

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT



County of Dane
Wisconsin

FOR THE YEAR ENDED DECEMBER 31, 2002

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
COUNTY OF DANE
WISCONSIN**

Year Ended
December 31, 2002

CONTROLLER'S OFFICE

Charles Hicklin, Controller
Margaret L. Krohn, CPA, Assistant Controller

INTRODUCTORY SECTION

COUNTY OF DANE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2002

TABLE OF CONTENTS

I. INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	1
List of Principal Officials	9
Organization Chart	13
Certificate of Achievement for Excellence in Financial Reporting	14
II. FINANCIAL SECTION	
<i>INDEPENDENT AUDITORS' REPORT</i>	15
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	17
<i>BASIC FINANCIAL STATEMENTS</i>	
Government-wide Financial Statements:	
Statement of Net Assets	30
Statement of Activities	31 - 32
Fund Financial Statements	
Balance Sheet – Governmental Funds	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Net Assets – Proprietary Funds	36 - 39
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	40 - 41
Statement of Cash Flows – Proprietary Funds	42 - 45
Statement of Fiduciary Net Assets – Fiduciary Funds	46
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	47
Notes to the Financial Statements	48

COUNTY OF DANE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2002

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	97
Schedule of Expenditures Compared to Budget – Budget and Actual – General Fund	98 - 99
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Human Services	100
Notes to Required Supplementary Information	101
<i>SUPPLEMENTARY INFORMATION</i>	
Combining Balance Sheet – Nonmajor Governmental Funds	103 - 104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	105 - 106
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Debt Service Fund	107
Capital Projects Fund	108
Board of Health Special Revenue Fund	109
Library Special Revenue Fund	110
Land Information Special Revenue Fund	111
Bridge Aid Special Revenue Fund	112
Combining Statement of Net Assets – Nonmajor Proprietary Funds	114
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Proprietary Funds	115
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	116 - 117
Combining Statement of Net Assets – Internal Service Funds	119 - 122
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	123 - 124

COUNTY OF DANE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2002

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
<i>SUPPLEMENTARY INFORMATION</i> (cont.)	
Combining Statement of Cash Flows – Internal Service Funds	125 - 126
Combining Statement of Fiduciary Net Assets – Fiduciary Funds	128
Combining Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	129
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	130 - 131
III. STATISTICAL SECTION	
Table Index	132
Table 1 – General Governmental Expenditures by Function – Last Ten Fiscal Years	133
Table 2 – General Governmental Revenues by Source – Last Ten Fiscal Years	134
Table 3 – Property Tax Levies and Collections – Last Ten Fiscal Years	135
Table 4 – Equalized Value of Taxable Property – Last Ten Fiscal Years	136
Table 5 – Property Tax Rates – Last Ten Budget Years	137
Table 6 – County Taxes – Last Ten Budget Years	138
Table 7 – Ratio of Indebtedness to Equalized Value and Indebtedness Per Capita – Last Ten Fiscal Years	139
Table 8 – Computation of Legal Debt Margin	140
Table 9 – Computation of Direct and Overlapping Debt	141
Table 10 – Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures – Last Ten Fiscal Years	146
Table 11 – Annual Principal and Interest Requirements for the Past Ten Years and Through Maturity as of December 31, 2002	147

COUNTY OF DANE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2002

TABLE OF CONTENTS (cont.)

III. STATISTICAL SECTION (cont.)	<u>Page</u>
Table 12 – Demographic Statistics – Last Ten Fiscal Years	148
Table 13 – Property Value and New Construction – Last Ten Fiscal Years	149
Table 14 – Principal Taxpayers	150
Table 15 – Schedule of Insurance in Force	151
Table 16 – Salary Ranges of Principal Officials	154
Table 17 – Miscellaneous Statistics	156



COUNTY OF DANE
DEPARTMENT OF ADMINISTRATION
CONTROLLER DIVISION
210 Martin Luther King, Jr. Boulevard, Room 426
Madison, Wisconsin 53709
608/266-4606 TDD 608/266-9253

CHARLES HICKLIN
Controller

BONNIE HAMMERSLEY
Director of Administration

April 24, 2003

County Executive Kathleen M. Falk and
County Board of Supervisors
County of Dane
Madison, Wisconsin 53709

The Comprehensive Annual Financial Report for the County of Dane for the year ended December 31, 2002 is submitted herewith. This report was prepared by the Controller's Office.

MANAGEMENT REPRESENTATIONS

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County.

We believe the financial information, as presented:

- is accurate in all material aspects;
- is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds;
- and includes all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs.

SIGNIFICANT CHANGE IN PRESENTATION

With the December 31, 2002 financial statements, the County adopted GASB Statement 34, *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments."* The format and purpose of these changes are addressed in the Management's Discussion and Analysis section of this report. Additionally the notes to the financial statements discuss the change and reflect and explain the effects and results of these changes. We believe this new presentation will provide better information to the users of the CAFR.

REPORT ORGANIZATION

The Comprehensive Annual Financial Report is intended to meet the needs of a wide variety of interest parties. It is divided into the following major sections:

Introductory Section - This section introduces the reader to the County of Dane and its Comprehensive Annual Financial Report. Included in this section is the transmittal letter, a listing of the principal officials of the County, an organizational chart, the Certificate of Achievement for Excellence in Financial Reporting and the independent auditor's report.

Management Discussion and Analysis - This section gives the reader a broader narrative than this transmittal letter. It describes the objectives of financial reporting under the guidance of GASB 34 and analyzes the County's financial activities.

Basic Financial Statements – The government-wide and fund financial statements, along with the notes to the financial statements are included in this section. These are the County's basic financial statements that provide an overview for readers who need less detailed information than that contained in the balance of the report.

Required Supplementary Information - This section includes a budgetary comparison for the major government-type funds – the County's General Fund and Human Services Fund.

Statistical Section - This section provides various financial and non-financial data, historical trends and other significant facts about the County, generally on a multi-year basis.

THE REPORTING ENTITY

The County provides a range of governmental services authorized by state statute, under the direction of an elected Executive and a thirty-seven member Board of Supervisors. The services provided are categorized into six functions. The general government function includes the executive, clerk, administration, treasurer, register of deeds and corporation counsel; a public safety & criminal justice function, including a 17-branch court system; the district attorney, the sheriff, jail and work release facility and public safety communications; a health and human services function, including care for children, mental health services, developmentally disabled, the aged and disabled; a conservation & economic development function, including solid waste program, land regulation & records and land conservation; a culture, education & recreation function including an exposition center, zoo, park system and library services; a public works function, including a regional airport, highway system, and transportation system assistance.

Pursuant to accounting and reporting standards, the Dane County Housing Authority is included within the County's financial report because of various factors including financial dependencies and powers of appointment or removal of officers.

ECONOMIC CONDITION AND OUTLOOK

Dane County was created by the first Wisconsin territorial legislature in 1836 and was organized as a separate governmental unit in 1839. With a population of 438,881, the County is second only to Milwaukee County in terms of size in Wisconsin. Within the County's 1,238 square miles, there are 34 towns, 19 villages, and eight cities. The City of Madison is the largest with 48.7% of the County's population and 47.0% of the equalized value. The City of Madison is the Capitol of Wisconsin and the site of the 41,552 student University of Wisconsin-Madison.

Dane County is a leading Wisconsin County for agriculture, ranking second in the state in the number of farms with 2,595 and the amount of land used in farms with 512,971 acres. The average farm consists of 198 acres. Dane County agriculture has the following rankings within the state: first in corn for grain, tobacco and corn for silage; second in number of farms, land in farms and soybeans; third in pounds of milk produced and cattle, calves; fourth in the number of milk cows, hogs and pigs. Dane County's agriculture functions with almost no irrigation.

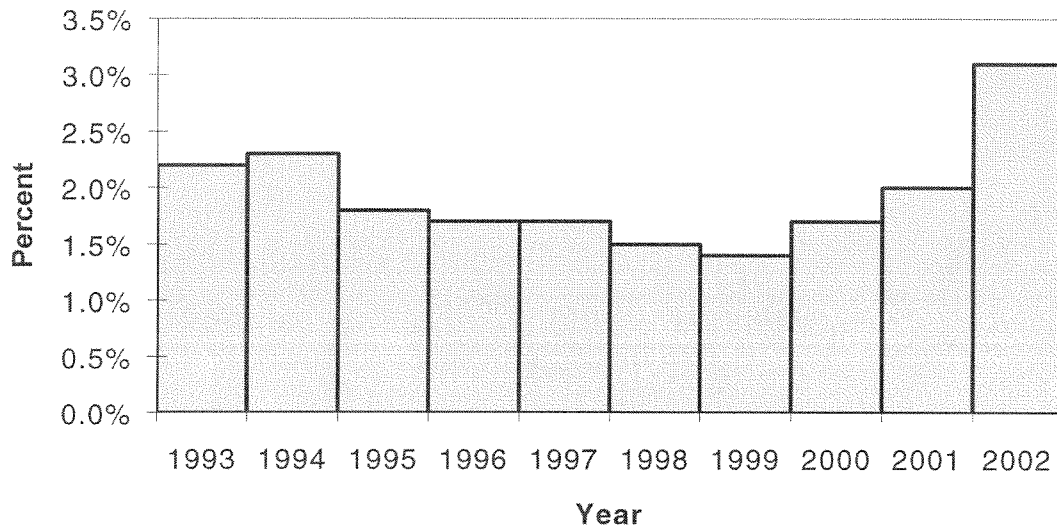
Dane County has a rapidly growing high-tech business community that currently includes more than 400 firms employing 26,000 people with reported annual sales, revenues and government awards or contracts approaching \$4.25 billion for 2002. Biotechnology, medical/biomedical research, micro-electronics, pharmaceuticals, contract research and development, software and other computer-related firms dominate the list of high-tech firms. This reflects the University of Wisconsin-Madison's worldwide leadership in research and academic teaching in these areas. In fiscal year 2002, the University of Wisconsin-Madison received more than \$417 million in extramural support for research from federal, state and private sources. According to latest figures available from the National Science Foundation, the University of Wisconsin-Madison is the second largest funded research university in the country.

