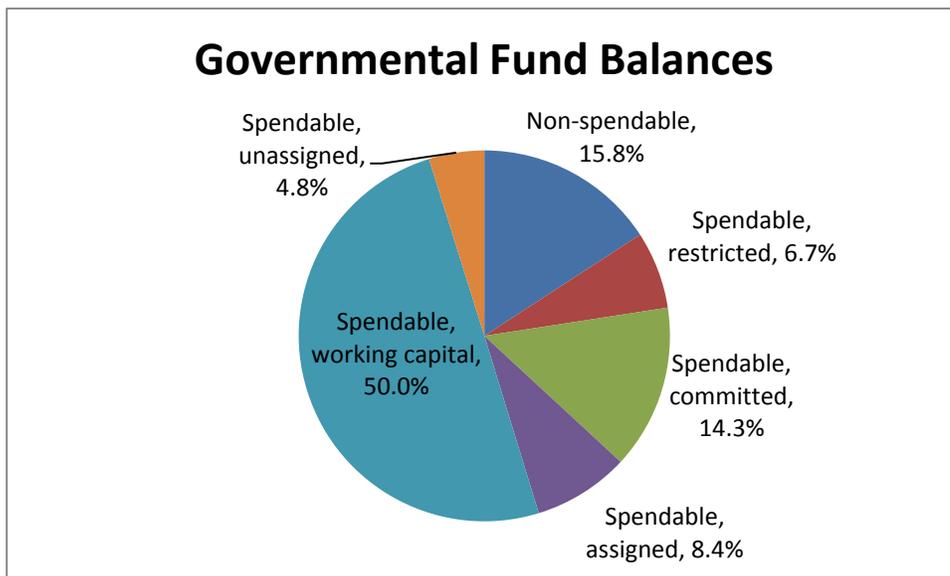
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

As of December 31, 2012, the County's governmental funds reported combined ending fund balances of \$32.7 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, \$5.5 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, \$4.9 million (Not available for new spending because it has already been committed by the County Board.)
- Spendable, assigned, \$2.8 million (County Board has expressed their "intent" to spend these funds in the future but has not authorized the spending yet.)
- Spendable, working capital, \$16.4 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, \$1.0 million (As per the Fund Balance Policy, these funds shall be used for levy reduction, debt repayment, and/or near-term future capital purchases.)



General Fund – The General Fund is the chief operating fund for the County. The ending fund balance was \$31.3 million. This was a decrease of \$.2 million over the prior year.

Health Department – The Health Department's fund balance increased by \$.2 million. This was an increase of 40%. 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 \$.2 million or a 54% increase. This surplus was due to several factors including a favorable budget variance of fringe wages and operating cost. There were several programs with a favorable budget variance such as Behavioral Health, Economic Support and Aging & Arc Division. Children & Families division had an unfavorable balance. The increased balance in committed fund balances was the result of monies authorized to be carried forward into 2013 in order to reduce the 2014 tax levy.

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

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

Highway Department – Unrestricted net position decreased to \$4.2 million which was a decrease of \$338,907 or 7.52% over the prior year although total net position increased by \$1.1 million. The major change was from the increase in investment in capital assets of \$1.4 million which resulted from the purchase of land and additional purchases of equipment. 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 \$1.5 million.

During the year, actual revenues were \$.1 million above the final amended budget. Some of the larger areas contributing to this were:

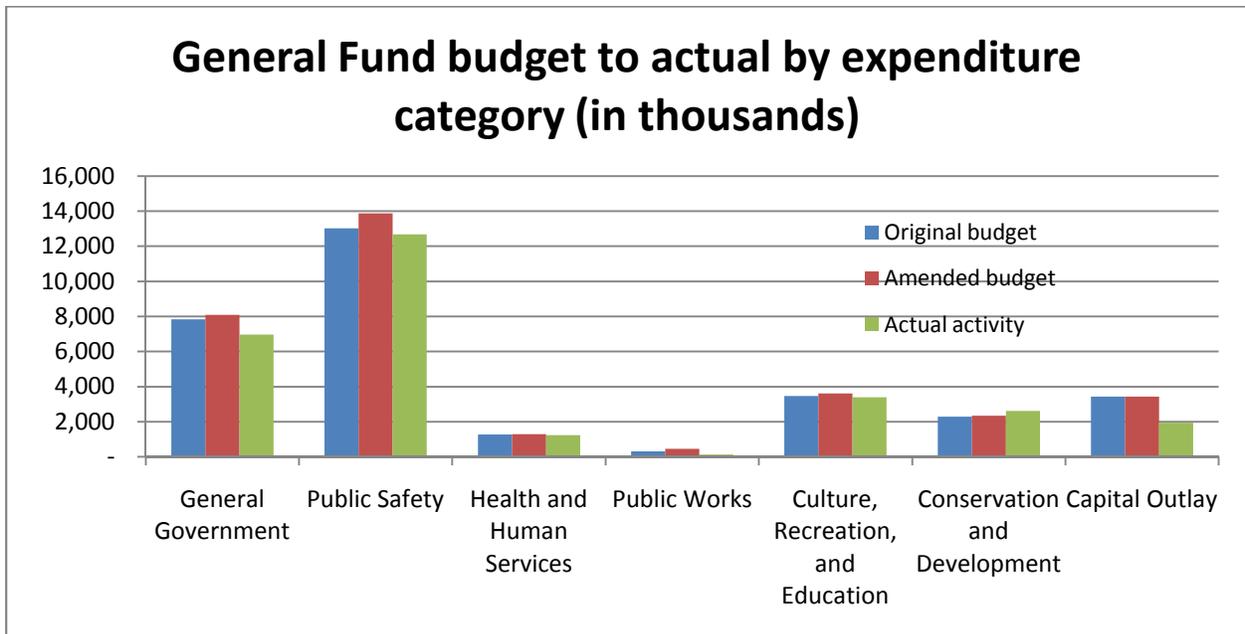
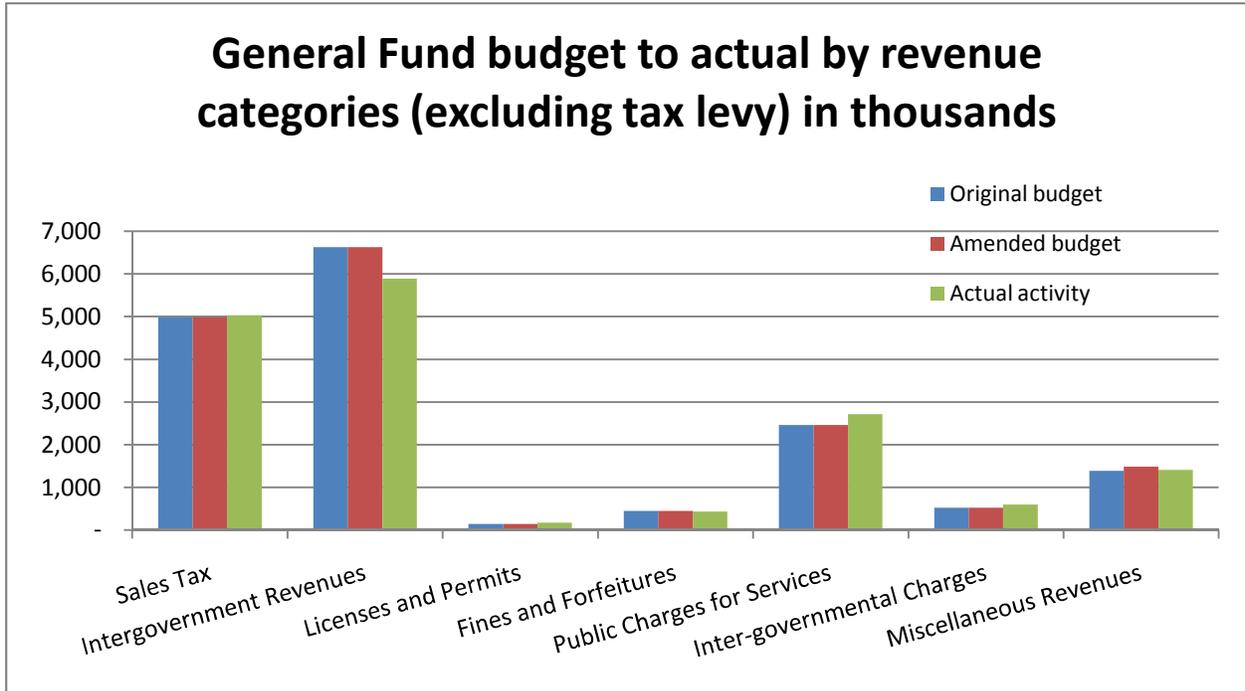
- The largest area with a variance from actual was property taxes, which were \$.8 million above budget, this variance was due to additional collection of delinquent property taxes with interest.
- Intergovernmental Revenues were \$1.0 million below budgeted amounts. The two variables in this category that caused this included Farmland Preservation purchase of land that would have had state funding reimbursement and was budgeted for \$.5 million over what was received, also the flood mitigation program was below budget by \$.6 million due to the reduced volume of properties purchased and/or rehabilitated.

Within expenditures in total, actual expenditures were \$4.1 million below budgeted amounts. Some of the larger areas contributing to this were:

- General Government expenditures were \$1.1 million below budgeted amounts. A total of \$0.62 million was authorized to be carried forward into the subsequent year budget.
- Public Safety expenditures were \$1.2 million below budgeted amounts. A total of \$1.14 million was authorized to be carried forward into the subsequent year budget.
- Capital outlay expenditures were \$1.5 million below budgeted amounts. Fewer conservation easements were purchased than budgeted and also flood mitigated properties as noted above.

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

Jefferson County, Wisconsin
Management Discussion and Analysis
 December 31, 2012



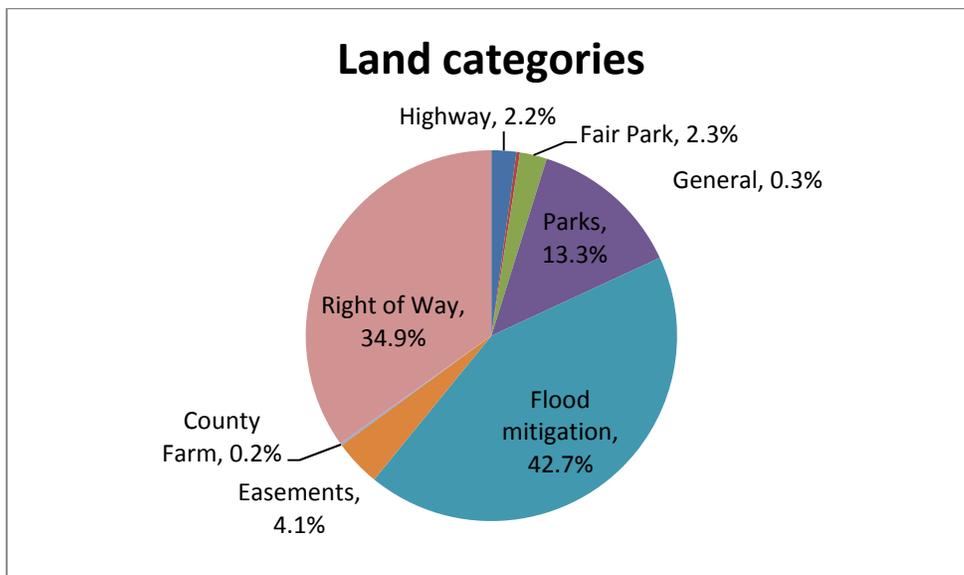
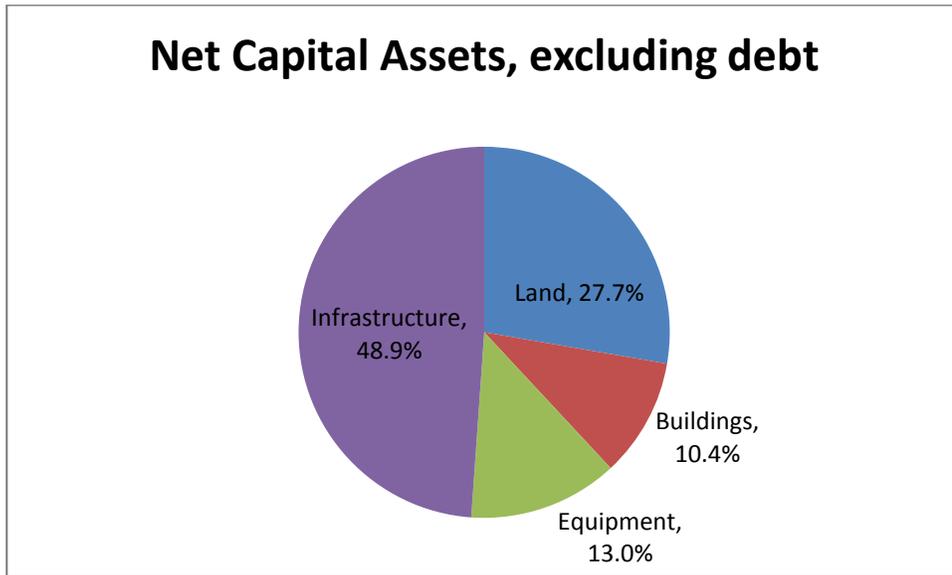
Capital assets and Debt Administration

Capital Assets – The County’s investment in capital assets for its governmental and business type activities as of December 31, 2012 was \$93.2 million, net of accumulated depreciation and related debt. The increase over the prior year was \$4.9 million or 5.5%. Some areas that experienced the largest increases were land for the Highway Department shops of \$.4 million,

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

infrastructure increased by \$2.9 million and construction in progress for infrastructure of \$.9 million. Equipment increased by \$1.1 million, some of the major capital purchases included an upgrade to the Sheriff radio system, squad vehicle cameras, LIDAR system and imaging upgrades for the County.