Dane County is the home office of the Oscar Mayer Foods Corporation, a leading national meat processing company; Cuna Mutual & Subsidiaries, providing insurance and services to credit unions throughout the world; American Family Insurance; and many other businesses and industries.

Various national magazines have recognized Madison and the Dane County metropolitan area as one of the best places to live in the Midwestern United States.

The 2002 annual average unemployment rate in Dane County, at 3.1% is consistently below state and national averages. The low unemployment rate can be attributed to the stability of the workforce and type of business located in the County.

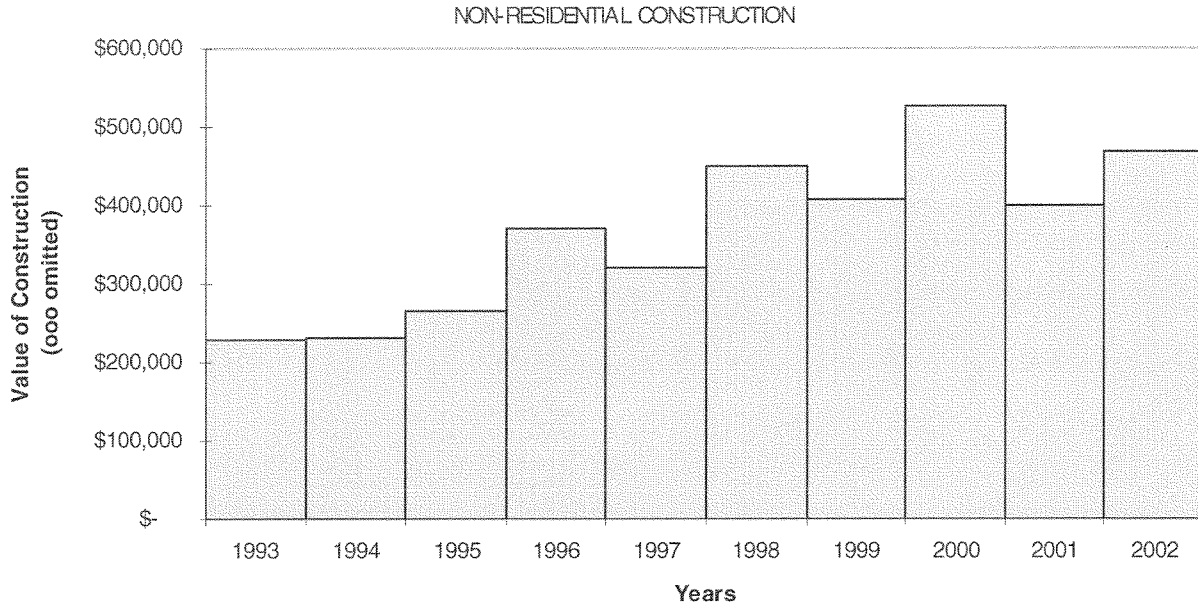
UNEMPLOYMENT RATES



Dane County Employment by Industry (Madison Metropolitan Area)

Industry Type	Annual Average					
	1990		2001		2002	
	Number	% Total	Number	% Total	Number	% Total
Manufacturing	25,600	11.55%	30,400	10.32%	27,700	9.35%
Construction	8,800	3.97	13,300	4.51%	14,600	4.93%
Transportation, Communication & Utilities	7,900	3.56	10,400	3.53%	14,100	4.76%
Wholesale & Retail Trade	50,200	22.64	62,600	21.25%	41,700	14.07%
Finance, Insurance & Real Estate	19,400	8.75	22,800	7.74%	24,400	8.23%
Services	49,200	22.19	78,700	26.71%	98,800	33.35%
Government	60,600	27.33	76,400	25.93%	75,000	25.31%
Totals	<u>221,700</u>	<u>100.00%</u>	<u>294,600</u>	<u>100.00%</u>	<u>296,300</u>	<u>100.00%</u>

The Non-Residential Development has been included in Table XIII of the Statistical Section of this report. The major non-residential projects receiving building permits during 2002, as reported in the 2002 *Regional Trends* report published by the Dane County Regional Planning Commission, included: the Overture Performing Arts Theatre (\$50 million), Greenway Station Building (\$60 million), Electronic Theatre Controls Building (\$20 million), City-Center West Building (\$30 million) and Dean Clinic (\$16.5 million).



MAJOR INITIATIVES

During 2002, the county continued with the development of the new Justice Center project. The Justice Center will be built in downtown Madison adjacent to the Public Safety building and will house the 17 court branches, the Clerk of Courts, the District Attorney and other court related offices. The 2002 capital budget included over \$13.0 million for the project. The initial funds will be used for land acquisition, initial planning and design, and the start of construction costs. The Justice Center is expected to be completed in late 2004.

FINANCIAL INFORMATION

Accounting System and Internal Control Structure

The County's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. The County's day-to-day accounting and budgetary records are maintained on a basis other than Generally Accepted Accounting Principles (GAAP). For financial reporting purposes, the accounting records are converted to the modified and full accrual basis for all applicable funds. On the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. On the full accrual basis, revenues are recognized when measurable and earned; expenses are recognized when incurred. The basis of accounting and presentation of the various funds utilized by Dane County are fully described in Note I-C of the basic financial statements. Additional budgetary information can be found in Note III-A.

In developing the County's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the costs of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

We believe that the County's internal accounting controls, along with the audit performed by independent auditors, provide the County with reasonable assurance that financial transactions are properly recorded and assets adequately safeguarded.

Budgetary Controls

Budgetary control is maintained at the agency level except for certain agencies which are controlled by individual programs and/or groups of programs within the agency and are monitored by an annual appropriation and encumbrance system. The general ledger system will not allow the issuance of a check unless adequate funds are available within an agency's budget. Encumbrances are made against appropriations prior to the issuance of purchase orders or consummation of contracts. Purchase orders outstanding at the end of the year where the goods and/or services have not been received are recognized in the accompanying financial statements as reservations of fund balance as they do not constitute expenditures or liabilities. The Board of Supervisors has designated certain accounts as non-lapsing, and those unexpended appropriations have been carried forward for use in 2003.

CASH MANAGEMENT

Cash temporarily idle at various times during the year is invested in daily repurchase agreements, certificates of deposit, and in the State of Wisconsin Local Government Investment pool depending upon yield and cash flow needs.

RISK MANAGEMENT

In 1954, the Dane County Board authorized the County to self-insure for worker's compensation through a combination of self-insurance and excess coverage through a private company. In 1986, due to certain liability insurances not being available in the marketplace, the County Board approved the establishment of a liability self-insurance program to provide for the County's needs through a combination of purchased and self-insurance. In 1992, the County purchased an equity interest in Wisconsin Municipal Mutual Insurance Company (WMMIC), a public entity risk pool, with other Wisconsin municipalities to provide certain liability insurance coverages.

Both the worker's compensation and liability programs are accounted for as internal service funds with premiums being charged to all departments. In order to equitably distribute program costs and encourage management support of risk management programs, charges to departments are based on actual experience.

Insurance costs were divided into groups and assigned to departments using the following allocation categories:

- A. Recapture of prior year losses.
- B. Current year reserve requirements.
- C. Future year loss (claims paid).
- D. Future year fund addition.
- E. Administrative overhead.

The allocation system is based on the following financial policies:

1. The County intends to continue maintaining separate insurance funds and fund balance.
2. The County intends to attempt to maintain insurance fund balances close to budgeted estimates. This results in additional charges or credits to departments for prior year losses.
3. The County expects that short run future experience will be similar to historical activity.
4. The County intends to annually provide a level of funding which will increase the insurance fund balances to provide an additional cushion against catastrophic loss.

The actual experience method of allocating costs provides a direct incentive to County managers to effectively reduce costs through loss control measures. Detailed information regarding the self-insurance funds can be found in the Financial Section of this report.

PENSION PLANS

All eligible county employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system. All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The County of Dane also provides other postretirement benefits. Additional information can be found in Note V.E. in the notes to the financial statements.

Additional information on the County of Dane's pension arrangements can be found in Note V.5. in the notes to the financial statements.

INDEPENDENT AUDIT

The County has retained the services of Virchow, Krause & Company, LLP to perform an independent audit of the County's financial records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Dane for the fiscal year ended December 30, 2002, are free of material misstatement. 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 the county; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Dane's financial statements for the fiscal year ended December 31, 2002, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. As part of their examination, the independent auditor is also issuing an internal control letter covering the review of the county's system of internal control over financial reporting and tests of compliance with certain provision of laws, regulations, contracts, and grants. The management and compliance letter will not modify or affect, in any way, 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*. Information related to this single audit—including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, and grants—will be included in the County of Dane's separately issued Single Audit Report.

CERTIFICATE OF ACHIEVEMENT

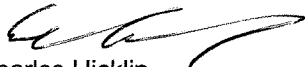
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dane County, Wisconsin for its comprehensive annual financial report for the fiscal year ended December 31, 2001. This was the twentieth consecutive year that Dane County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Controller's Office, especially Assistant Controller Margaret Krohn, other County Departments and the capable assistance of our independent auditors. I would like to express my appreciation to everyone that assisted and contributed in its preparation.

Respectfully submitted,


Charles Hicklin
Controller

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COUNTY OF DANE
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2002

ELECTED OFFICIALS

<u>Office</u>	<u>Name</u>
County Executive	Kathleen M. Falk
Clerk of Courts	Judith A. Coleman
Coroner	John Stanley
County Clerk	Joseph T. Parisi
District Attorney	Brian Blanchard
Register of Deeds	Jane C. Licht
Sheriff	Gary H. Hamblin
Treasurer	David Gawenda

COUNTY BOARD SUPERVISORS

<u>Supervisory District</u>	<u>Name</u>
1	Scott A. McDonell
2	Judith M. Wilcox
3	Darold O. Lowe
4	Brett D. Hulsey
5	Echnaton Vedder
6	John E. Hendrick
7	David J. Blaska
8	Robert Fyrst
9	Ruth Ann Schoer
10	Karen L. Cornwell
11	Alfred Matano
12	Paul Rusk
13	Chuck Erickson
14	Michael Hanson
15	Richard Brown
16	Carole McGuire
17	Andy Olsen
18	James A. Mohrbacher
19	David D. Hanneman
20	J. Michael Blaska
21	David E. Wiganowsky
22	Dennis J. O'Loughlin
23	Don Eggert

(Continued on next page)

COUNTY OF DANE
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2002

(Continued)

COUNTY BOARD SUPERVISORS

<u>Supervisory District</u>	<u>Name</u>
24	Bill Graf
25	Eileen Bruskevitz
26	Mark M. Opitz
27	Kyle Richmond
28	Vernon W. Wendt
29	David J. Ripp
30	William E. Hitzemann
31	Lyman F. Anderson
32	Penny Rollins
33	Jack Martz
34	Kevin R. Kesterson, Chair
35	Donald L. Heiliger
36	Rich Pertzborn
37	Robert D. Salov

NONELECTED OFFICIALS

<u>Activity</u>	<u>Name</u>
Administration	Bonnie Hammersley
Adult Community Services	Louis F. Genter
Airport (Acting)	Dave Jensen
Badger Prairie Health Care Center	Jack D. Nelson
Children, Youth & Family Services	Vacant
Controller	Charles Hicklin
Corporation Counsel (Acting)	Rodney Knight
Economic Assistance & Work Services	Liz Green
Emergency Management	Kathy M. Krusiec
Exposition Center	William J. DiCarlo
Extension	Lee Cunningham

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COUNTY OF DANE

LIST OF PRINCIPAL OFFICIALS

AS OF DECEMBER 31, 2002

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NONELECTED OFFICIALS

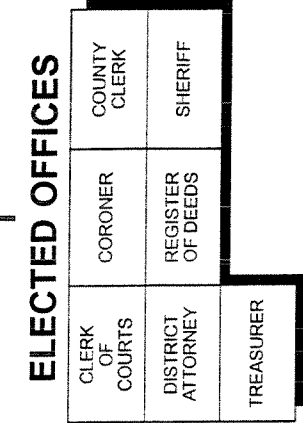
<u>Activity</u>	<u>Name</u>
Family Court Commissioner	Ralph J. Guerin
Family Court Counseling	Kathleen M. Jeffords
Highway & Transportation	John A. Norwell
Human Services	Lynn Green
Juvenile Court Program	James P. Moeser
Land Conservation	Kevin F. Connors
Library	Julie A. Chase
Parks	Kenneth J. LePine
Planning & Development	G. Jean Sieling
Public Health Service	Gareth R. Johnson
Public Safety Communications	Jimmy D. Patty
Public Works (Acting)	John Schraufnagel
Veterans Service	Michael R. Jackson
Zoo	James Hubing

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ORGANIZATION OF DANE COUNTY GOVERNMENT

ELECTORATE



BOARD OF SUPERVISORS	
BOARD CHAIRPERSON	COUNTY BOARD SERVICES

STANDING COMMITTEES

Executive	Personnel & Finance	Health & Human Needs	Public Protection & Judiciary
Public Works & Facilities Mgmt.	Transportation	Zoning & Natural Resources	

COMMITTEES OF THE COUNTY BOARD

City-County Liaison Committee	Information Resources Management Committee	Land Conservation Committee	University Extension Committee	Strategic Growth Management Committee
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BOARDS & COMMISSIONS

Agricultural Advisory Council	Board of Adjustment	Board of Health	B.U.L.D. Committee	Children Come First Commission	Civil Service Commission	Commission on Aging
Commission on Sensitive Crimes	Coordinating Council	Cultural Affairs Commission	Economic Summit Council	Election Commission	Emergency Medical Services Commission	Empl.-Mgmt. Insurance Advisory Committee
Environmental Council	Ethics Board	Exposition Center Commission	Henry Vilas Zoo Commission	Historic Preservation Committee	Housing Authority	Human Services Board
Joint City-County Section & Rental Housing Provider Advisory Cmte. Local	Joint Public Health Advisory Committee	Justice Center Planning Oversight Committee	Lakes & Watershed Commission	Land Information Committee	Library Board	Living Wage Review Council
Emergency Planning Committee	Monona Terrace Convention & Community Center Board	North Mendota Parkway Advisory Committee	Park Commission	Public Safety Communications Center Board	Public Safety Communications Oper. Practices Advisory Cmte.	Reclassification Appeals Board
Regional Planning Commission	Safety & Working Conditions Study Cmte.	South Central Library System Board	South Central Rail Transit Commission	Southwest Dane Transportation Advisory Committee	Specialized Transportation Commission	Task Force on Chronic Wasting Disease
Traffic-Safety Commission	Tree Board	W-2 Community Steering Committee	Wisconsin River Rail Transit Commission	Women's Issues Committee	Youth Commission	

DEPARTMENTS

Administration	Airport	Alliant Energy Center of Dane County	Corporation Counsel
Emergency Management	Extension Office	Family Court Commissioner	Family Court Counseling
Highway & Transportation	Human Services	Juvenile Court Program	Land Conservation
Land Information	Library Service	Parks	Planning & Development
Public Safety Communications	Public Works	Veterans Service	Zoo

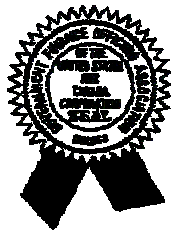
Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Dane,
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Barta
President

Jeffrey R. Egan
Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the
Board of Supervisors
County of Dane
Madison, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Dane, Wisconsin, as of and for the year ended December 31, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Dane's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dane County Housing Authority, a discretely presented component unit of the County of Dane. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dane County Housing Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Dane, Wisconsin at December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I.B., the County of Dane has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of December 31, 2002.

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

In accordance with *Government Auditing Standards*, we have issued a report on our consideration of the County of Dane's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 17 through 29 and 97 through 101 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Dane. The information has not been audited by us and, accordingly, we express no opinion on such information.

Virchow, Kraun & Company, LLP

Madison, Wisconsin
April 24, 2003

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

For Year Ended December 31, 2002

As management of the County of Dane, Wisconsin we offer readers of the county's financial statement this narrative overview and analysis of the financial activities of the county for the fiscal year ended December 31, 2002. We encourage readers to consider the information presented here in conjunction with the county's financial statements and the additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 7 of this report. The county implemented Governmental Accounting Standards Board Statement 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* for the first time this year.

FINANCIAL HIGHLIGHTS

- The assets of the County of Dane exceeded its liabilities at the close of the most recent fiscal year by \$304,876,533 (*net assets*). Of this amount, \$47,237,517 (*unrestricted net assets*) may be used to meet the government's obligations to citizens and creditors. The total net assets include all major infrastructure networks.
- The county's total net assets increased by \$26,974,017.
- As of the close of the current fiscal year, the County of Dane's governmental funds reported combined ending fund balances of \$64,470,649, an increase of \$46,151,539 in comparison with the prior year. Approximately 48% of this amount, \$31,095,451 is unreserved and available for use within the county's designations and policies.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$14,164,408 or approximately 13% of the total general fund expenditure.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are comprised of 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.

Government-Wide Statements

The 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.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2002

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

The *Statement of Net Assets* presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating. To assess the overall health of the county you need to consider additional non-financial factors such as changes in the county's property tax base and the condition of the county's infrastructure.

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

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from 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 the county include general government; health and human services; public safety and criminal justice; public works; culture, education and recreation; and conservation and economic development. The business-type activities of the County of Dane include the highway, Badger Prairie health care, airport, and sanitary landfill.

The government-wide financial statements include not only the County of Dane itself (known as the primary government), but also the Dane County Housing Authority which is a separate legal entity for which the County of Dane is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. Separately issued financial statements of the Dane County Housing Authority may be obtained from the Housing Authority's office, 2001 West Broadway, Suite 1, Monona, Wisconsin 53713-3707

The government-wide financial statements can be found on pages 30 to 32 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

For Year Ended December 31, 2002

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 between governmental funds and governmental activities.

The county maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Human Services Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 33 to 35 of this report.

Proprietary Funds – The county maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses enterprise funds to account for its Airport, Highway, Badger Prairie Health Care Center, Printing & Services, Methane Gas and Sanitary Landfill activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the county's various functions. The county uses its internal service funds to account for its Workers' Compensation, Liability Insurance, Employee Benefits, Firearms Training Center and Consolidated Food Service programs. The services provided by these funds predominately benefit the governmental rather than the business-type functions. They have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport, Highway, Sanitary Landfill and Badger Prairie Health Care Center since they are considered to be major funds of the county. Data from the other proprietary enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal services funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 36 to 45 of this report.