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



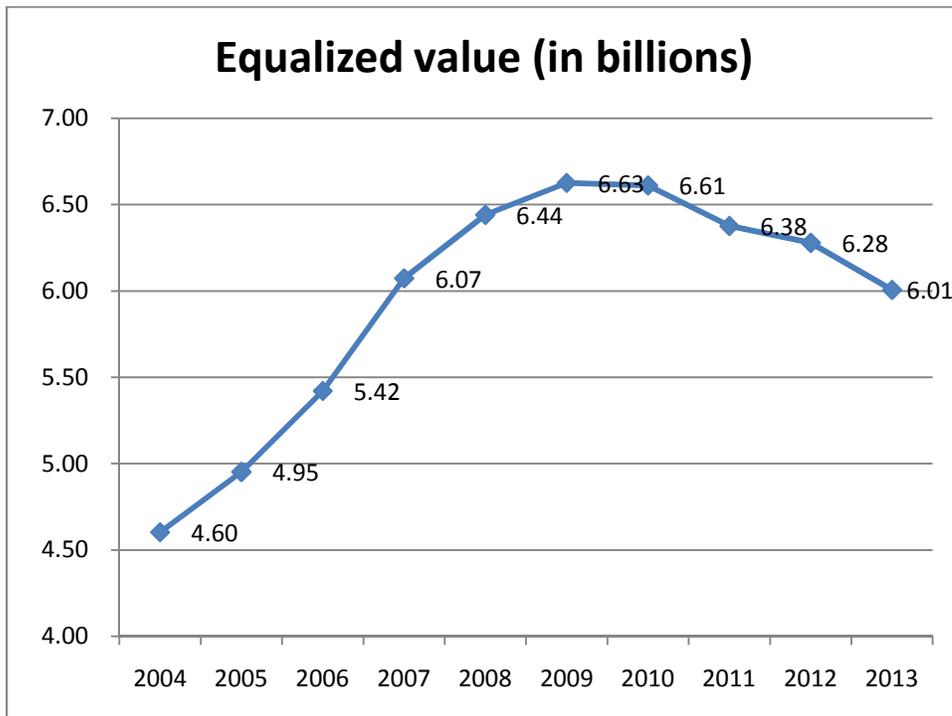
Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

Long-term debt -- At the end of the current fiscal year, the County had total general obligation debt outstanding of \$54,468. The County under the new standardized rating system from Moody's Investor Service for its general obligation debt is an Aa2, which is the third highest rating possible. 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 \$108,937. The promissory note with David Korth is at a variable interest 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 page 57.

Economic Factors and Next year's Budget and Rates

Located between the two largest population centers in the State of Wisconsin (i.e. Milwaukee and Madison), the County has averaged annual decrease in growth of 1.35% over the last five years. The growth has been negative for the past four years.



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. If this happens, there will be a spike in the tax levy.

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2012

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 Position
December 31, 2012

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 12,778,411 | \$ 3,625,315 | \$ 16,403,726 |
| Investments | 14,039,196 | - | 14,039,196 |
| Receivables, net | | | |
| Taxes | 28,747,955 | 5,845,949 | 34,593,904 |
| Accounts | 5,497,790 | 621,662 | 6,119,452 |
| Inventories | 64,135 | 1,084,983 | 1,149,118 |
| Prepaid Items | 926,154 | 65,252 | 991,406 |
| Investment in WMMIC | 925,452 | - | 925,452 |
| Restricted Cash and Cash equivalents | 1,448,113 | - | 1,448,113 |
| Capital Assets, Not Being Depreciated | 26,856,256 | 555,803 | 27,412,059 |
| Capital Assets, Being Depreciated, Net of Accumulated Depreciation | 57,156,453 | 8,669,401 | 65,825,854 |
| TOTAL ASSETS | 148,439,915 | 20,468,365 | 168,908,280 |
| LIABILITIES | | | |
| Accounts Payable | 4,373,395 | 307,057 | 4,680,452 |
| Delinquent Special Assessments | | | |
| Due to Other Governments | 76,192 | - | 76,192 |
| Accrued Payroll and Related Liabilities | 1,804,853 | 223,661 | 2,028,514 |
| Accrued Interest Payable | 67 | - | 67 |
| Unearned Revenues | | | |
| Current Year Property Tax Levy | 21,060,260 | 5,845,949 | 26,906,209 |
| Other Unearned Revenue | 26,993 | - | 26,993 |
| Liabilities Payable from Restricted Assets | 1,361,978 | - | 1,361,978 |
| Long Term Liabilities | | | |
| Accrued Compensated Absences | | | |
| Current Portion | 2,721,861 | 386,868 | 3,108,729 |
| Noncurrent Portion | 1,090,715 | 191,535 | 1,282,250 |
| General Obligation Debt | | | |
| Current Portion | 54,468 | - | 54,468 |
| TOTAL LIABILITIES | 32,570,782 | 6,955,070 | 39,525,852 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 83,958,241 | 9,225,204 | 93,183,445 |
| Restricted | | | |
| Economic Development | 68,404 | - | 68,404 |
| Register of Deeds programs | 133,249 | - | 133,249 |
| Land Information services | 104,174 | - | 104,174 |
| Parks improvement | 147,195 | - | 147,195 |
| Public Safety programs | 514,060 | - | 514,060 |
| Zoning programs | 235,209 | - | 235,209 |
| Health and Human Services programs | 725,898 | - | 725,898 |
| Road Improvements | - | 119,651 | 119,651 |
| Other | 1,603 | - | 1,603 |
| Unrestricted | 29,981,100 | 4,168,440 | 34,149,540 |
| TOTAL NET POSITION | \$ 115,869,133 | \$ 13,513,295 | \$ 129,382,428 |

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

JEFFERSON COUNTY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2012

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|----------------------|-------------------------|--|--|--|---------------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities | Totals |
| Primary Government | | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | \$ 7,497,904 | \$ 1,519,900 | \$ 450,438 | \$ 225,000 | \$ (5,302,566) | \$ - | \$ (5,302,566) |
| Public Safety | 13,036,876 | 1,205,870 | 393,828 | 136,720 | (11,300,458) | - | (11,300,458) |
| Public Works | 1,857,037 | 92,013 | 36,109 | - | (1,728,915) | - | (1,728,915) |
| Health and Human Services | 22,402,840 | 5,479,156 | 8,215,302 | - | (8,708,382) | - | (8,708,382) |
| Culture, Recreation, and Education | 3,741,054 | 1,190,726 | 117,171 | 10,000 | (2,423,157) | - | (2,423,157) |
| Conservation and Development | 2,544,135 | 302,097 | 1,592,555 | - | (649,483) | - | (649,483) |
| Interest on Debt | 648 | - | - | - | (648) | - | (648) |
| Total Governmental Activities | <u>51,080,494</u> | <u>9,789,762</u> | <u>10,805,403</u> | <u>371,720</u> | <u>(30,113,609)</u> | <u>-</u> | <u>(30,113,609)</u> |
| Business-type Activities | | | | | | | |
| Highway | 5,894,062 | 3,368,140 | 1,682,059 | - | - | (843,863) | (843,863) |
| Total Primary Government | <u>\$ 56,974,556</u> | <u>\$ 13,157,902</u> | <u>\$ 12,487,462</u> | <u>\$ 371,720</u> | | | |
| General Revenues | | | | | | | |
| Property Taxes, Levied for General Purposes | | | | | 21,200,422 | 6,171,980 | 27,372,402 |
| Property Taxes, Levied for Debt Service | | | | | 109,744 | - | 109,744 |
| Sales tax | | | | | 5,028,614 | - | 5,028,614 |
| Other Taxes | | | | | 200,789 | - | 200,789 |
| General State Aid | | | | | 2,147,815 | - | 2,147,815 |
| Investment Earnings | | | | | 500,337 | - | 500,337 |
| Gain on Sale of Capital Assets | | | | | - | 38,734 | 38,734 |
| Total General Revenues | | | | | <u>29,187,721</u> | <u>6,210,714</u> | <u>35,398,435</u> |
| Transfers | | | | | | | |
| Total General Revenues and Transfers | | | | | <u>4,309,648</u> | <u>(4,309,648)</u> | <u>-</u> |
| Change in Net Position | | | | | | | |
| | | | | | 3,383,760 | 1,057,203 | 4,440,963 |
| Net Position | | | | | | | |
| Beginning of Year | | | | | | | |
| | | | | | <u>112,485,374</u> | <u>12,456,092</u> | <u>124,941,466</u> |
| End of Year | | | | | | | |
| | | | | | <u>\$ 115,869,133</u> | <u>\$ 13,513,295</u> | <u>\$ 129,382,428</u> |

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

JEFFERSON COUNTY, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2012

| | General | Special Revenue Fund Human Services | Nonmajor Governmental Funds | Total |
|--|----------------------|---|-----------------------------------|----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 12,161,233 | \$ 36,476 | \$ 580,702 | \$ 12,778,411 |
| Investments | 14,039,196 | - | - | 14,039,196 |
| Property Tax Receivables | | | | |
| Current Year Tax Levy | 12,530,175 | 8,019,652 | 1,578,829 | 22,128,656 |
| Delinquent Property Taxes | 6,619,299 | - | - | 6,619,299 |
| Accounts Receivable | | | | |
| Due from Other Government Units | 2,550,814 | 520,810 | 60,917 | 3,132,541 |
| General Accounts Receivable | 1,535,899 | 694,424 | 134,926 | 2,365,249 |
| Inventories | 64,135 | - | - | 64,135 |
| Prepaid Expenditures | 750,484 | 157,084 | 18,586 | 926,154 |
| Investment in WMMIC | 925,452 | - | - | 925,452 |
| Restricted Cash and Cash Equivalents | 782,560 | 665,553 | - | 1,448,113 |
| TOTAL ASSETS | \$ 51,959,247 | \$ 10,093,999 | \$ 2,373,960 | \$ 64,427,206 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 4,271,272 | \$ 1,459,157 | \$ 4,944 | \$ 5,735,373 |
| Delinquent Special Assessments Due to Other Governments | 76,192 | - | - | 76,192 |
| Accrued Liabilities | 1,788,810 | 16,043 | - | 1,804,853 |
| Deferred Revenues | | | | |
| Current Year Property Tax Levy | 11,461,779 | 8,019,652 | 1,578,829 | 21,060,260 |
| Delinquent Property Taxes | 2,298,896 | - | - | 2,298,896 |
| Other Deferred Revenue | 727,947 | - | - | 727,947 |
| TOTAL LIABILITIES | 20,624,896 | 9,494,852 | 1,583,773 | 31,703,521 |
| FUND BALANCES | | | | |
| Nonspendable | 5,533,132 | 157,084 | 18,586 | 5,708,802 |
| Restricted | | | | |
| Economic Development | 68,404 | - | - | 68,404 |
| Register of Deeds | 133,249 | - | - | 133,249 |
| Land Information | 104,174 | - | - | 104,174 |
| Parks | 147,195 | - | - | 147,195 |
| Public Safety | 514,060 | - | - | 514,060 |
| Zoning | 235,209 | - | - | 235,209 |
| Health and Human Services | - | 28,957 | 696,941 | 725,898 |
| Other | 1,603 | - | - | 1,603 |
| Committed | 4,514,800 | 413,106 | - | 4,927,906 |
| Assigned | 2,765,043 | - | 74,660 | 2,839,703 |
| Unassigned | 17,317,482 | - | - | 17,317,482 |
| TOTAL FUND BALANCES | 31,334,351 | 599,147 | 790,187 | 32,723,685 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 51,959,247 | \$ 10,093,999 | \$ 2,373,960 | \$ 64,427,206 |