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

The basic fiduciary fund financial statements can be found on pages 46 to 47 of this report.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2002

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

Notes to the Financial Statements – The notes 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 48 to 96 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the General Fund and the Human Services Special Revenue Fund to demonstrate compliance with the budget. These schedules can be found on pages 97 to 101 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, internal service funds and other information related to the individual funds are presented immediately following the required supplementary information. Combining and individual statements and schedules can be found on pages 102 to 131 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

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

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the County of Dane, assets exceeded liabilities by \$304,876,533 as of December 31, 2002.

The largest portion of the county's net assets (approximately 83%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The county uses these capital assets to provide service 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.

With the first year implementation of GASB Statement 34, the county is not presenting comparable columns in the various comparisons and analyses for the prior year.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2002

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)

COUNTY OF DANE'S NET ASSETS

	Governmental Activities 2002	Business- Type Activities 2002	Total
Current and Other Assets	\$ 193,839,260	\$ 72,013,465	\$ 265,852,725
Capital Assets	<u>204,685,076</u>	<u>142,251,950</u>	<u>346,937,026</u>
Total Assets	<u>398,524,336</u>	<u>214,265,415</u>	<u>612,789,751</u>
Long-term Liabilities	112,846,652	40,921,928	153,768,580
Other Liabilities	<u>144,059,817</u>	<u>10,084,821</u>	<u>154,144,638</u>
Total Liabilities	<u>256,906,469</u>	<u>51,006,749</u>	<u>307,913,218</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	115,427,484	138,371,993	253,799,477
Restricted	3,677,024	162,515	3,839,539
Unrestricted	<u>22,513,359</u>	<u>24,724,158</u>	<u>47,237,517</u>
Total Net Assets	<u>\$ 141,617,867</u>	<u>\$ 163,258,666</u>	<u>\$ 304,876,533</u>

An additional portion of the county's net assets (approximately 1.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$47,237,517 may be used to meet the government's ongoing obligation to citizens and creditors.

Analysis of the county's Operations – The following table provides a summary of the county's operations for the year ended December 31, 2002. The county first implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, in 2002, therefore, comparative data is not presented. Governmental activities increased the County of Dane's net assets by \$14,977,386, accounting for approximately 56% of the total growth in net assets. Business-type activities increased the county's net assets by \$11,996,631, accounting for 44% of the total growth in net assets. Of the \$14.98 million increase in net assets for Governmental Activities, \$6.7 million is the result of capital contributions from other governments for infrastructure costs capitalized in the current year and \$7.4 million is due to funds levied for the repayment of debt principal in the current year. Of the \$11,966,631 increase in Business-Type activities' net assets, \$7.1 million is the result of capital contributions for State Aid Airport Projects capitalized in the current year and \$4.1 million in Airport revenues in excess of Airport expenses.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2002

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)

COUNTY OF DANE CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	<u>Governmental Activities 2002</u>	<u>Business- Type Activities 2002</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 25,888,889	\$ 36,786,153	\$ 62,675,042
Operating grants and contributions	145,246,675	8,492,419	153,739,094
Capital grants and contributions	7,018,018	7,143,331	14,161,349
General revenues:			
Property taxes	84,896,354	5,184,170	90,080,524
Sales taxes	37,221,577	-	37,221,557
Other taxes	3,704,112	-	3,704,112
Intergovernmental	7,472,682	-	7,472,682
Public gifts and/or grants	3,284,753	-	3,284,753
Investment income	1,765,392	578,922	2,344,314
Gain (loss) on the Sale of Assets	122,424	(157,616)	(35,192)
Miscellaneous	1,117,576	441,121	1,558,697
Total revenues	<u>\$ 317,738,452</u>	<u>\$ 58,468,500</u>	<u>\$ 376,206,952</u>
Expenses:			
General government	\$ 21,722,671	\$ -	\$ 21,722,671
Health and human services	183,457,868	-	183,457,868
Public safety and criminal justice	68,389,671	-	63,389,671
Public works	4,181,591	-	4,181,591
Culture, education, and recreation	16,597,910	-	16,597,910
Conservation and economic development	4,968,204	-	4,968,204
Interest and fiscal charges	2,458,191	-	2,458,191
Highway	-	15,706,735	15,706,735
Airport	-	11,183,604	11,183,604
Badger Prairie health care center	-	13,230,898	13,230,898
Sanitary landfill	-	6,001,896	6,001,896
Other non-major proprietary funds	-	1,333,696	1,333,696
Total expenses	<u>\$ 301,776,106</u>	<u>\$ 47,456,829</u>	<u>\$ 349,232,935</u>

COUNTY OF DANE, WISCONSIN

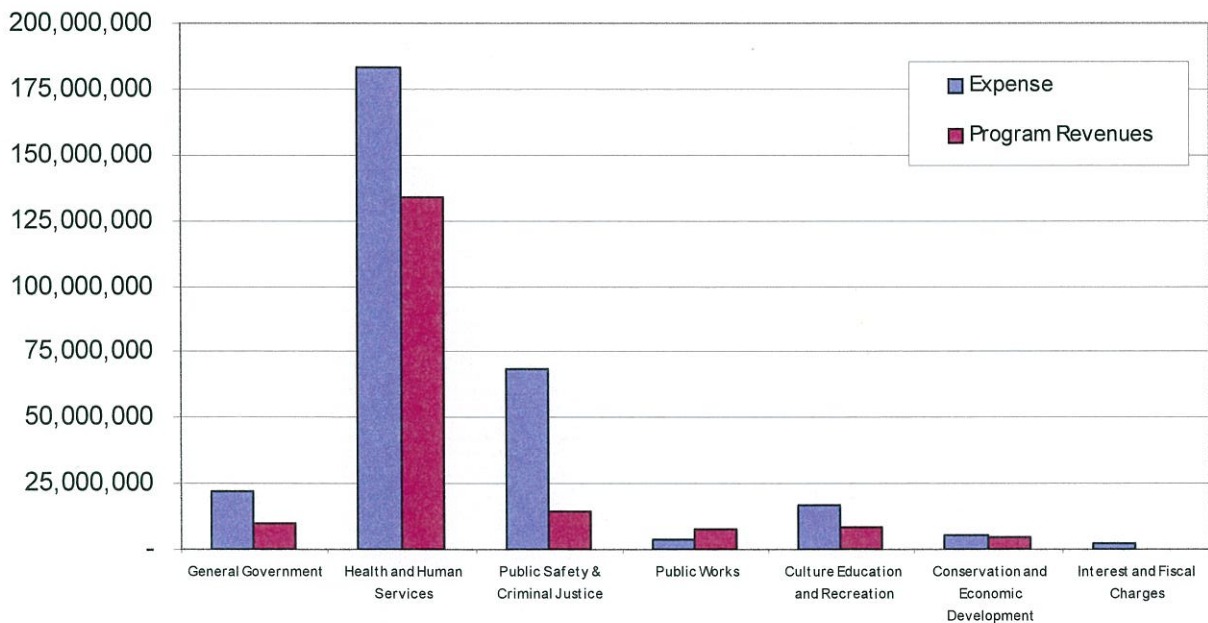
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2002

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)

COUNTY OF DANE CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Governmental Activities 2002	Business- Type Activities 2002	Total
Increases in net assets before transfers	\$ 15,962,346	\$ 11,011,671	\$ 26,974,017
Transfers	(984,960)	984,960	-
Increase in net assets	14,977,386	11,996,631	26,974,017
Net assets – January 1, 2002	126,640,481	151,262,035	277,902,516
Net assets – December 31, 2002	<u>\$ 141,617,867</u>	<u>\$ 163,258,666</u>	<u>\$ 304,876,533</u>