Reconciliation of Total Assets as per Statement of Net Position

| | |
|--|-----------------------|
| Total fund balances as per balance sheet | 32,723,685 |
| Capital assets used in governmental funds are not financial resources and therefore not reported in the funds | 84,012,709 |
| Long term debt is not due and payable in the current period and therefore is not reported in the funds | (54,468) |
| Accrued interest is not due and payable in the current period and therefore is not reported in the funds | (67) |
| Other long-term assets that are not available to pay current period expenditures and are therefore deferred in the funds | 2,999,850 |
| Compensated absences are not due and payable in the current period and therefore are not reported in the funds | (3,812,576) |
| Total Assets as per Statement of Net Position | \$ 115,869,133 |

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, 2012

| | <u>General</u> | <u>Special Revenue Fund Human Services</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---|----------------------|--|--|----------------------|
| Revenues | | | | |
| Property Taxes | \$ 13,439,860 | \$ 7,647,032 | \$ 1,080,365 | \$ 22,167,257 |
| Sales Tax | 5,028,614 | - | - | 5,028,614 |
| Intergovernment Revenues | 5,581,191 | 6,703,334 | 467,599 | 12,752,124 |
| Licenses and Permits | 178,358 | - | - | 178,358 |
| Fines and Forfeitures | 432,431 | - | - | 432,431 |
| Public Charges for Services | 2,718,029 | 3,362,704 | 1,122,599 | 7,203,332 |
| Inter-governmental Charges | 596,265 | 961,384 | - | 1,557,649 |
| Inter-departmental Charges | - | - | 87,431 | 87,431 |
| Miscellaneous Revenues | 1,410,199 | 99,800 | 10,795 | 1,520,794 |
| Total Revenues | <u>29,384,947</u> | <u>18,774,254</u> | <u>2,768,789</u> | <u>50,927,990</u> |
| Expenditures | | | | |
| General Government | 6,970,657 | - | - | 6,970,657 |
| Public Safety | 12,684,836 | - | - | 12,684,836 |
| Health and Human Services | 1,243,258 | 18,627,948 | 2,440,575 | 22,311,781 |
| Public Works | 135,273 | - | - | 135,273 |
| Culture, Recreation, and Education | 3,391,161 | - | - | 3,391,161 |
| Conservation and Development | 2,619,923 | - | - | 2,619,923 |
| Capital Outlay | 1,937,727 | 104,188 | 7,647 | 2,049,562 |
| Debt Service | | | | |
| Principal | - | - | 108,937 | 108,937 |
| Interest | - | - | 807 | 807 |
| Total Expenditures | <u>28,982,835</u> | <u>18,732,136</u> | <u>2,557,966</u> | <u>50,272,937</u> |
| Revenues Over (Under) Expenditures | <u>402,112</u> | <u>42,118</u> | <u>210,823</u> | <u>655,053</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer In | - | 167,585 | 23,151 | 190,736 |
| Transfer Out | (555,635) | - | - | (555,635) |
| Total Other Financing Sources (Uses) | <u>(555,635)</u> | <u>167,585</u> | <u>23,151</u> | <u>(364,899)</u> |
| Change in Fund Balances | (153,523) | 209,703 | 233,974 | 290,154 |
| Fund Balances, Beginning of Year | <u>31,487,874</u> | <u>389,444</u> | <u>556,213</u> | <u>32,433,531</u> |
| Fund Balances, End of Year | <u>\$ 31,334,351</u> | <u>\$ 599,147</u> | <u>\$ 790,187</u> | <u>\$ 32,723,685</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, 2012

| | | |
|---|-----------|-------------------------|
| Net changes in Fund Balances -- Total Governmental Funds | \$ | 290,154 |
| <p>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 report as depreciation expense.</p> | | |
| Capital additions are expensed in the fund statements | | 2,137,528 |
| Infrastructure transfer from the highway department | | 4,674,546 |
| Depreciation expense reported in the statement of activities | | (3,212,778) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | (346,229) |
| <p>The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.</p> | | |
| Long-term debt principal retirement | | 108,937 |
| Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, but in the statement of activities interest is reported as it accrues. | | 159 |
| 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. | | (33,209) |
| In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as other financing sources. In the statement of activities, only the gain or loss on the disposal is reported. | | |
| Loss on disposal reported on the Statement of Activities | | (235,348) |
| Change in Net Position for governmental activities | \$ | <u>3,383,760</u> |

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

JEFFERSON COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-----------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$ 12,579,886 | \$ 12,579,886 | \$ 13,439,860 | \$ 859,974 |
| Sales Tax | 4,985,163 | 4,985,163 | 5,028,614 | 43,451 |
| Intergovernment Revenues | 6,630,288 | 6,630,288 | 5,581,191 | (1,049,097) |
| Licenses and Permits | 144,870 | 144,870 | 178,358 | 33,488 |
| Fines and Forfeitures | 448,150 | 448,150 | 432,431 | (15,719) |
| Public Charges for Services | 2,459,852 | 2,458,352 | 2,718,029 | 259,677 |
| Inter-governmental Charges | 522,605 | 522,605 | 596,265 | 73,660 |
| Miscellaneous Revenues | 1,385,498 | 1,486,875 | 1,410,199 | (76,676) |
| Total Revenues | <u>29,156,312</u> | <u>29,256,189</u> | <u>29,384,947</u> | <u>128,758</u> |
| Expenditures | | | | |
| General Government | 7,840,700 | 8,082,755 | 6,970,657 | 1,112,098 |
| Public Safety | 13,023,672 | 13,881,083 | 12,684,836 | 1,196,247 |
| Health and Human Services | 1,267,536 | 1,295,184 | 1,243,258 | 51,926 |
| Public Works | 305,700 | 453,559 | 135,273 | 318,286 |
| Culture, Recreation, and Education | 3,476,491 | 3,617,238 | 3,391,161 | 226,077 |
| Conservation and Development | 2,295,090 | 2,352,937 | 2,619,923 | (266,986) |
| Capital Outlay | 3,434,930 | 3,434,930 | 1,937,727 | 1,497,203 |
| Total Expenditures | <u>31,644,119</u> | <u>33,117,687</u> | <u>28,982,835</u> | <u>4,134,852</u> |
| Revenues Over (Under) Expenditures | (2,487,807) | (3,861,498) | 402,112 | 4,263,610 |
| Other Financing Uses | | | | |
| Transfer Out | - | (555,635) | (555,635) | - |
| Change in Fund Balances | <u>\$ (2,487,807)</u> | <u>\$ (4,417,133)</u> | (153,523) | <u>\$ 4,263,610</u> |
| Fund Balances, Beginning of Year | | | <u>31,487,874</u> | |
| Fund Balances, End of Year | | | <u>\$ 31,334,351</u> | |

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

JEFFERSON COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Human Services Fund
For the Year Ended December 31, 2012

| | <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 | \$ 7,647,032 | \$ 7,647,032 | \$ 7,647,032 | \$ - |
| Intergovernment Revenues | 7,740,266 | 7,682,846 | 6,703,334 | (979,512) |
| Public Charges for Services | 2,770,952 | 2,770,952 | 3,362,704 | 591,752 |
| Intergovernmental Charges | 30,845 | 30,845 | 961,384 | 930,539 |
| Miscellaneous Revenues | 88,400 | 88,400 | 99,800 | 11,400 |
| Total Revenues | <u>18,277,495</u> | <u>18,220,075</u> | <u>18,774,254</u> | <u>554,179</u> |
| Expenditures | | | | |
| Health and Human Services | 18,188,767 | 18,541,435 | 18,627,948 | (86,513) |
| Capital Outlay | 90,484 | 90,484 | 104,188 | (13,704) |
| Total Expenditures | <u>18,279,251</u> | <u>18,631,919</u> | <u>18,732,136</u> | <u>(100,217)</u> |
| Revenues Over (Under) Expenditures | (1,756) | (411,844) | 42,118 | 453,962 |
| Other Financing Sources | | | | |
| Transfer In | - | 167,585 | 167,585 | - |
| Change in Fund Balances | <u>\$ (1,756)</u> | <u>\$ (244,259)</u> | 209,703 | <u>\$ 453,962</u> |
| Fund Balances, Beginning of Year | | | <u>389,444</u> | |
| Fund Balances, End of Year | | | <u>\$ 599,147</u> | |

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

JEFFERSON COUNTY, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2012

| | Highway |
|---|----------------------|
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 3,625,315 |
| Receivables, net | |
| Taxes | 5,845,949 |
| Accounts | 15,745 |
| Due from Other Governments | 605,917 |
| Inventories | 1,084,983 |
| Prepaid Items | 65,252 |
| Total Current Assets | 11,243,161 |
| Noncurrent Assets | |
| Capital Assets | |
| Land | 555,803 |
| Buildings and Improvements | 2,725,493 |
| Machinery and Equipment | 12,809,766 |
| Less Accumulated Depreciation | (6,865,858) |
| Total Capital Assets, Net of Accumulated Depreciation | 9,225,204 |
| TOTAL ASSETS | 20,468,365 |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | 307,057 |
| Accrued Liabilities | 223,661 |
| Unearned Revenues, Current Year Property Tax Levy | 5,845,949 |
| Accrued Compensated Absences, Current Portion | 386,868 |
| Total Current Liabilities | 6,763,535 |
| Noncurrent Liabilities | |
| Accrued Compensated Absences, Noncurrent Portion | 191,535 |
| TOTAL LIABILITIES | 6,955,070 |
| NET POSITION | |
| Net Investment in Capital Assets | 9,225,204 |
| Restricted for Road Improvements | 119,651 |
| Unrestricted | 4,168,440 |
| TOTAL NET POSITION | \$ 13,513,295 |

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

JEFFERSON COUNTY, WISCONSIN
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2012

| | Highway |
|--|----------------|
| Operating Revenues | |
| Charges for Services | \$ 3,198,299 |
| Miscellaneous Revenues | 169,839 |
| Total Operating Revenues | 3,368,138 |
| Operating Expenses | |
| Operation and Maintenance | 9,637,846 |
| Depreciation | 930,762 |
| Total Operating Expenses | 10,568,608 |
| Operating Loss | (7,200,470) |
| Nonoperating Revenues | |
| Property Taxes | 6,171,980 |
| Intergovernment Revenue | 1,682,060 |
| Gain on Disposal of Assets | 38,734 |
| Income Before Transfers | 692,304 |
| Transfer In | 364,899 |
| Change in Net Position | 1,057,203 |
| Net Position, beginning of year | 12,456,092 |
| Net Position, end of year | \$ 13,513,295 |

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, 2012

| | Highway |
|--|-----------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 3,742,477 |
| Payments to Suppliers | (3,578,170) |
| Payments to Employees | (5,689,864) |
| Net Cash Used in Operating Activities | (5,525,557) |
| Cash Flows from Noncapital Financing Activities | |
| General Property taxes | 6,171,980 |
| Intergovernmental Revenue | 1,203,928 |
| Transfers from Other Funds | 364,899 |
| Net Cash Provided by Noncapital Financing Activities | 7,740,807 |
| Cash Flows from Capital and Related Financing Activities | |
| Acquisition and Construction of Capital Assets | (2,281,957) |
| Net Cash Used in Capital and Related Financing Activities | (2,281,957) |
| Cash and Cash Equivalents - Beginning of Year | 3,692,022 |
| Cash and Cash Equivalents - End of Year | \$ 3,625,315 |
| Reconciliation of Operating Loss to Net Cash Used in Operating Activities | |
| Operating Loss | \$ (7,200,470) |
| Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities | |
| Depreciation expense | 930,762 |
| Change in Assets and Liabilities | |
| Accounts Receivable | 374,339 |
| Inventories | 154,323 |
| Prepaid Items | (7,036) |
| Accounts Payable | 112,360 |
| Accrued Payroll | 63,092 |
| Accrued Compensated Absences | 47,073 |
| Net Cash Used in Operating Activities | \$ (5,525,557) |
| Noncash Transactions | |
| Capital Additions for Equipment Received in Exchange for Equipment Traded-in | \$ 1,667,420 |
| Net Book Value of Disposal of Capital Assets for Equipment Traded-in | (1,628,686) |
| Gain on Assets for Equipment Traded-in | \$ 38,734 |

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

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, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and fund financial statements

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

Revenues susceptible to accrual include general intergovernmental assistance, intergovernmental contracts/grants, interdepartmental revenues, property taxes, miscellaneous taxes, charges for services and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measureable and available under criteria described above.