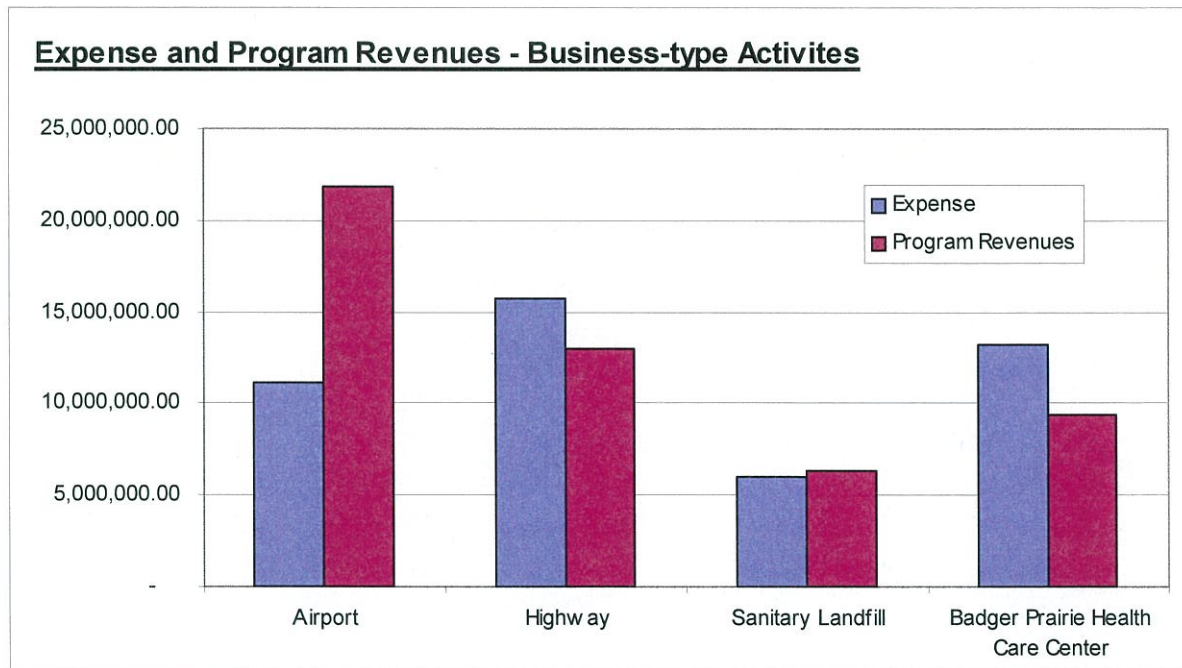
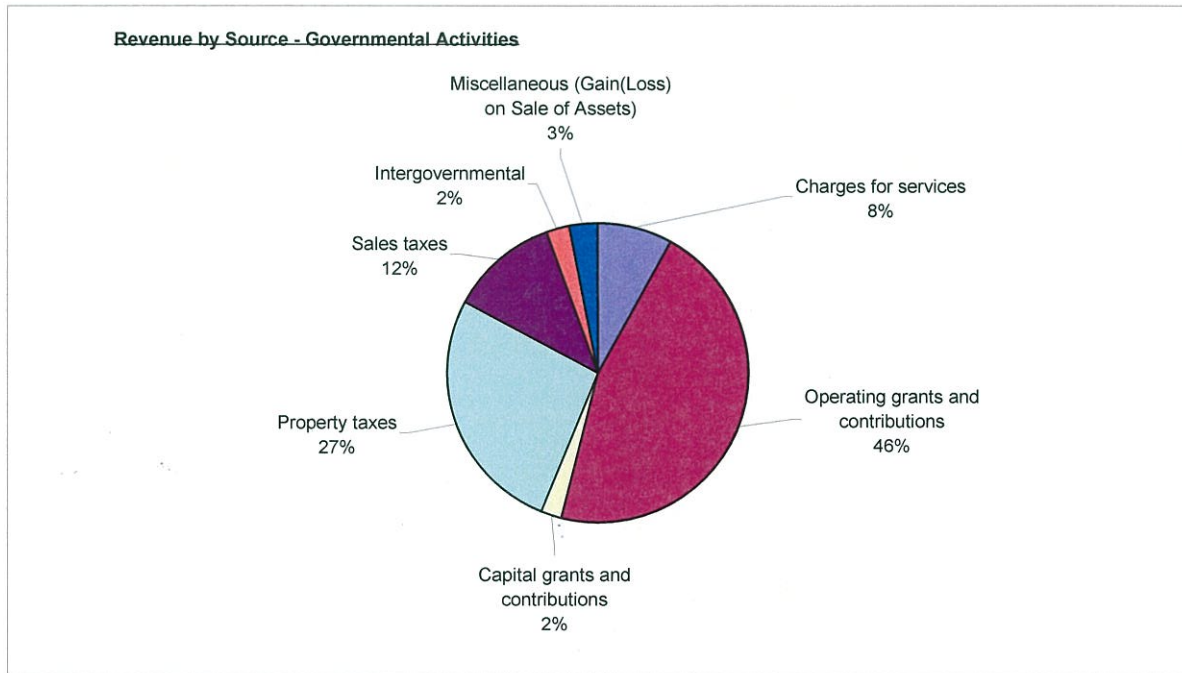
Expense and Program Revenues - Governmental Activities



COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2002

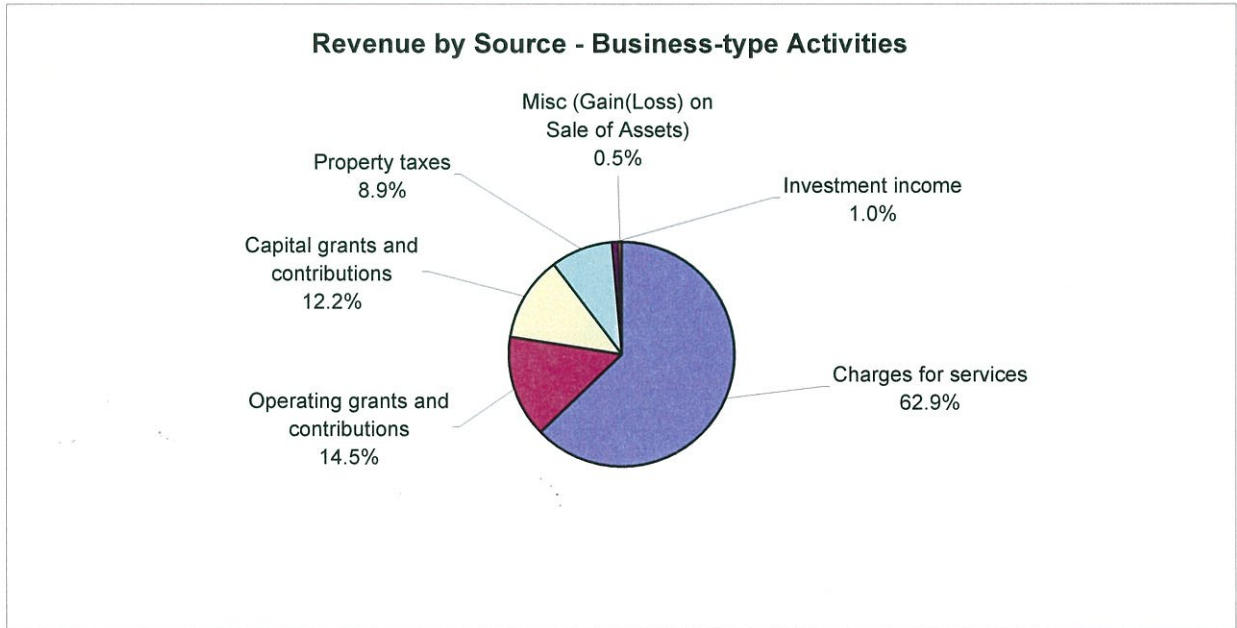
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)



COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2002

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)



COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2002

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds.

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

At the end of current fiscal year, the County of Dane's governmental funds reported combined ending fund balances of \$64,470,649. Approximately 48% of this total amount, \$31,095,451 constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay for encumbrances (\$1,743,438), 2) for prepaid items (\$28,362), 3) delinquent personal property taxes (\$3,350,870), 4) loans receivable (\$1,147,185), 5) debt retirement (\$5,480,332), 6) trust purposes (\$561,700), 7) long-term receivables (\$2,262,639) and 8) retirement of pension liability (\$18,800,672).

Of the \$31,095,451 unreserved fund balance, the use of \$22,634,759 or approximately 72% is designated at year-end for specific types of activities as follows:

- Funds designated to reduce the tax levy for next fiscal year amounted to \$4,263,454. For the General Fund, this is an increase of \$2,567,094 in part due to the amount unreserved and undesignated at the end of fiscal year 2001 that was available for levy reduction for the 2003 budget year.
- Approximately \$17,692,960 is designated for projects where funds have been borrowed for projects that will be expended in subsequent year(s). Of the \$17,692,960, the use of \$16,443,156 is for Capital Projects Fund. This includes the Justice Center project (\$13,166,514), the Conservation Fund (\$3,045,192) and other projects (\$231,450).
- The remaining \$678,345 is designated for specific activities such as the Land Information office operations, Alliant Energy Center operations, and the Community Development Block Grant Loan program.

General Fund

The County's General Fund is used to account for the preponderance of the County's operations with the exception of the Human Services Department and the business type activities recorded in other major funds. Operations included in the General Fund include the departments of Administration, Parks, Land Conservation, Family Court Counseling, Family Court Commissioner, Emergency Management, Public Safety Communications, Corporation Counsel, Planning and Development and Public Works. This fund also accounts for the activity of the elected officers of the County Executive, the Sheriff's Office, the Clerk of Courts, the County Treasurer, the Register of Deeds, and the County Clerk.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2002

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Human Services

The Human Services Fund is used to account for the revenues and expenditures associated with the Human Services Department. Human Services is the largest department within County government and receives a wide variety of intergovernmental revenues. General purpose revenue is transferred annually from the General Fund to the Human Services Fund to supplement these intergovernmental revenues in support of Human Service Department services.

Debt Service

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Included in this report is the Justice Center capital projects fund, Dane County Conservation capital projects fund and general capital projects fund.

Proprietary Funds.

The County of Dane's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Airport

The Airport Fund is used to account for the enterprises of the Dane County Regional Airport. Airport operations are not supported with general purpose revenue.

Highway

The Highway Fund is used to account for the operations of the Dane County Highway Department. The Highway Department maintains County highways using state highway aids and general purpose revenue. However, the Highway Department also maintains state and town roadways on a contract basis with the State of Wisconsin and other local governments. The Highway Department is reimbursed for these services from the State and local governments.

Sanitary Landfill

The Solid Waste Fund is used to account for the operations of the County landfill and recycling operations. These operations are not supported with general purpose revenue from the County.

Badger Prairie Health Care Center

The BPHCC fund is used to account for the operations of the County nursing home. This operation receives approximately 1/3 of its operating revenue from a transfer of general purpose revenue from the General Fund.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2002

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations of approximately \$10,788,703 more than the original budget. The total original appropriations, including those for transfers out, were \$164,330,842, while the final appropriations were \$175,119,545. The majority of the difference was related to the appropriation carry forwards for projects not completed by year-end of \$8,027,542. The remaining increase of approximately \$2,761,161 was for various items legislated by County Board of Supervisors throughout the year. The increase in appropriations was budgeted from available fund balance or additional funding sources such as grant funds.

CAPITAL ASSETS

At the end of 2002, the county had invested a total of \$346,937,026 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction work in progress.

Major capital asset events during the current fiscal year included the following:

Construction Work in Progress increased \$23.9 million including:

- \$3.3 million for the Justice Center Construction project;
- \$6.8 million for Infrastructure projects; and
- \$14.1 million for State Aid Projects and Terminal Expansion Project at the Dane County Airport.

Machinery & Equipment increased \$5.9 million including:

- \$0.8 million in equipment for the Airport including \$0.6 for a new Parking Control System.
- \$0.8 million for replacement chiller for the Alliant Energy Center of Dane County; and
- \$2.8 million in equipment for the Methane Gas Fund gas extraction system;

\$2.4 million was capitalized for Dane County Conservation Fund land and easement purchases.

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2002	Business- Type Activities 2002	Total
Land	\$ 43,515,081	\$ 29,812,437	\$ 73,327,518
Land improvements	26,654,407	48,247,537	74,901,944
Buildings	61,127,432	26,339,916	87,467,348
Machinery and equipment	3,388,372	13,567,101	16,955,473
Infrastructure	50,211,613	-	50,211,613
Construction in progress	19,788,171	24,284,959	44,073,130
Total	<u>\$ 204,685,076</u>	<u>\$ 142,251,950</u>	<u>\$ 346,937,026</u>

Additional information on the County of Dane's capital assets can be found in note IV.D. of this report.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2002

LONG-TERM DEBT

During 2002, the county issued \$78,715,000 in bonds and notes and retired debt of \$8,596,550 resulting in \$139,259,522 in outstanding bonds payable at the end of 2002. This results in a per capita general obligation debt of \$317.31/person. Of the bonded debt, \$106,936,717 is to be repaid with general property taxes.

Of the \$78,715,000 in bonds issued in 2002, \$19,145,000 was issued to retire the County's prior service credit with the Wisconsin Retirement System. The County also issued \$29,445,000 in general obligation bonds to be used for expansion of the terminal building at the Dane County Regional Airport. These bonds will be repaid from airport revenues.

Under Wisconsin State Statutes, Chapter 67, Dane County's aggregate indebtedness may not exceed 5% of the equalized value of taxable property located in the County. The net amount of debt that is applicable to the statutory limit is \$139,259,522, which is considerably below the maximum of \$1,602,505,985. The general obligation notes and bonds issued in 2002 received an Aaa rating from Moody's and an AAA from Fitch IBCA.

COUNTY OF DANE'S OUTSTANDING DEBT GENERAL OBLIGATION BONDS

	Governmental Activity 2002	Business-Type Activity 2002	Total
General obligation bonds and notes payable	\$ 108,018,989	\$ 31,240,533	\$ 139,259,522

Additional information on the County of Dane's long-term debt can be found in footnote IV.F. of this report.

CURRENTLY KNOWN FACTS

Subsequent Events – In January of 2003, the County paid off its unfunded Wisconsin Retirement system liability. Further details on can be found in Notes V.A. and V.E. to the financial statements.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the county's finances. If you have questions about this report or need any additional information, contact the Controller's Office, Attn: Charles Hicklin, at Department of Administration, Controller Division, 210 Martin Luther King Jr. Boulevard, Room 426, Madison, Wisconsin, 53709, call 608.266.4109, or e-mail Hicklin@co.dane.wi.us.

General information relating to the County of Dane, Wisconsin, can be found at the county's website, www.co.dane.wi.us.

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COUNTY OF DANE

STATEMENT OF NET ASSETS
December 31, 2002

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Total	
ASSETS				
Cash and investments	\$ 73,029,976	\$ 55,454,563	\$ 128,484,539	\$ 760,971
Receivables (net of allowance for uncollectibles)				
Taxes	89,108,796	3,839,659	92,948,455	-
Delinquent taxes	6,052,180	-	6,052,180	-
Accounts	5,237,788	2,276,920	7,514,708	18,109
Loans	1,147,185	-	1,147,185	282,201
Other	2,481,248	-	2,481,248	-
Due from other governmental units	15,938,775	2,381,889	18,320,664	9,999
Internal balances	(1,320,846)	1,320,846	-	-
Inventories	-	1,962,636	1,962,636	-
Prepaid items	28,362	76,582	104,944	4,584
Deposits	50,000	-	50,000	-
Restricted assets:				
Temporarily restricted:				
Cash and investments	-	4,566,965	4,566,965	592,806
Deposit with Wisconsin Mutual Insurance Co.	1,809,171	-	1,809,171	-
Other assets	276,625	133,405	410,030	-
Capital assets:				
Land	43,515,081	29,812,437	73,327,518	1,137,721
Construction in progress	19,788,171	24,284,959	44,073,130	-
Land Improvements	32,755,737	85,532,400	118,288,137	-
Buildings	91,740,516	40,663,833	132,404,349	5,771,410
Machinery and equipment	16,337,707	31,521,633	47,859,340	149,124
Infrastructure	74,813,748	-	74,813,748	-
Less: accumulated depreciation	(74,265,884)	(69,563,312)	(143,829,196)	(4,160,755)
Total Assets	398,524,336	214,265,415	612,789,751	4,566,170
LIABILITIES				
Accounts payable	7,768,677	2,272,586	10,041,263	48,656
Accrued payroll and payroll taxes	6,182,568	935,577	7,118,145	-
Other accrued liabilities and deposits	7,461,538	149,672	7,611,210	36,435
Due to other governmental units	12,187,544	771,312	12,958,856	-
Deferred revenue	90,689,757	3,875,433	94,565,190	530,631
Liabilities payable from restricted assets	-	43,155	43,155	-
Noncurrent liabilities:				
Due within one year	19,769,733	2,037,086	21,806,819	94,617
Due in more than one year	112,846,652	40,921,928	153,768,580	364,431
Total Liabilities	256,906,469	51,006,749	307,913,218	1,074,770
NET ASSETS				
Invested in capital assets, net of related debt	115,427,484	138,371,993	253,799,477	2,713,276
Restricted	3,677,024	162,515	3,839,539	545,248
Unrestricted	22,513,359	24,724,158	47,237,517	232,876
Total Net Assets	\$ 141,617,867	\$ 163,258,666	\$ 304,876,533	\$ 3,491,400

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2002

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 21,722,671	\$ 5,642,866	\$ 4,067,899	\$ -
Health and human services	183,457,868	1,295,582	132,542,483	-
Public safety and criminal justice	68,389,671	8,758,697	5,575,724	-
Public works	4,181,591	818,827	34,106	6,656,977
Culture, education and recreation	16,597,910	7,486,688	339,702	361,041
Conservation and economic development	4,968,204	1,886,229	2,686,761	-
Interest and fiscal charges	2,458,191	-	-	-
Total Governmental Activities	301,776,106	25,888,889	145,246,675	7,018,018
Business type activities				
Airport	11,183,604	14,511,029	212,512	7,103,218
Highway	15,706,735	8,262,967	4,714,498	40,113
Sanitary landfill	6,001,896	6,386,109	-	-
Badger Prairie Health Care Center	13,230,898	5,861,365	3,565,409	-
Other non-major proprietary funds	1,333,696	1,764,683	-	-
Total Business-Type Activities	47,456,829	36,786,153	8,492,419	7,143,331
Total primary government	\$ 349,232,935	\$ 62,675,042	\$ 153,739,094	\$ 14,161,349
Component Unit:				
Housing authority	\$ 7,900,522	\$ 270,355	\$ 7,263,764	\$ -

General revenues:
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Property taxes, levied for highway purposes
Sales taxes
Other taxes
Intergovernmental revenues not restricted to specific programs
Public gifts and/or grants
Investment income
Gain (loss) on the sale of assets
Miscellaneous
Transfers
Total general revenues, special items, and transfers
Change in net assets
Net assets - beginning
Net Assets - Ending

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	
\$ (12,011,906)	\$ -	\$ (12,011,906)	\$ -
(49,619,803)	-	(49,619,803)	-
(54,055,250)	-	(54,055,250)	-
3,328,319	-	3,328,319	-
(8,410,479)	-	(8,410,479)	-
(395,214)	-	(395,214)	-
(2,458,191)	-	(2,458,191)	-
(123,622,524)	-	(123,622,524)	-
-	10,643,155	10,643,155	-
-	(2,689,157)	(2,689,157)	-
-	384,213	384,213	-
-	(3,804,124)	(3,804,124)	-
-	430,987	430,987	-
-	4,965,074	4,965,074	-
(123,622,524)	4,965,074	(118,657,450)	-
			(366,403)
77,670,161	-	77,670,161	-
7,226,193	-	7,226,193	-
-	5,184,170	5,184,170	-
37,221,577	-	37,221,577	-
3,704,112	-	3,704,112	-
7,472,682	-	7,472,682	-
3,284,753	-	3,284,753	-
1,765,392	578,922	2,344,314	14,207
122,424	(157,616)	(35,192)	-
1,117,576	441,121	1,558,697	139,927
(984,960)	984,960	-	-
138,599,910	7,031,557	145,631,467	154,134
14,977,386	11,996,631	26,974,017	(212,269)
126,640,481	151,262,035	277,902,516	3,703,669
\$ 141,617,867	\$ 163,258,666	\$ 304,876,533	\$ 3,491,400

See accompanying notes to financial statements.