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

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.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise funds that the County believes are particularly important to financial statement users may be reported as a major fund.

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

The government reports the following major governmental funds:

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

Human Service Fund – Social and mental health operations that are primarily funded from federal and state assistance.

The government reports the following major enterprise funds:

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement focus, basis of accounting and financial statement presentation
(continued)

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

Health Services Fund
Debt Service Fund
Capital Projects Fund

D. Assets, liabilities and net position or equity

1. Cash, cash equivalents and investments

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

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

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state;
- Bonds or securities of any county, city, drainage district, vocational education district, village, town or school district of the state;
- Bonds or securities issued or guaranteed by the Federal government;
- Any security which matures within not more than 7 years, if that security has a rating which is the highest or 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.

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

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. Property of manufacturing establishments and utilities is assessed by the State Department of Revenue. All assessments are made as of January 1. Taxes on real estate and personal property are levied in December of each year by each municipality within the County for each taxing jurisdiction in amounts that, when collected in the ensuing year, are sufficient to cover net operating expenses, debt service and other expenditures of the said taxing jurisdiction.

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

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

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 position for the governmental activities in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and an initial cost of more than \$5,000 for all funds. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

6. Deferred 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.

7. Self-funded insurance

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

8. Long-term obligations

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

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. Fund equity

Government-Wide Statements:

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

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

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

Fund Statements:

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

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Fund equity (continued)

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

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

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

E. Use of Estimates

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

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

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

Expenditures exceeded appropriations in the following funds/functions:

General Fund:

| | |
|------------------------------|------------|
| Conservation and Development | \$ 266,986 |
|------------------------------|------------|

Human Services Fund:

| | |
|---------------------------|--------|
| Health and Human Services | 86,513 |
| Capital Outlay | 13,704 |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS

A. Cash, cash equivalents and investments

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

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

| | |
|--|------------------------------------|
| Demand deposits | \$ 1,861,626 |
| Petty cash | 4,750 |
| Mutual funds | 6,004,260 |
| Certificates of deposit | 405,000 |
| Local Government Investment Pool (LGIP) | 9,576,204 |
| US Treasury notes | 3,445,208 |
| Federal Home Loan Bank notes | 2,015,531 |
| Federal National Mortgage notes | 3,069,773 |
| Corporate bonds | 5,508,683 |
| Total cash, cash equivalents, and investments | <u><u>\$ 31,891,035</u></u> |

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

| | |
|--|------------------------------------|
| Cash and cash equivalents | \$ 16,403,726 |
| Investments | 14,039,196 |
| Restricted cash | <u>1,448,113</u> |
| Total cash, cash equivalents, and investments | <u><u>\$ 31,891,035</u></u> |

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

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents and investments (continued)

1. Custodial Credit Risk

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

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposits and unlimited for non-interest bearing accounts. As of January 1, 2013, FDIC coverage was changed to \$250,000 for demand deposits and \$250,000 for time and savings deposits.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2012, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2012, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

As of December 31, 2012, \$2,457,903 of the County's deposits with financial institutions was in excess of federal depository insurance limits and uncollateralized.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents and investments (continued)

2. Credit Risk

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

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

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

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

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

| <u>Security</u> | <u>Balance</u> | <u>Rating</u> |
|------------------------------------|----------------------|---------------|
| Government and Agency Mutual Funds | \$ 3,992,097 | AAAm |
| Federal Home Loan Bank notes | 2,015,531 | AA+ |
| Federal National Mortgage noes | 3,069,773 | AA+ |
| Corporate bonds | 1,768,754 | AA+ |
| Corporate bonds | 799,093 | AA- |
| Corporate bonds | 2,940,836 | A+ |
| Local Government Investment Pool | 9,576,204 | Not rated |
| Money Market Mutual Fund | 2,012,163 | Not rated |
| Total | \$ 26,174,451 | |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

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, 2012, the issuer concentration is listed below.

| <u>Issuer</u> | <u>Percent of Total Investments</u> |
|-----------------------------------|---|
| Federal Home Loan Bank notes | 6.8% |
| Corporate bonds, General Electric | 6.0% |
| Federal National Mortgage notes | 10.4% |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents and investments (continued)

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, 2012, the County had the following investments and maturities:

| <u>Type of Investment</u> | <u>Fair Value</u> | <u>Average Maturity (Months)</u> |
|------------------------------------|-------------------|----------------------------------|
| Money Market Mutual Fund | \$ 2,012,163 | Not available |
| US Treasury notes | 3,445,208 | 22.87 |
| Federal Home Loan Bank notes | 2,015,531 | 38.91 |
| Federal National Mortgage notes | 3,069,773 | 30.29 |
| Corporate bonds | 5,508,683 | 8.10 |
| Government and Agency Mutual Funds | 3,992,097 | 1.25 |
| Local Government Investment Pool | 9,576,204 | 2.50 |

The Local Government Investment Pool (LGIP) is a State of Wisconsin run and operated investment fund. Governmental entities including counties, municipalities and school districts may deposit money in the LGIP which holds investments in U.S. Government securities, certificate of deposits, commercial papers, corporate notes and repurchase agreements. Participants in the fund may withdraw or add to their account balances at par at any time. As of December 31, 2012 the fair value of these investments was substantially equal to the amount reported in these statements.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Restricted assets

Restricted assets on December 31, 2012 consisted of cash, cash equivalents and investments held for the following purposes:

| | | |
|---|-----------|-------------------------|
| General Fund | | |
| Park land purchase and development | \$ | 87,359 |
| Park endowment fund (Carlin Weld) | | 5,000 |
| Sheriff restricted purposes checking accounts | | 80,169 |
| Clerk of Courts certificate of deposit | | 100,000 |
| Clerk of Courts checking | | 484,133 |
| Clerk of Courts LGIP investment | | 25,899 |
| General Fund total | | <u>782,560</u> |
| Human Services | | |
| Protective payee accounts | | <u>665,553</u> |
| Total | \$ | <u>1,448,113</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 for the subsequent year's budget, 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, 2012 for collection in 2013 are for the following:

| | | |
|----------------------|-----------|--------------------------|
| State apportionment | \$ | 1,068,396 |
| County apportionment | | <u>26,906,209</u> |
| Total | \$ | <u>27,974,605</u> |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

D. Delinquent property taxes - General Fund

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

On December 31, 2012 the County's General Fund reports \$5,231,602 in delinquent taxes as tax certificates as shown in the following aging.

| <u>Year Acquired</u> | <u>Total</u> | <u>Johnson Creek Special Assessments</u> | <u>Net</u> |
|----------------------|---------------------|--|---------------------|
| Prior to 2006 | \$ 105,719 | \$ - | \$ 105,719 |
| 2006 | 93,479 | - | 93,479 |
| 2007 | 236,609 | - | 236,609 |
| 2008 | 403,704 | 2,442 | 401,262 |
| 2009 | 700,799 | 6,579 | 694,220 |
| 2010 | 1,357,477 | 30,648 | 1,326,829 |
| 2011 | <u>2,401,749</u> | <u>28,265</u> | <u>2,373,484</u> |
| Total | <u>\$ 5,299,536</u> | <u>\$ 67,934</u> | <u>\$ 5,231,602</u> |

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 \$67,934 of delinquent special assessments that exceed the County's threshold of \$10,000 per tax parcel. There is \$13,609 of interest on delinquent special assessments also outstanding. These amounts will be remitted to the appropriate taxing jurisdictions only to the extent collected by the County.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

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>\$</u> | 27,974,605 |
| Delinquent property taxes | | 5,299,536 |
| Interest on delinquent property taxes | | <u>1,319,763</u> |
| Total delinquent taxes | | <u>6,619,299</u> |
| Total taxes | | <u>34,593,904</u> |
| Due from other government | | 3,738,458 |
| Accounts receivable | | <u>2,400,994</u> |
| Total accounts receivable | | 6,139,452 |
| Gross Receivables | | 40,733,356 |
| Less: allowance for uncollectible accounts | | <u>(20,000)</u> |
| Net total receivables | <u>\$</u> | <u>40,713,356</u> |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

F. Capital assets

Capital asset activity for the year ended December 31, 2012 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 | \$ 5,227,040 | \$ - | \$ - | \$ 5,227,040 |
| Land - right of way | 8,983,703 | 27,802 | - | 9,011,505 |
| Land - flood mitigation | 10,909,173 | 138,893 | - | 11,048,066 |
| Construction in Progress | 593,671 | 1,569,645 | 593,671 | 1,569,645 |
| Total capital assets, not being depreciated | <u>25,713,587</u> | <u>1,736,340</u> | <u>593,671</u> | <u>26,856,256</u> |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 27,199,590 | 518,326 | 5,087 | 27,712,829 |
| Roads and bridges | 63,209,072 | 3,758,735 | 887,135 | 66,080,672 |
| Equipment | 8,211,558 | 1,392,344 | 203,238 | 9,400,664 |
| Total capital assets being depreciated | <u>98,620,220</u> | <u>5,669,405</u> | <u>1,095,460</u> | <u>103,194,165</u> |
| Accumulated depreciation | | | | |
| Buildings and improvements | 18,640,158 | 551,941 | - | 19,192,099 |
| Roads and bridges | 20,516,197 | 1,819,322 | 668,774 | 21,666,745 |
| Equipment | 4,528,691 | 841,515 | 191,338 | 5,178,868 |
| Total accumulated depreciation | <u>43,685,046</u> | <u>3,212,778</u> | <u>860,112</u> | <u>46,037,712</u> |
| Capital assets being depreciated, net of accumulated depreciation | <u>54,935,174</u> | <u>2,456,627</u> | <u>235,348</u> | <u>57,156,453</u> |
| Total capital assets, net of depreciation | <u>\$ 80,648,761</u> | <u>\$ 4,192,967</u> | <u>\$ 829,019</u> | <u>\$ 84,012,709</u> |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

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--Highway | \$ 148,887 | \$ 406,916 | \$ - | \$ 555,803 |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 2,725,493 | - | - | 2,725,493 |
| Equipment | 11,970,391 | 3,542,461 | 2,703,086 | 12,809,766 |
| Total capital assets being depreciated | <u>14,695,884</u> | <u>3,542,461</u> | <u>2,703,086</u> | <u>15,535,259</u> |
| Accumulated Depreciation | | | | |
| Buildings and improvements | 1,889,704 | 88,194 | - | 1,977,898 |
| Equipment | 5,119,792 | 842,568 | 1,074,400 | 4,887,960 |
| Total accumulated depreciation | <u>7,009,496</u> | <u>930,762</u> | <u>1,074,400</u> | <u>6,865,858</u> |
| Capital assets being depreciated, net of accumulated depreciation | <u>7,686,388</u> | <u>2,611,699</u> | <u>1,628,686</u> | <u>8,669,401</u> |
| Total capital assets, net of depreciation | <u>\$ 7,835,275</u> | <u>\$ 3,018,615</u> | <u>\$ 1,628,686</u> | <u>\$ 9,225,204</u> |

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

| | |
|-----------------------------------|-----------------------------|
| Governmental Activities | |
| General Government | \$ 363,784 |
| Public Safety | 457,896 |
| Public Works | 1,827,250 |
| Health and Human Services | 191,895 |
| Culture, Recreation and Education | 361,114 |
| Conservation and Development | 10,839 |
| | <u> </u> |
| Total depreciation expense | <u>\$ 3,212,778</u> |
| Business-Type Activities-Highway | <u>\$ 930,762</u> |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

G. Interfund activity

The details of interfund transfers for the year ended December 31, 2012 are shown below:

| | <u>Transfer In</u> | <u>Transfer Out</u> | <u>Purpose</u> |
|--------------------|--------------------|---------------------|--|
| General Fund | | | |
| Nonmajor funds | \$ - | \$ 23,151 | Fund wage adjustment |
| Human Services | - | 167,585 | Fund wage adjustment and purchase equipment |
| Highway Fund | - | 364,899 | Fund wage adjustment and purchase equipment |
| Total General Fund | - | 555,635 | |
| Human Services | 167,585 | - | |
| Nonmajor Funds | 23,151 | - | |
| Highway Fund | 364,899 | - | |
| | <u>\$ 555,635</u> | <u>\$ 555,635</u> | |

During the year, infrastructure assets related to governmental activities with a book value of \$4,674,546 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.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

H. Deferred 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 | \$ - | \$ 21,060,260 | \$ 21,060,260 |
| Interest on delinquent property taxes | 1,306,154 | - | 1,306,154 |
| County portion of delinquent property taxes | 992,742 | - | 992,742 |
| Court fees receivable | 314,268 | - | 314,268 |
| Grant revenue | 386,686 | - | 386,686 |
| Other deferred revenue | - | 26,993 | 26,993 |
| | <u>2,999,850</u> | <u>26,993</u> | <u>3,026,843</u> |
| Total | \$ 2,999,850 | \$ 21,087,253 | \$ 24,087,103 |

I. Long-term obligations

Legal margin for new debt

Wisconsin Statutes limit direct general obligation borrowing in the amount equivalent to 5% of the equalized valuation of taxable property. The County's legal margin for creation of additional general obligation debt on December 31, 2012 follows:

| | |
|---|------------------------------|
| Equalized value of the County (TID in) | \$ 6,295,567,900 |
| Statutory limitation percent | <u>5%</u> |
| General obligation debt limitation, as per Section 67.03 of the Wisconsin Statutes | 314,778,395 |
| Less outstanding general obligation debt | (54,468) |
| Remaining legal margin | <u><u>\$ 314,723,927</u></u> |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

I. Long-term obligations (continued)

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 due in due in January and April of 2013; interest at .5% above the Local Government Investment Pool rate \$ 54,468

Debt was issued for the purchase of a park. Annual debt service requirements to maturity are as follows, with estimated interest due to a variable rate.

| <u>Year Ending December 31,</u> | <u>Governmental Activities</u> | | |
|-------------------------------------|--------------------------------|-----------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2013 | <u>\$ 54,468</u> | <u>\$ 115</u> | <u>\$ 54,583</u> |

Long-term liability activity for the year ended December 31, 2012, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|--------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities | | | | | |
| General obligation notes | \$ 163,405 | \$ - | \$ 108,937 | \$ 54,468 | \$ 54,468 |
| Compensated absences | <u>3,779,367</u> | <u>2,796,676</u> | <u>2,763,467</u> | <u>3,812,576</u> | <u>2,721,861</u> |
| Total governmental activities long-term liabilities | <u>\$ 3,942,772</u> | <u>\$2,796,676</u> | <u>\$ 2,872,404</u> | <u>\$ 3,867,044</u> | <u>\$ 2,776,329</u> |
| Business-Type Activities | | | | | |
| Compensated absences | <u>\$ 531,330</u> | <u>\$ 422,664</u> | <u>\$ 375,591</u> | <u>\$ 578,403</u> | <u>\$ 386,868</u> |

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

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity

1. Government-wide statements

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2012 includes the following:

| | |
|--|-----------------------|
| Net Investment in Capital Assets and related debt | |
| Land | \$ 5,227,040 |
| Land - right of way | 9,011,505 |
| Land - flood mitigation | 11,048,066 |
| Construction in Progress | 1,569,645 |
| Buildings and improvements | 27,712,829 |
| Roads and bridges | 66,080,672 |
| Machinery and equipment | 9,400,664 |
| Total capital assets | <u>130,050,421</u> |
| Less: Accumulated depreciation | <u>(46,037,712)</u> |
| | 84,012,709 |
| Less: related long-term debt outstanding | <u>(54,468)</u> |
| Total Net Investment in Capital Assets | <u>83,958,241</u> |
| Restricted for County Board - Donations | 250 |
| Restricted for Economic development | 68,404 |
| Restricted for Register of deeds - statute | 133,249 |
| Restricted for Land information - statute | 104,174 |
| Restricted for Parks improvement | 137,542 |
| Restricted for Public safety programs | 514,060 |
| Restricted for UW educational activities | 1,353 |
| Restricted for Fair Park - donations | 9,653 |
| Restricted for Zoning | 235,209 |
| Restricted for Human Services | 28,957 |
| Restricted for Health Services | 696,941 |
| Total restricted net position | <u>1,929,792</u> |
| Unrestricted | <u>29,981,100</u> |
| Total Governmental Activities Net Position | <u>\$ 115,869,133</u> |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity (continued)

Net position of the business-type activities reported on the government-wide statement of net position at December 31, 2012 includes the following:

Net Investment in Capital Assets

| | |
|---|---------------|
| Land | \$ 555,803 |
| Buildings and improvements | 2,723,604 |
| Machinery and equipment | 12,811,655 |
| Total capital assets | 16,091,062 |
| Less: Accumulated depreciation | (6,865,858) |
| Total Invested in Capital Assets, Net of Related Debt | 9,225,204 |
| Restricted for local road improvements | 119,651 |
| Unrestricted Net Position | 4,168,440 |
| Total Business-type Activities Net Position | \$ 13,513,295 |

2. Fund Statements

Governmental fund balances reported on the fund financial statements at December 31, 2012 include the following:

| | |
|---------------------------------------|--------------|
| Nonspendable | |
| General Fund | |
| Inventory | \$ 64,135 |
| Delinquent property taxes | 4,238,860 |
| CDBG Revolving Fund loans outstanding | 479,653 |
| Prepaid expenditures | 750,484 |
| Total General Fund | 5,533,132 |
| Health and Human Services Fund | |
| Prepaid expenditures | 157,084 |
| Nonmajor funds | |
| Prepaid expenditures | 18,586 |
| Total nonspendable | \$ 5,708,802 |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

III. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity (continued)

Restricted

General Fund

| | |
|--------------------------------------|--------------|
| County Board -- Donation | \$ 250 |
| Economic development | 68,404 |
| Register of deeds - statute | 133,249 |
| Land information - statute | 104,174 |
| Parks improvements | 137,542 |
| Public safety programs | 514,060 |
| UW educational activities | 1,353 |
| Fair Park - donations | 9,653 |
| Zoning | 235,209 |
| Total General Fund | 1,203,894 |
| Human Services Fund - Human services | 28,957 |
| Nonmajor Funds - Health services | 696,941 |
| Total restricted | \$ 1,929,792 |

Committed

General Fund

| | |
|---|--------------|
| Subsequent year budget | \$ 2,626,342 |
| General liability insurance reserve | 197,593 |
| Continuing accounts | 1,511,644 |
| Information Systems | 179,221 |
| Total General Fund | 4,514,800 |
| Human Services Fund - continuing accounts | 413,106 |
| Total committed | \$ 4,927,906 |

Assigned

General Fund

| | |
|---------------------|-----------|
| Vested holiday pay | \$ 1,801 |
| Vested sick pay | 973,111 |
| Vested vacation pay | 1,762,600 |
| Vested comp pay | 27,531 |
| Total General Fund | 2,765,043 |

Health Services Fund

| | |
|------------------------------|--------------|
| Assigned for Health Services | 74,660 |
| Total assigned | \$ 2,839,703 |

Unassigned

General Fund

| | |
|------------------|---------------|
| Total unassigned | \$ 17,317,482 |
|------------------|---------------|

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

IV. OTHER INFORMATION

A. Claims and other legal proceedings

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

B. Intergovernmental grants

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

C. Risk management

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

1. Property and liability insurance:

In 2008, the County became a member, with certain other units of government within the State of Wisconsin, of the Wisconsin Municipal Mutual Insurance Company (WMMIC), a non-assessable mutual company which provides liability insurance and risk management services to its members. The County's coverage began as of January 1, 2009. The scope of insurance protection provided by WMMIC is broad, covering automobile liability, general liability, law enforcement liability, public official's errors and omissions, civil rights, incidental medical malpractice, personal injury, equal rights, and Americans with Disabilities Act at policy limits of \$5,000,000 per occurrence with a \$10,000,000 aggregate for general and automobile liability claims and a \$15,000,000 aggregate for errors or omissions claims. At this time, settled claims have not 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, 2012**

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, 2012, the County's percentage participation was 2.42% and the current value of their equity was \$925,452. A list of other members and their share of participation is in the WMMIC report. Separate financial statements can be obtained from WMMIC at their address of 4785 Hayes Road, Madison, Wisconsin, 53704.

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

2. Dental Insurance:

County employees, retirees, and employee dependents are eligible for dental benefits from a dental self-insurance plan. Funding is provided by charges to County departments, employees and retirees. The program is not supplemented by stop loss protection, which limits the County's annual liability. Expenses consist of payments to a third-party administrator for dental claims, and administrative fees. The claims liability of \$33,000 reported in the General Fund at December 31, 2012, is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claim liability amount for 2011 and 2012 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> |
|-------------|--------------------------------------|----|--|----|---------------------------------|----|--|
| 2011 | \$ 26,619 | \$ | 381,354 | \$ | 381,915 | \$ | 26,058 |
| 2012 | 26,058 | | 366,481 | | 359,539 | | 33,000 |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

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 2011 and 2012 are as follows:

| | <u>Liability January 1</u> | <u>Claims and Changes in Estimates</u> | <u>Claim Payments</u> | <u>Liability December 31</u> |
|-------------|--------------------------------|--|---------------------------|----------------------------------|
| 2011 | \$ 124,382 | \$ 289,313 | \$ 250,439 | \$ 163,256 |
| 2012 | 163,256 | 262,976 | 182,615 | 243,617 |

4. General Liability

The County has established a general liability fund to finance general liability insurance claims. The program is funded by charges to the County departments. Expenses and accrual of claim liabilities are accounted for based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the liability for 2011 and 2012 are as follows:

| | <u>Liability January 1</u> | <u>Claims and Changes in Estimates</u> | <u>Claim Payments</u> | <u>Liability December 31</u> |
|-------------|--------------------------------|--|---------------------------|----------------------------------|
| 2011 | \$ 55,929 | \$ 91,570 | \$ 147,499 | - |
| 2012 | - | 8,157 | - | 8,157 |

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

IV. OTHER INFORMATION (continued)

D. Defined benefit pension plans

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

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rates as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2012 are:

| | <u>Employee</u> | <u>Employer</u> |
|------------------------------------|-----------------|-----------------|
| General (including Teachers) | 5.9% | 5.9% |
| Executives & Elected Officials | 7.05% | 7.05% |
| Protected with Social Security | 5.9% | 9.0% |
| Protective without Social Security | 5.9% | 11.3% |

The payroll for County employees covered by the WRS for the year ended December 31, 2012 was \$24,122,327; the employer's total payroll was \$24,201,622. The total required contribution for the year ended December 31, 2012 was \$3,037,264, which consisted of \$1,611,033, or 6.7% of payroll from the employer and \$1,426,231, or 5.9% of payroll from employee. Total contributions for the years ending December 31, 2011 and 2010 were \$2,925,422 and \$3,040,848, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees), and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 through July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

IV. OTHER INFORMATION (continued)

D. Defined benefit pension plans (continued)

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

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

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

E. Subsequent events

Management evaluated subsequent events through June 11, 2013, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2012, but prior to June 11, 2013 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.

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, 2012

| ASSETS | <u>Special Revenue Fund</u> | Debt Service | Capital Projects | Total |
|--|---------------------------------|-------------------------|-----------------------------|-------------------------|
| | Health Services | | | |
| Cash and Cash Equivalents | \$ 580,702 | \$ - | \$ - | \$ 580,702 |
| Property Tax Receivables | | | | |
| Current Year Tax Levy | 897,264 | 54,584 | 626,981 | 1,578,829 |
| Accounts Receivable | | | | |
| Due from Other Government Units | 60,917 | - | - | 60,917 |
| General Accounts Receivable | 134,926 | - | - | 134,926 |
| Prepaid Expenditures | 18,586 | - | - | 18,586 |
| TOTAL ASSETS | <u>\$ 1,692,395</u> | <u>\$ 54,584</u> | <u>\$ 626,981</u> | <u>\$ 2,373,960</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 4,944 | \$ - | \$ - | \$ 4,944 |
| Deferred Revenues | | | | |
| Current Year Property Tax Levy | 897,264 | 54,584 | 626,981 | 1,578,829 |
| TOTAL LIABILITIES | <u>902,208</u> | <u>54,584</u> | <u>626,981</u> | <u>1,583,773</u> |
| FUND BALANCES | | | | |
| Nonspendable | 18,586 | - | - | 18,586 |
| Restricted for Health Services | 696,941 | - | - | 696,941 |
| Assigned | 74,660 | - | - | 74,660 |
| TOTAL FUND BALANCES | <u>790,187</u> | <u>-</u> | <u>-</u> | <u>790,187</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,692,395</u> | <u>\$ 54,584</u> | <u>\$ 626,981</u> | <u>\$ 2,373,960</u> |