COUNTY OF DANE

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2002

ASSETS	<u>General</u>	<u>Human Services</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and investments	\$ 11,781,466	\$ 10,936,383	\$ 24,326,251	\$ 15,826,943	\$ 2,880,901	\$ 65,751,944
Receivables						
Taxes	73,597,223	-	9,091,374	-	6,420,199	89,108,796
Delinquent taxes	6,052,180	-	-	-	-	6,052,180
Accounts	2,027,791	552,096	-	1,743,653	41,584	4,365,124
Loans	-	-	-	-	1,147,185	1,147,185
Other	2,481,248	-	-	-	-	2,481,248
Due from other governmental units	11,247,531	4,662,722	-	-	24,833	15,935,086
Due from other funds	37,925	-	-	-	150	38,075
Prepaid items	26,274	1,860	-	28	200	28,362
Total Assets	<u>\$ 107,251,638</u>	<u>\$ 16,153,061</u>	<u>\$ 33,417,625</u>	<u>\$ 17,570,624</u>	<u>\$ 10,515,052</u>	<u>\$ 184,908,000</u>
 LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,978,009	\$ 4,090,924	\$ 45,247	\$ 432,653	\$ 95,141	\$ 7,641,974
Accrued payroll and payroll taxes	5,056,696	807,127	-	-	254,038	6,117,861
Other accrued liabilities and deposits	1,177,206	132,123	-	-	11,907	1,321,236
Due to other governmental units	1,489,654	10,657,555	-	17,729	21,990	12,186,928
Due to other funds	48,647	2,498	-	-	2,389	53,534
Deferred revenue	<u>77,602,692</u>	<u>-</u>	<u>9,091,374</u>	<u>-</u>	<u>6,421,752</u>	<u>93,115,818</u>
Total Liabilities	<u>88,352,904</u>	<u>15,690,227</u>	<u>9,136,621</u>	<u>450,382</u>	<u>6,807,217</u>	<u>120,437,351</u>
 Fund balances:						
Reserved for:						
Encumbrances	835,136	425,348	-	452,343	30,611	1,743,438
Prepaid items	26,274	1,860	-	28	200	28,362
Loans	-	-	-	-	1,147,185	1,147,185
Non-county levy portion of delinquent taxes receivable	3,350,870	-	-	-	-	3,350,870
Long-term receivables	522,046	-	-	1,740,593	-	2,262,639
Debt service	-	-	5,480,332	-	-	5,480,332
Trust activities	-	-	-	-	561,700	561,700
Retirement of pension liability	-	-	18,800,672	-	-	18,800,672
Unreserved and designated, reported in:						
General fund	5,703,716	-	-	-	-	5,703,716
Special revenue funds	-	35,626	-	-	1,968,139	2,003,765
Capital projects fund	-	-	-	14,927,278	-	14,927,278
Unreserved and undesignated, reported in:						
General fund	<u>8,460,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,460,692</u>
Total Fund Balances	<u>18,898,734</u>	<u>462,834</u>	<u>24,281,004</u>	<u>17,120,242</u>	<u>3,707,835</u>	<u>64,470,649</u>
 Total Liabilities and Fund Balances	 <u>\$ 107,251,638</u>	 <u>\$ 16,153,061</u>	 <u>\$ 33,417,625</u>	 <u>\$ 17,570,624</u>	 <u>\$ 10,515,052</u>	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	201,122,249
Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	2,426,061
Internal service funds are reported in the statement of net assets as governmental funds	5,291,037
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A.	<u>(131,692,129)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 141,617,867

COUNTY OF DANE

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2002

	General	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 112,742,670	\$ -	\$ 7,226,193	\$ -	\$ 5,830,182	\$ 125,799,045
Intergovernmental	22,097,809	128,539,110	-	-	1,903,456	152,540,375
Public charges for services	15,177,037	107,611	-	361,041	1,140,089	16,785,778
Fines, forfeitures and penalties	2,294,661	-	-	-	-	2,294,661
Licenses and permits	675,914	-	-	-	882,296	1,558,210
Investment income	1,531,918	-	31,681	-	-	1,563,599
Miscellaneous	4,596,462	4,057,882	302,795	1,856,086	550,610	11,363,835
Total Revenues	<u>159,116,471</u>	<u>132,704,603</u>	<u>7,560,669</u>	<u>2,217,127</u>	<u>10,306,633</u>	<u>311,905,503</u>
EXPENDITURES						
Current:						
General government	20,815,365	-	-	-	-	20,815,365
Health and human services	396,836	178,569,142	-	-	4,529,120	183,495,098
Public safety and criminal justice	66,947,987	-	-	-	-	66,947,987
Public works	1,277,206	-	-	-	77,129	1,354,335
Culture, education and recreation	11,860,253	-	-	-	3,295,272	15,155,525
Conservation and economic development	4,666,790	-	-	-	504,708	5,171,498
Capital outlay	2,249,692	148,308	-	7,507,209	66,469	9,971,678
Debt service:						
Principal retirement	-	-	7,751,892	-	-	7,751,892
Interest and fees	-	-	3,231,261	-	-	3,231,261
Total Expenditures	<u>108,214,129</u>	<u>178,717,450</u>	<u>10,983,153</u>	<u>7,507,209</u>	<u>8,472,698</u>	<u>313,894,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,902,342</u>	<u>(46,012,847)</u>	<u>(3,422,484)</u>	<u>(5,290,082)</u>	<u>1,833,935</u>	<u>(1,989,136)</u>
OTHER FINANCING SOURCES (USES)						
General obligation debt issued	671,640	-	23,597,784	24,798,193	-	49,067,617
Debt premium	-	-	707,576	-	-	707,576
Debt discount	-	-	(51,657)	-	-	(51,657)
Capital leases issued	16,565	60,658	-	-	13,939	91,162
Sale of county property	337,133	-	-	448,665	-	785,798
Transfers in	2,303,343	46,152,027	2,745,370	1,959,334	-	53,160,074
Transfers out	<u>(54,605,890)</u>	<u>-</u>	<u>-</u>	<u>(1,014,005)</u>	<u>-</u>	<u>(55,619,895)</u>
Total Other Financing Sources (Uses)	<u>(51,277,209)</u>	<u>46,212,685</u>	<u>26,999,073</u>	<u>26,192,187</u>	<u>13,939</u>	<u>48,140,675</u>
Net change in fund balance	(374,867)	199,838	23,576,589	20,902,105	1,847,874	46,151,539
Fund balances (deficit) - beginning (as restated)	<u>19,273,601</u>	<u>262,996</u>	<u>704,415</u>	<u>(3,781,863)</u>	<u>1,859,961</u>	<u>18,319,110</u>
Fund balances - ending	<u>\$ 18,898,734</u>	<u>\$ 462,834</u>	<u>\$ 24,281,004</u>	<u>\$ 17,120,242</u>	<u>\$ 3,707,835</u>	<u>\$ 64,470,649</u>

See accompanying notes to financial statements.

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COUNTY OF DANE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2002

Net change in fund balances - total governmental funds	\$ 46,151,539
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	9,971,678
Less: Some items reported as capital outlay but not capitalized	(204,151)
Depreciation is reported in the government-wide statements	(6,758,012)
Capital contributions reported in the government-wide statements (infrastructure)	6,645,727
Infrastructure financed by the highway fund	1,636,621
Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net assets.	(214,709)
Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(1,323,602)
Debt and lease proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which payments (\$7,751,892 G.O. debt and \$38,684 capital leases) exceeded proceeds (\$49,158,779).	(41,368,203)
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(317,571)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(177,246)
Claims and judgments	70,000
Disability benefits	8,491
Accrued interest on debt	494,954
Internal service funds are used by management to charge the costs of printing, workers compensation, liability insurance, employee benefits, food service and firearms training center costs to individual funds. The increase in net assets of the internal service funds is reported with governmental activities.	361,870
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 14,977,386

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS December 31, 2002

	Business-type Activities - Enterprise Funds		
	Airport	Highway	Sanitary Landfill
ASSETS			
Current assets:			
Cash and investments	\$ 48,245,443	\$ 841,201	\$ 5,156,721
Taxes receivable	-	3,839,659	-
Accounts receivable, net	1,244,325	4,520	401,069
Due from other governmental units	-	2,334,632	-
Due from other funds	-	64,280	-
Inventories	-	1,804,089	-
Prepaid items	-	76,382	200
Deposits	-	-	-
Total Current Assets	49,489,768	8,964,763	5,557,990
Noncurrent assets:			
Restricted cash and investments	-	-	4,521,810
Advances to other funds	-	-	1,072,123
Other assets	133,405	-	-
Capital assets:			
Land	27,788,707	147,495	1,830,247
Construction in progress	24,112,442	134,018	-
Land improvements	70,677,385	441,946	14,082,821
Buildings	33,046,436	2,964,666	637,014
Machinery and equipment	6,346,566	14,987,151	3,998,368
Less accumulated depreciation	(43,357,872)	(10,184,085)	(10,473,404)
Total Capital Assets (Net of Accumulated Depreciation)	118,613,664	8,491,191	10,075,046
Total Noncurrent Assets	118,747,069	8,491,191	15,668,979
Total Assets	168,236,837	17,455,954	21,226,969

<u>Business-type Activities - Enterprise Funds</u>			
<u>Badger Prairie Health Care</u>	<u>Other Proprietary Funds</u>	<u>Totals Current Year</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 934,143	\$ 277,055	\$ 55,454,563	\$ 7,278,032
-	-	3,839,659	-
624,389	2,617	2,276,920	872,664
-	47,257	2,381,889	3,689
-	-	64,280	-
29,585	128,962	1,962,636	-
-	-	76,582	-
-	-	-	50,000
<u>1,588,117</u>	<u>455,891</u>	<u>66,056,529</u>	<u>8,204,385</u>
45,155	-	4,566,965	1,809,171
-	194,765	1,266,888	-
-	-	133,405	-
45,988	-	29,812,437	108,000
38,499	-	24,284,959	-
330,248	-	85,532,400	1,631,109
4,015,717	-	40,663,833	2,502,933
2,777,271	3,412,277	31,521,633	947,262
<u>(4,370,744)</u>	<u>(1,177,207)</u>	<u>(69,563,312)</u>	<u>(1,626,477)</u>
<u>2,836,979</u>	<u>2,235,070</u>	<u>142,251,950</u>	<u>3,562,827</u>
<u>2,882,134</u>	<u>2,429,835</u>	<u>148,219,208</u>	<u>5,371,998</u>
<u>4,470,251</u>	<u>2,885,726</u>	<u>214,275,737</u>	<u>13,576,383</u>