JEFFERSON COUNTY, WISCONSIN
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

| | <u>Special Revenue Fund</u> | | <u>Total</u> |
|---|---------------------------------|-------------------------|-------------------|
| | <u>Health Services</u> | <u>Debt Service</u> | |
| Revenues | | | |
| Property Taxes | \$ 970,621 | \$ 109,744 | \$ 1,080,365 |
| Intergovernment Revenues | 467,599 | - | 467,599 |
| Public Charges for Services | 1,122,599 | - | 1,122,599 |
| Intergovernmental Charges | 87,431 | - | 87,431 |
| Miscellaneous Revenues | 10,795 | - | 10,795 |
| Total Revenues | <u>2,659,045</u> | <u>109,744</u> | <u>2,768,789</u> |
| Expenditures | | | |
| Health and Human Services | 2,440,575 | - | 2,440,575 |
| Capital Outlay | 7,647 | - | 7,647 |
| Debt Service | | | |
| Principal | - | 108,936 | 108,936 |
| Interest | - | 808 | 808 |
| Total Expenditures | <u>2,448,222</u> | <u>109,744</u> | <u>2,557,966</u> |
| Revenues Over Expenditures | 210,823 | - | 210,823 |
| Other Financing Sources (Uses) | | | |
| Transfer In | 23,151 | - | 23,151 |
| Change in Fund Balances | 233,974 | - | 233,974 |
| Fund Balances, Beginning of Year | <u>556,213</u> | <u>-</u> | <u>556,213</u> |
| Fund Balances, End of Year | <u>\$ 790,187</u> | <u>\$ -</u> | <u>\$ 790,187</u> |

JEFFERSON COUNTY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Health Department Fund
For the Year Ended December 31, 2012

| | <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 | \$ 970,621 | \$ 970,621 | \$ 970,621 | \$ - |
| Intergovernment Revenues | 415,947 | 415,947 | 467,599 | 51,652 |
| Public Charges for Services | 1,161,916 | 1,161,916 | 1,122,599 | (39,317) |
| Interdepartmental charges | 85,296 | 85,296 | 87,431 | 2,135 |
| Miscellaneous Revenues | 313 | 313 | 10,795 | 10,482 |
| Total Revenues | <u>2,634,093</u> | <u>2,634,093</u> | <u>2,659,045</u> | <u>24,952</u> |
| Expenditures | | | | |
| Health and Human Services | 2,534,093 | 2,557,244 | 2,440,575 | 116,669 |
| Capital Outlay | - | - | 7,647 | (7,647) |
| Total Expenditures | <u>2,534,093</u> | <u>2,557,244</u> | <u>2,448,222</u> | <u>109,022</u> |
| Revenues Over (Under) Expenditures | 100,000 | 76,849 | 210,823 | 133,974 |
| Other Financing Sources | | | | |
| Transfer In | - | 23,151 | 23,151 | - |
| Change in Fund Balances | <u>\$ 100,000</u> | <u>\$ 100,000</u> | 233,974 | <u>\$ 133,974</u> |
| Fund Balances, Beginning of Year | | | <u>556,213</u> | |
| Fund Balances, End of Year | | | <u>\$ 790,187</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, 2012

| | <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 | \$ 109,744 | \$ 109,744 | \$ 109,744 | \$ - |
| Expenditures | | | | |
| Principal | 108,936 | 108,936 | 108,936 | - |
| Interest | 808 | 808 | 808 | - |
| Total Expenditures | <u>109,744</u> | <u>109,744</u> | <u>109,744</u> | <u>-</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | - | <u>-</u> |
| 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 Position by Component
Last Ten Years

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 83,958,241 |
| Restricted | 3,475,487 | 2,758,795 | 1,847,088 | - | 208,156 | 329,846 | 1,320,180 | 3,286,244 | 1,858,450 | 1,929,792 |
| Unrestricted | 26,581,530 | 27,719,925 | 35,169,317 | 28,478,462 | 30,716,894 | 24,065,034 | 23,382,009 | 26,816,103 | 30,141,568 | 29,981,100 |
| Total governmental activities net position | <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> | <u>115,869,133</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | *** | *** | *** | *** | *** | 12,019,237 | 14,113,569 | 7,561,268 | 7,835,276 | 9,225,204 |
| Restricted | *** | *** | *** | *** | *** | 217,032 | 91,674 | 91,674 | 113,467 | 119,651 |
| Unrestricted | *** | *** | *** | *** | *** | 4,218,866 | 3,449,696 | 3,994,197 | 4,507,347 | 4,168,440 |
| Total business-type activities net position | <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> | <u>13,513,295</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 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 | 93,183,445 |
| Restricted | 3,475,487 | 2,758,795 | 1,847,088 | - | 208,156 | 546,878 | 1,411,854 | 3,377,918 | 1,971,917 | 2,049,443 |
| Unrestricted | 26,581,530 | 27,719,925 | 35,169,317 | 28,478,462 | 30,716,894 | 28,283,900 | 26,831,705 | 30,810,300 | 34,648,915 | 34,149,540 |
| Total primary government net position | <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> | <u>\$ 129,382,428</u> |

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

* Information is from the Statement of Net Position

Jefferson County, Wisconsin

Table 2

**Changes in Net Position
Last Ten Years**

(accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 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 | \$ 7,497,904 |
| 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 | 13,036,876 |
| 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 | 1,857,037 |
| 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 | 22,402,840 |
| 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 | 3,741,054 |
| 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 | 2,544,135 |
| Interest on Debt | - | - | - | 338,046 | 272,121 | 51,781 | 39,898 | 28,410 | 3,924 | 648 |
| 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> | <u>\$ 51,080,494</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 | 5,894,062 |
| Total business-type activities expenses | - | - | - | - | - | 19,164,139 | 18,296,555 | 12,368,449 | 6,428,256 | 5,894,062 |
| 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> | <u>\$ 56,974,556</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 | \$ 1,519,900 |
| 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 | 1,205,870 |
| 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 | 92,013 |
| 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 | 5,479,156 |
| 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 | 1,190,726 |
| Conservation and Development | 378,543 | 414,126 | 403,733 | 195,343 | 817,225 | 783,639 | 420,106 | 250,028 | 318,525 | 302,097 |
| Operating grants and contributions | | | | | | | | | | |
| General Government | 555,332 | 533,925 | 520,934 | 740,055 | 575,311 | 533,896 | 510,269 | 518,504 | 497,912 | 450,438 |
| Public Safety | 271,604 | 603,895 | 1,113,449 | 325,039 | 526,572 | 530,673 | 382,565 | 289,539 | 455,343 | 393,828 |
| Public Works | 2,204,741 | 1,906,281 | 2,560,700 | 1,958,601 | 1,792,934 | 38,805 | 28,730 | - | 54,244 | 36,109 |
| 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 | 8,215,302 |
| Culture, Recreation, and Education | 98,147 | 104,149 | 199,226 | 102,459 | 92,515 | 134,662 | 57,698 | 119,823 | 146,553 | 117,171 |
| Conservation and Development | 179,427 | 176,384 | 208,814 | 195,823 | 263,258 | 290,645 | 561,852 | 738,772 | 962,790 | 1,592,555 |
| Capital grants and contributions | | | | | | | | | | |
| General Government | - | - | - | 41,883 | - | - | - | - | - | 225,000 |
| Public Safety | - | - | - | 285,090 | 49,897 | 257,121 | 570,659 | 5,122,628 | 2,122,731 | 136,720 |
| Public Works | - | - | - | 899,713 | 495,726 | 900,057 | - | - | - | - |
| Health and Human Services | - | - | - | 15,656 | - | 5,000 | - | 23,571 | - | - |
| Culture, Recreation, and Education | - | - | - | 9,443 | 8,400 | 80,000 | 378,363 | - | 466,950 | 10,000 |
| Conservation and Development | - | - | - | - | - | - | - | - | 407,073 | - |
| 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> | <u>\$ 20,966,885</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Highway | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,503,990 | \$ 3,561,888 | \$ 4,131,586 | \$ 3,607,555 | \$ 3,368,140 |
| Elderly Care - Countryside | - | - | - | - | - | 8,037,510 | 8,922,068 | 4,225,200 | - | - |
| Operating grants and contributions | | | | | | | | | | |
| Highway | - | - | - | - | - | 1,974,125 | 1,704,857 | 1,986,454 | 1,729,569 | 1,682,059 |
| Elderly Care - Countryside | - | - | - | - | - | 1,273,656 | 1,166,965 | 429,407 | - | - |
| Total business-type activities program revenues | - | - | - | - | - | 15,789,281 | 15,355,778 | 10,772,647 | 5,337,124 | 5,050,199 |
| Total primary government 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>\$ 53,269,618</u> | <u>\$ 38,750,813</u> | <u>\$ 35,669,454</u> | <u>\$ 28,933,445</u> | <u>\$ 26,017,084</u> |
| 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) | \$ (30,113,609) |
| Business-type activities | - | - | - | - | - | (3,374,858) | (2,940,777) | (1,595,802) | (1,091,132) | (843,863) |
| Total primary government net expense | <u>\$ (26,992,966)</u> | <u>\$ (29,080,156)</u> | <u>\$ (22,511,861)</u> | <u>\$ (30,974,413)</u> | <u>\$ (29,146,020)</u> | <u>\$ (33,412,268)</u> | <u>\$ (31,318,168)</u> | <u>\$ (27,306,926)</u> | <u>\$ (28,102,571)</u> | <u>\$ (30,957,472)</u> |

Jefferson County, Wisconsin
Table 2
Changes in Net Position
Last Ten Years

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| (accrual basis of accounting) | | | | | | | | | | |
| 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 | \$ 21,200,422 |
| Property taxes, levied for debt service | - | - | - | 1,857,451 | 1,767,240 | 254,779 | 266,663 | 269,481 | 346,469 | 109,744 |
| 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 | 5,028,614 |
| Other taxes | - | - | - | 64,261 | 237,202 | 227,884 | 215,233 | 192,947 | 194,130 | 200,789 |
| 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 | 2,147,815 |
| (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 | 500,337 |
| Miscellaneous | - | - | - | 1,726,410 | - | - | - | - | - | - |
| Gain on Sale of Capital Assets | - | - | - | - | - | 1,387,021 | - | 316,638 | - | - |
| Transfers | - | - | - | - | - | 3,988,632 | 4,391,547 | 11,289,643 | 3,501,491 | 4,309,648 |
| Total governmental activities | <u>\$ 26,520,938</u> | <u>\$ 30,918,242</u> | <u>\$ 31,168,594</u> | <u>\$ 34,982,341</u> | <u>\$ 34,504,225</u> | <u>\$ 30,519,219</u> | <u>\$ 29,940,178</u> | <u>\$ 38,424,835</u> | <u>\$ 34,012,594</u> | <u>\$ 33,497,369</u> |
| Business-type actives: | | | | | | | | | | |
| Property taxes, levied for general purposes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,174,434 | \$ 8,528,480 | \$ 8,151,177 | \$ 5,350,198 | \$ 6,171,980 |
| Loss on Sale of Capital Assets | - | - | - | - | - | - | - | (1,269,884) | 51,376 | 38,734 |
| Transfers | - | - | - | - | - | (3,988,632) | (4,391,547) | (11,289,643) | (3,501,491) | (4,309,648) |
| Total business-type activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,185,802</u> | <u>4,136,933</u> | <u>(4,408,350)</u> | <u>1,900,083</u> | <u>1,901,066</u> |
| Total primary government | <u>\$ 26,520,938</u> | <u>\$ 30,918,242</u> | <u>\$ 31,168,594</u> | <u>\$ 34,982,341</u> | <u>\$ 34,504,225</u> | <u>\$ 35,705,021</u> | <u>\$ 34,077,111</u> | <u>\$ 34,016,485</u> | <u>\$ 35,912,677</u> | <u>\$ 35,398,435</u> |
| Change in net position | | | | | | | | | | |
| 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 | \$ 3,383,760 |
| Business-type activities | - | - | - | - | - | 1,810,944 | 1,196,156 | (6,004,152) | 808,951 | 1,057,203 |
| Total primary government | <u>\$ (472,028)</u> | <u>\$ 1,838,086</u> | <u>\$ 8,656,733</u> | <u>\$ 4,007,928</u> | <u>\$ 5,358,205</u> | <u>\$ 2,292,753</u> | <u>\$ 2,758,943</u> | <u>\$ 6,709,559</u> | <u>\$ 7,810,106</u> | <u>\$ 4,440,963</u> |

*** 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)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 3,676,044 | \$ 3,849,855 | \$ 3,186,770 | \$ 2,166,780 | \$ 2,892,068 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, Designated | | | | | | | | | | |
| General Fund | 16,918,994 | 17,688,797 | 22,749,734 | 23,206,218 | 26,955,477 | - | - | - | - | - |
| Unreserved, Undesignated | - | - | - | 3,384,619 | - | - | - | - | - | - |
| Non-spendable | - | - | - | - | - | 3,816,147 | 5,149,488 | 5,646,343 | 6,131,193 | 5,533,132 |
| Restricted | - | - | - | - | - | 329,846 | 1,230,905 | 3,114,279 | 1,302,628 | 1,203,894 |
| Committed | - | - | - | - | - | 6,021,094 | 4,743,732 | 2,432,986 | 2,719,373 | 4,514,800 |
| Assigned | - | - | - | - | - | 15,737,181 | 14,132,126 | 18,729,656 | 2,729,227 | 2,765,043 |
| Unassigned | - | - | - | - | - | 173,433 | - | 489,194 | 18,605,453 | 17,317,482 |
| Total general fund | <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> | <u>31,334,351</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 3,549,204 | 3,041,757 | 4,584,908 | 2,533,146 | 2,128,322 | - | - | - | - | - |
| Unreserved Designated | 3,350,769 | - | - | 1,928,103 | - | - | - | - | - | - |
| Special Revenue Fund | - | - | - | - | 2,579,525 | - | - | - | - | - |
| Non-spendable | - | - | - | - | - | 259,342 | 252,328 | 178,800 | 169,776 | 175,670 |
| Restricted | - | - | - | - | - | 64,567 | 89,275 | 171,965 | 555,822 | 725,898 |
| Committed | - | - | - | - | - | 14,121 | 19,212 | 74,026 | 220,059 | 413,106 |
| Assigned | - | - | - | - | - | - | - | - | - | 74,660 |
| Total all other governmental funds | <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> | <u>\$ 1,389,334</u> |

Note: GASB 54 was early implemented in 2008.

* Information is from the Balance Sheet - Governmental Funds

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | | | | | | |
| Property Taxes | \$ 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 | \$ 22,167,257 |
| Sales Tax | 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 | 5,028,614 |
| Intergovernment Revenues | 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 | 12,752,124 |
| Fines and Licenses | 796,716 | 1,028,347 | 934,226 | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | 292,843 | 297,996 | 224,895 | 220,054 | 185,968 | 182,439 | 178,358 |
| Fines and Forfeitures | - | - | - | 633,182 | 610,008 | 572,218 | 544,138 | 438,182 | 450,299 | 432,431 |
| Public Charges for Services | 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 | 7,203,332 |
| Inter-governmental charges | 13,885,857 | 11,078,334 | 14,316,813 | 7,454,459 | 4,907,679 | 553,662 | 590,222 | 642,951 | 676,122 | 1,557,649 |
| Inter-departmental charges | - | - | - | - | - | - | - | - | - | 87,431 |
| Miscellaneous Revenues | - | - | - | 2,791,283 | 3,425,055 | 2,463,973 | 1,569,189 | 1,286,966 | 1,586,726 | 1,520,794 |
| Interest and Other | 2,289,894 | 2,197,601 | 2,580,665 | - | - | - | - | - | - | - |
| Total Revenues | 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 | 50,927,990 |
| Expenditures | | | | | | | | | | |
| General Government | 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 | 6,970,657 |
| Public Safety | 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 | 12,684,836 |
| Public Works | 9,848,090 | 9,127,043 | 9,478,056 | 5,763,740 | 5,583,036 | 149,495 | 137,569 | 76,564 | 100,446 | 135,273 |
| Health and Human Services | 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 | 22,311,781 |
| Culture, Recreation, & Education | 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 | 3,391,161 |
| Conservation and Development | 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 | 2,619,923 |
| Capital Outlay | 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 | 2,049,562 |
| Debt service | | | | | | | | | | |
| Principal | 1,206,055 | 1,360,064 | 1,440,064 | 4,170,064 | 1,530,000 | 203,054 | 224,961 | 239,002 | 366,808 | 108,936 |
| Interest | 548,624 | 485,527 | 428,560 | 334,164 | 241,180 | 51,506 | 41,921 | 30,479 | 7,339 | 808 |
| Issuance Costs | 64,721 | - | - | - | - | - | - | - | - | - |
| Defeasance costs | - | - | - | 13,500 | - | - | - | - | - | - |
| Total Expenditures | 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 | 50,272,937 |
| Excess of revenues over (under) expenditures | (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 | 655,053 |
| 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 | 190,736 |
| Transfer Out | - | - | - | (7,403,548) | (3,957,546) | (795,563) | (317,427) | (100,964) | (976,633) | (555,635) |
| Long Term Debt Proceeds | 5,350,643 | - | - | - | - | - | - | - | - | - |
| Proceeds (Refinancing) of LT Debt | (1,155,000) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 4,195,643 | - | - | - | - | 2,263,491 | 2,011,660 | 7,859,756 | 91,431 | (364,899) |
| Net change in fund balances | \$ (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 | \$ 290,154 |
| Debt service as a percentage of noncapital exp. | 2.3% | 2.3% | 2.4% | 5.5% | 2.2% | 0.4% | 0.5% | 0.6% | 0.8% | 0.2% |

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

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

| Function/Program | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 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 | \$ 2,195,338 |
| 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 | 1,736,418 |
| 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 | 128,122 |
| 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 | 13,694,458 |
| 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 | 1,317,897 |
| Conservation and Development | 557,970 | 590,510 | 612,547 | 391,166 | 1,080,483 | 1,074,284 | 981,957 | 988,800 | 1,688,388 | 1,894,652 |
| 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> | <u>20,966,885</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 | 5,050,199 |
| 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> | <u>5,050,199</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> | <u>\$ 26,017,084</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 |
|--------------------|-------------------|--------------|---------------------|--------------------------------------|----------|---------------|
| 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 |
| 2012 | 20,814,267 | 5,028,614 | 129,730 | 1,152,201 | 71,059 | 27,195,871 |
| Change 2002 - 2011 | -5.6% | 11.7% | -29.9% | 80.1% | 719.8% | -0.7% |

(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 and Actual 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 |
|-------------------------------|-------------------------|------------------------|---------------------------|--------------------------|----------------|----------------------|------------------------------------|-----------------------------|
| 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 |
| 2012 | 4,677,142,861 | 1,019,195,900 | 269,961,000 | 49,262,200 | 397,653,300 | 132,155,886 | 6,544,488,747 | 3.18 |

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

| | 2003 | | 2004 | | 2005 | | 2006 | | 2007 | |
|----------------------------|--------|---------|--------|---------|--------|---------|--------|---------|---------|---------|
| County direct rates | | | | | | | | | | |
| General | 4.7337 | | 4.678 | | 4.3317 | | 4.0783 | | 3.7293 | |
| Federated Library | 0.326 | | 0.3203 | | 0.2956 | | 0.2761 | | 0.2907 | |
| Health | 0.138 | | 0.1192 | | 0.0766 | | 0.072 | | 0.06665 | |
| Towns | | | | | | | | | | |
| Aztalan | 12.43 | - 14.19 | 11.68 | - 13.84 | 10.79 | - 11.96 | 9.33 | - 11.07 | 8.95 | - 11.57 |
| Cold Spring | 11.42 | - 12.78 | 11.57 | - 12.06 | 10.16 | - 11.21 | 9.20 | - 10.23 | 9.86 | - 10.66 |
| Concord | 9.97 | - 12.40 | 10.47 | - 13.17 | 9.28 | - 11.18 | 8.74 | - 10.43 | 8.96 | - 10.94 |
| Farmington | 8.85 | - 11.30 | 8.46 | - 10.82 | 7.47 | - 9.08 | 7.01 | - 8.51 | 7.31 | - 8.97 |
| Hebron | 11.52 | - 12.61 | 11.20 | - 12.00 | 9.83 | - 10.04 | 8.90 | - 10.14 | 8.74 | - 10.54 |
| Ixonia | 11.73 | - 12.10 | 10.71 | - 10.82 | 9.86 | - 10.15 | 9.32 | - 9.51 | 9.77 | - 10.05 |
| Jefferson | 11.22 | - 11.62 | 10.17 | - 10.85 | 9.59 | - 9.79 | 8.71 | - 9.92 | 8.55 | - 10.38 |
| Koshkonong | 9.34 | - 11.32 | 9.43 | - 10.64 | 8.74 | - 9.90 | 7.53 | - 9.78 | 8.10 | - 9.83 |
| Lake Mills | 11.16 | - 15.28 | 10.93 | - 13.98 | 9.49 | - 13.86 | 8.28 | - 12.31 | 7.89 | - 12.29 |
| Milford | 11.45 | - 13.99 | 10.07 | - 12.44 | 8.94 | - 10.55 | 8.05 | - 9.79 | 7.79 | - 10.19 |
| Oakland | 11.06 | - 15.95 | 10.17 | - 14.42 | 9.38 | - 13.73 | 7.97 | - 12.65 | 7.64 | - 12.86 |
| Palmyra | 12.14 | - 14.01 | 11.23 | - 13.62 | 10.03 | - 13.19 | 9.63 | - 10.95 | 9.58 | - 10.81 |
| Sullivan | 12.42 | - 13.84 | 11.30 | - 12.54 | 9.92 | - 12.09 | 9.26 | - 10.77 | 8.68 | - 10.72 |
| Sumner | 11.85 | - 15.31 | 11.26 | - 14.13 | 10.20 | - 13.53 | 9.23 | - 12.48 | 9.82 | - 12.73 |
| Waterloo | 12.23 | - 12.49 | 12.14 | - 13.13 | 10.67 | - 11.32 | 9.26 | - 10.31 | 8.89 | - 10.96 |
| Watertown | 9.71 | - 12.17 | 9.56 | - 11.92 | 8.48 | - 10.08 | 7.92 | - 9.69 | 7.47 | - 9.37 |
| Villages | | | | | | | | | | |
| Cambridge | 18.75 | - 19.18 | 17.11 | - 17.56 | 16.47 | - | 15.29 | - 15.65 | 14.49 | - |
| Johnson Creek | | 19.01 | | 18.15 | 15.19 | - | | 14.18 | 13.85 | - |
| Lac La Belle | 14.57 | - 15.79 | 13.63 | - 14.21 | 12.31 | - 13.81 | 11.23 | - | 11.18 | - |
| Palmyra | 18.18 | - 20.05 | 16.16 | - 18.25 | 15.70 | - 17.25 | 13.75 | - | 14.00 | - 15.23 |
| Sullivan | | 15.54 | | 14.17 | 13.21 | - | 12.19 | - | 12.00 | - |
| Cities | | | | | | | | | | |
| Fort Atkinson | | 17.58 | | 16.72 | 15.36 | - | 15.12 | - | 15.37 | - |
| Jefferson | | 17.32 | | 16.06 | 15.20 | - | 13.55 | - | 13.83 | - |
| Lake Mills | | 17.05 | | 16.64 | 15.05 | - | 13.73 | - | 13.65 | - |
| Waterloo | | 19.96 | | 19.83 | 17.41 | - | 15.90 | - | 16.61 | - |
| Watertown | | 15.94 | | 15.85 | 14.42 | - | 13.55 | - | 14.07 | - |
| Whitewater | | 15.49 | | 14.84 | 14.57 | - | 12.90 | - | 13.43 | - |

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

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| County direct rates | | | | | |
| General | 3.6158 | 3.5862 | 3.6739 | 3.8913 | 3.9401 |
| Federated Library | 0.2901 | 0.2838 | 0.2986 | 0.3164 | 0.3249 |
| Health | 0.046 | 0.0473 | 0.125 | 0.1625 | 0.1786 |
| Towns | | | | | |
| Aztalan | 10.22 - 11.57 | 11.38 - 11.79 | 12.48 - 13.03 | 12.36 - 13.92 | 13.52 - 14.23 |
| Cold Spring | 10.14 - 10.50 | 11.29 - 12.28 | 11.88 - 12.50 | 12.27 - 12.76 | 12.46 - 13.29 |
| Concord | 9.51 - 11.15 | 10.37 - 11.21 | 11.67 - 12.50 | 11.95 - 13.06 | 11.56 - 12.28 |
| Farmington | 7.77 - 9.26 | 9.01 - 9.87 | 9.38 - 10.09 | 10.07 - 11.46 | 10.47 - 11.58 |
| Hebron | 9.23 - 10.35 | 10.28 - 11.22 | 11.89 - 12.40 | 12.59 - 12.81 | 14.54 - 14.60 |
| Ixonia | 10.40 - 10.61 | 10.99 - 11.65 | 12.31 - 12.32 | 12.34 - 12.57 | 13.26 - 13.62 |
| Jefferson | 9.12 - 10.23 | 10.32 - 11.20 | 11.96 - 12.47 | 13.70 - 13.48 | 13.80 - 13.86 |
| Koshkonong | 8.09 - 9.89 | 8.92 - 10.71 | 9.86 - 12.01 | 10.30 - 12.16 | 10.31 - 12.72 |
| Lake Mills | 10.04 - 12.63 | 10.35 - 13.65 | 11.29 - 15.70 | 11.21 - 15.13 | 12.72 - 15.88 |
| Milford | 8.78 - 10.27 | 9.53 - 11.25 | 11.15 - 11.53 | 11.34 - 12.25 | 11.64 - 12.62 |
| Oakland | 8.89 - 13.15 | 9.98 - 14.19 | 11.21 - 15.64 | 10.88 - 15.63 | 12.27 - 16.40 |
| Palmyra | 9.87 - 10.78 | 11.00 - 11.84 | 11.68 - 12.75 | 12.04 - 13.30 | 12.23 - 13.60 |
| Sullivan | 10.16 - 11.22 | 10.17 - 12.36 | 11.98 - 13.57 | 11.86 - 14.98 | 13.03 - 15.31 |
| Sumner | 9.10 - 12.92 | 10.67 - 13.72 | 11.82 - 15.29 | 11.90 - 15.36 | 13.02 - 15.64 |
| Waterloo | 10.78 - 10.98 | 11.30 - 12.34 | 12.24 - 12.41 | 12.26 - 13.15 | 13.01 - 13.83 |
| Watertown | 8.16 - 9.76 | 9.45 - 10.30 | 10.57 - 10.78 | 10.63 - 11.03 | 11.51 - 12.18 |
| Villages | | | | | |
| Cambridge | 16.80 | 17.20 | 19.68 | 19.65 | 20.85 |
| Johnson Creek | 14.01 | 14.33 | 15.43 | 15.66 | 17.27 |
| Lac La Belle | 11.62 - 12.76 | 12.93 | 13.73 | 13.65 | 14.01 |
| Palmyra | 15.12 - 16.02 | 16.22 - 17.06 | 17.63 - 18.52 | 18.30 - 19.16 | 19.31 - 20.52 |
| Sullivan | 12.61 | 13.90 | 16.72 | 17.75 | 18.07 |
| Cities | | | | | |
| Fort Atkinson | 15.19 | 16.39 | 18.11 | 18.40 | 19.13 |
| Jefferson | 14.37 | 15.42 | 17.44 | 18.75 | 19.59 |
| Lake Mills | 15.79 | 16.06 | 17.23 | 17.25 | 18.94 |
| Waterloo | 16.76 | 18.82 | 18.84 | 20.36 | 20.05 |
| Watertown | 14.45 | 15.63 | 17.57 | 18.21 | 19.34 |
| Whitewater | 13.76 | 12.58 | 17.05 | 16.21 | 17.07 |

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

| <u>Taxpayer</u> | <u>Industry</u> | 2012 | | | 2003 | | |
|--|-----------------|------------------------|------|--|------------------------|------|--|
| | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| CPG Partners LP | Commercial | \$ 34,960,300 | 1 | 0.53% | 26,615,700 | 1 | 0.60% |
| Menards | Commercial | 25,878,700 | 2 | 0.40% | 19,000,200 | 2 | 0.43% |
| Standard Process | Manufacturing | 22,964,600 | 3 | 0.35% | 10,894,400 | 5 | 0.25% |
| Wal-mart Real Estate | Commercial | 22,909,600 | 4 | 0.35% | 11,700,600 | 3 | 0.26% |
| Art Mtg Borrow Propco 2010-5 LLC | Manufacturing | 21,411,100 | 5 | 0.33% | | | |
| Watertown Square, LLC | Commercial | 14,793,400 | 6 | 0.23% | | | |
| Valero Renewable Fuel | Manufacturing | 13,439,700 | 7 | 0.21% | | | |
| Jones Dairy Farm | Manufacturing | 12,167,000 | 8 | 0.19% | 8,011,500 | 7 | 0.18% |
| Cold Spring Egg Farm | Commercial | 10,407,223 | 9 | 0.16% | | | |
| On-Cor Frozen Foods, LLC | Manufacturing | 9,276,600 | 10 | 0.14% | 7,442,800 | 8 | 0.17% |
| Jefferson Cold Storage | Commercial | | | | 10,971,700 | 4 | 0.25% |
| Briggs & Stratton Power Products | | | | | 8,120,600 | 6 | 0.18% |
| Shopko Store Inc. | Commercial | | | | 7,200,500 | 9 | 0.16% |
| Barry Draeger | Commercial | | | | 6,863,800 | 10 | 0.16% |
| Total | | <u>\$ 188,208,223</u> | | <u>2.88%</u> | <u>116,821,800</u> | | <u>2.64%</u> |
| Total County Taxable Assessed Value | | 6,544,488,747 | | | 4,425,811,817 | | |

Source: Jefferson County Tax System

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

| Settlement Year (A) | Total Tax Roll | As of December 31 of Settlement Year | | Cumulative as of December 31, 2012 | |
|--------------------------------|---------------------------|---|-------------------------------|---|-------------------------------|
| | | Amount Collected | Percentage of Levy | Amount Collected | Percentage of Levy |
| 2003 | \$ 97,677,793 | \$ 96,341,655 | 98.63% | \$ 97,665,270 | 99.99% |
| 2004 | 101,680,477 | 100,228,005 | 98.57% | 101,663,763 | 99.98% |
| 2005 | 104,816,130 | 103,491,652 | 98.74% | 104,788,552 | 99.97% |
| 2006 | 104,776,137 | 103,386,716 | 98.67% | 104,733,032 | 99.96% |
| 2007 | 111,339,922 | 109,556,710 | 98.40% | 111,246,442 | 99.92% |
| 2008 | 117,796,257 | 114,571,835 | 97.26% | 117,559,648 | 99.80% |
| 2009 | 124,711,690 | 116,442,168 | 93.37% | 124,307,986 | 99.68% |
| 2010 | 130,967,493 | 128,030,120 | 97.76% | 130,266,694 | 99.46% |
| 2011 | 137,610,725 | 134,571,659 | 97.79% | 136,253,248 | 99.01% |
| 2012 | 141,099,809 | 138,698,061 | 98.30% | 138,698,061 | 98.30% |

Source: Jefferson County Treasurer's Tax Settlement Reports

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

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

| <u>Year Ending</u> <u>December 31</u> | <u>Estimated</u> <u>Population (A)</u> | <u>(\$000's)</u> <u>Personal</u> <u>Income (B)</u> | <u>Equalized</u> <u>Valuation (C)</u> | <u>Outstanding</u> <u>Debt</u> | <u>Percent of Debt</u> <u>to Equalized</u> <u>Valuation</u> | <u>Percent of Debt</u> <u>to Personal</u> <u>Income</u> | <u>Debt Per</u> <u>Capita</u> |
|--|---|--|--|-----------------------------------|---|---|----------------------------------|
| 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 | 2,835,542 | 6,663,739,200 | 530,213 | 0.01% | 0.02% | 6.34 |
| 2011 | 83,794 | 2,939,310 | 6,583,895,500 | 163,405 | 0.00% | 0.01% | 1.95 |
| 2012 | 83,857 | * | 6,295,567,900 | 54,468 | 0.00% | * | 0.65 |

*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)

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

(A) Equalized Value from Table 11

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

| <u>Fiscal Year</u> | <u>(1) Population</u> | <u>(2) (\$000's) Personal Income</u> | <u>Per Capita Personal Income</u> | <u>(3) Public School Enrollment</u> | <u>(3) Private School Enrollment</u> | <u>(4) Average Unemployment Rate</u> |
|--------------------|---------------------------|--|---|---|--|--|
| 2003 | 77,811 | \$ 2,344,915 | \$ 30,136 | 11,946 | 3,753 | 5.1% |
| 2004 | 78,342 | 2,434,704 | 31,078 | 11,925 | 3,599 | 5.0% |
| 2005 | 79,188 | 2,515,044 | 31,285 | 11,934 | 3,691 | 4.6% |
| 2006 | 80,092 | 2,651,277 | 33,103 | 11,919 | 3,714 | 4.5% |
| 2007 | 80,411 | 2,731,064 | 33,964 | 12,249 | 3,697 | 4.8% |
| 2008 | 81,022 | 2,860,005 | 35,299 | 12,410 | 3,559 | 4.9% |
| 2009 | 81,310 | 2,764,541 | 34,000 | 12,661 | 3,424 | 9.3% |
| 2010 | 83,686 | 2,835,542 | 33,883 | 12,844 | 3,317 | 9.2% |
| 2011 | 83,794 | 2,939,310 | 35,078 | 12,809 | 3,254 | 8.2% |
| 2012 | 83,857 | * | * | 12,777 | 3,239 | * |

*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>2012</u> | | <u>2003</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 | | |
| Generac Power Systems Inc. | Motor & generator manufacturing | 500-999 | 2 | | |
| Opportunities Inc of Jefferson | Temporary help services | 500-999 | 3 | | |
| Trek Bicycle Corporation | Motorcycle, bicycle & parts manufacturing | 500-999 | 4 | 500-999 | 1 |
| Wal-Mart | Discount department stores | 500-999 | 5 | 250-499 | 5 |
| Bethesda Lutheran Communities Inc. | Residential mental facilities | 500-999 | 6 | 500-999 | 3 |
| County of Jefferson | Executive & legislative officers, combined | 500-999 | 7 | | |
| Terra Staffing Services | Temporary help services | 500-999 | 8 | 250-499 | 10 |
| Fort Atkinson Public Schools | Elementary & secondary schools | 250-499 | 9 | | |
| Nasco Int'l Inc. | Plastic manufacturing | 250-499 | 10 | | |
| Aristotle Corp. | Other professional equipment wholesalers | | | 250-499 | 6 |
| Perry Judd's Inc. | Commercial printing | | | 500-999 | 2 |
| Fort Atkinson Memorial Health | Health care clinic | | | 500-999 | 4 |
| Redsco, Inc. Gen Ptr | Meat production | | | 250-499 | 9 |
| 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: | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | 85.75 | 87.65 | 87.65 | 88.85 | 86.95 | 89.95 | 86.70 | 85.20 | 85.75 | 88.00 |
| Public safety | 129.05 | 129.05 | 129.65 | 133.65 | 133.15 | 133.15 | 128.90 | 127.90 | 126.80 | 128.15 |
| Public Works | 85.60 | 85.60 | 73.60 | 65.00 | 63.00 | 61.00 | 63.40 | 59.60 | 58.60 | 58.60 |
| Health and human services | 301.85 * | 381.45 | 373.45 | 376.20 | 371.65 | 365.15 | 370.75 | 341.25 | 175.55 | 176.55 |
| Culture & Recreation | 15.80 | 15.85 | 17.85 | 16.75 | 18.35 | 19.90 | 17.30 | 18.10 | 18.20 | 22.60 |
| Conservation and development | 13.40 | 15.70 | 15.70 | 16.70 | 15.70 | 14.70 | 13.00 | 13.20 | 13.00 | 13.50 |
| Total Position Equivalents | 631.45 | 715.30 | 697.90 | 697.15 | 688.80 | 683.85 | 680.05 | 645.25 | 477.90 | 487.40 |

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

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Justice and Public Safety | | | | | | | | | | |
| Communications Center Calls for Service | 62,058 | 62,525 | 60,607 | 60,321 | 59,888 | 62,661 | 73,126 | 78,659 | 74,540 | 75,911 |
| Drug Task Force Cases | 702 | 906 | 979 | 868 | 859 | 639 | 703 | 815 | 704 | 805 |
| Annual Number of Inmates Held in Jail | 4,115 | 4,130 | 4,073 | 4,091 | 4,074 | 3,638 | 3,244 | 2,561 | 2,514 | 2,588 |
| Average Daily Jail Population | 178.3 | 173.8 | 189.0 | 183.0 | 194.0 | 195.0 | 176.0 | 143.0 | 158.0 | 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 | 7,177 |
| Medical assistance - Number of recipients | 6,422 | 7,118 | 7,280 | 7,436 | 7,868 | 8,865 | 11,110 | 12,257 | 12,713 | 12,453 |
| | 8% | 9% | 9% | 9% | 10% | 11% | 13% | 15% | 15% | 15% |
| Foodshare - Number of recipients | 3,107 | 4,004 | 4,498 | 5,118 | 5,672 | 6,376 | 8,594 | 10,511 | 11,499 | 13,438 |
| Children Alternate Care Placements | 79 | 83 | 91 | 82 | 100 | 93 | 121 | 185 | 147 | 158 |
| 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 | 152.8 | 152.8 | 152.8 | 152.8 | 152.8 | 152.8 | 152.8 | 152.8 | 152.8 | 154.2 |
| County | 257.2 | 257.2 | 257.1 | 257.4 | 257.1 | 256.7 | 256.6 | 256.0 | 256.0 | 255.8 |
| Local | 945.8 | 952.5 | 956.9 | 960.7 | 968.2 | 972.1 | 979.5 | 980.2 | 982.3 | 992.2 |