COUNTY OF DANE

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS December 31, 2002

	Business-type Activities - Enterprise Funds		
	Airport	Highway	Sanitary Landfill
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 212,123	\$ 1,537,540	\$ 259,540
Accrued payroll and payroll taxes	157,076	270,708	35,910
Accrued compensated absences	269,937	498,524	61,724
Other accrued liabilities and deposits	136,607	5,917	-
Due to other governmental units	136,333	556,268	46,566
Due to other funds	2,745	-	1,724
Current portion of postclosure care costs	-	-	46,640
Current portion of general obligation debt	-	103,223	-
Current portion of capital leases	-	-	-
Current portion of notes payable	208,740	-	-
Current portion of other liabilities	-	-	-
Deferred revenue	30,246	3,845,187	-
Total Current Liabilities	1,153,807	6,817,367	452,104
Current liabilities payable from restricted assets:	-	-	-
Noncurrent liabilities:			
Advances from other funds	-	-	-
Accrued compensated absences	699,091	1,461,721	183,511
Long-term care and postclosure care costs payable	-	-	4,312,655
General obligation debt	29,445,000	318,564	-
Unamortized premium on debt	2,188,464	-	-
Capital lease payable	-	-	-
Notes payable	-	-	-
Other long-term liabilities	-	-	-
Total Noncurrent Liabilities	32,332,555	1,780,285	4,496,166
Total Liabilities	33,486,362	8,597,652	4,948,270
NET ASSETS			
Invested in capital assets, net of related debt	116,681,139	8,069,404	10,075,046
Restricted for:			
Unpaid claims and restricted deposits	-	-	-
Employee benefits	-	-	-
Landfill long-term care costs	-	-	162,515
Unrestricted (deficit)	18,069,336	788,898	6,041,138
Total Net Assets	\$ 134,750,475	\$ 8,858,302	\$ 16,278,699

<u>Business-type Activities - Enterprise Funds</u>				Governmental
<u>Badger Prairie Health Care</u>	<u>Other Proprietary Funds</u>	<u>Totals Current Year</u>		<u>Activities - Internal Service Funds</u>
\$ 211,511	\$ 51,872	\$ 2,272,586	\$	126,703
448,431	23,452	935,577		64,707
448,109	41,234	1,319,528		72,440
6,101	1,047	149,672		5,135,520
32,145	-	771,312		616
4,076	1,777	10,322		38,499
-	-	46,640		-
231,049	86,264	420,536		489,644
-	10,517	10,517		-
31,125	-	239,865		-
-	-	-		130,000
-	-	3,875,433		-
<u>1,412,547</u>	<u>216,163</u>	<u>10,051,988</u>		<u>6,058,129</u>
<u>43,155</u>	<u>-</u>	<u>43,155</u>		<u>-</u>
-	-	-		1,266,888
1,024,423	121,809	3,490,555		107,701
-	-	4,312,655		-
1,002,961	53,472	30,819,997		592,628
-	-	2,188,464		-
-	11,088	11,088		-
99,169	-	99,169		-
-	-	-		260,000
<u>2,126,553</u>	<u>186,369</u>	<u>40,921,928</u>		<u>2,227,217</u>
<u>3,582,255</u>	<u>402,532</u>	<u>51,017,071</u>		<u>8,285,346</u>
1,472,675	2,073,729	138,371,993		2,480,555
-	-	-		2,333,296
-	-	-		1,687,595
-	-	162,515		-
<u>(584,679)</u>	<u>409,465</u>	<u>24,724,158</u>		<u>(1,210,409)</u>
<u>\$ 887,996</u>	<u>\$ 2,483,194</u>	<u>\$ 163,258,666</u>	<u>\$</u>	<u>5,291,037</u>

COUNTY OF DANE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For the Year Ended December 31, 2002

	Business-type Activities - Enterprise Funds		
	Airport	Highway	Sanitary Landfill
Operating revenues:			
Charges for services	\$ 9,978,691	\$ 8,826,761	\$ 6,366,121
Intergovernmental charges for services	-	4,066,658	-
Parking fees and concession sales	4,744,849	-	-
Other	<u>224,972</u>	<u>11,965</u>	<u>140,989</u>
Total Operating Revenues	<u>14,948,512</u>	<u>12,905,384</u>	<u>6,507,110</u>
Operating expenses:			
Personal services	3,450,989	8,211,771	995,444
Contractual services	1,551,608	916,177	3,137,625
Highway operations	-	6,931,171	-
Insurance services	-	-	-
Other	2,521,235	-	1,089,869
Depreciation	<u>3,537,084</u>	<u>1,263,602</u>	<u>770,636</u>
Total Operating Expenses	<u>11,060,916</u>	<u>17,322,721</u>	<u>5,993,574</u>
Operating Income (Loss)	<u>3,887,596</u>	<u>(4,417,337)</u>	<u>513,536</u>
Nonoperating revenues (expenses):			
Taxes	-	5,184,170	-
Intergovernmental grants	-	112,192	-
Investment income	331,027	-	247,895
Interest expense	(122,688)	(20,635)	(8,322)
Amortization of bond premium	95,151	-	-
Gain (loss) on disposal of fixed assets	<u>(114,236)</u>	<u>-</u>	<u>(31,831)</u>
Total nonoperating revenues (expenses)	<u>189,254</u>	<u>5,275,727</u>	<u>207,742</u>
Income (loss) before contributions and transfers	4,076,850	858,390	721,278
Capital contributions	7,103,218	-	-
Transfers in	-	671,641	-
Transfers out	<u>-</u>	<u>(906,545)</u>	<u>(939,120)</u>
Change in Net Assets	11,180,068	623,486	(217,842)
 Total net assets - beginning (as restated)	 <u>123,570,407</u>	 <u>8,234,816</u>	 <u>16,496,541</u>
 Total net assets - ending	 <u>\$ 134,750,475</u>	 <u>\$ 8,858,302</u>	 <u>\$ 16,278,699</u>

<u>Business-type Activities - Enterprise Funds</u>			
<u>Badger Prairie Health Care Center</u>	<u>Other Non-Major Proprietary Funds</u>	<u>Totals Current Year</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ 5,846,169	\$ 1,764,683	\$ 32,782,425	\$ 5,318,280
-	-	4,066,658	-
-	-	4,744,849	-
<u>15,196</u>	<u>-</u>	<u>393,122</u>	<u>13,296</u>
<u>5,861,365</u>	<u>1,764,683</u>	<u>41,987,054</u>	<u>5,331,576</u>
9,234,806	511,376	22,404,386	1,716,895
1,703,787	123,286	7,432,483	259,953
-	-	6,931,171	-
-	-	-	1,024,844
2,043,993	499,526	6,154,623	1,735,009
197,534	191,508	5,960,364	212,808
<u>13,180,120</u>	<u>1,325,696</u>	<u>48,883,027</u>	<u>4,949,509</u>
<u>(7,318,755)</u>	<u>438,987</u>	<u>(6,895,973)</u>	<u>382,067</u>
-	-	5,184,170	-
3,565,409	-	3,677,601	-
-	-	578,922	201,793
(50,778)	(8,000)	(210,423)	(60,230)
-	-	95,151	-
<u>(11,549)</u>	<u>-</u>	<u>(157,616)</u>	<u>-</u>
<u>3,503,082</u>	<u>(8,000)</u>	<u>9,167,805</u>	<u>141,563</u>
(3,815,673)	430,987	2,271,832	523,630
-	-	7,103,218	-
3,984,063	259,120	4,914,824	-
-	(447,578)	(2,293,243)	(161,760)
168,390	242,529	11,996,631	361,870
<u>719,606</u>	<u>2,240,665</u>	<u>151,262,035</u>	<u>4,929,167</u>
<u>\$ 887,996</u>	<u>\$ 2,483,194</u>	<u>\$ 163,258,666</u>	<u>\$ 5,291,037</u>

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES For the Year Ended December 31, 2002

Business-Type Activities - Enterprise Funds

	Airport	Highway	Sanitary Landfill
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 15,052,509	\$ 12,362,249	\$ 6,621,323
Received from other funds	-	-	-
Customer deposits received	-	-	-
Paid to suppliers for goods and services	(4,875,466)	(8,283,277)	(3,955,501)
Paid to employees for services	(2,628,882)	(8,211,771)	(995,444)
Net Cash Flows From Operating Activities	7,548,161	(4,132,799)	1,670,378
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	671,641	-
Transfers out	-	(906,545)	(690,000)
Paid to other funds	-	-	-
Payment of other long-term debt	-	-	-
General property taxes	-	5,184,170	-
Intergovernmental grants	-	112,192	-
Advances (to) from other funds	-	-	(104,225)
Net Cash Flows From Noncapital Financing Activities	-	5,061,458	(794,225)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	(349,694)	(96,306)	(200,000)
Principal payments on capital lease	-	-	-
Proceeds from long-term debt	29,445,000	-	-
Bond premium	2,283,615	-	-
Interest paid	(133,405)	(20,635)	-
Acquisition and construction of fixed assets	(14,455,095)	(740,932)	(1,811,516)
Contributions received for construction	7,103,218	-	-
Net Cash Flows From Capital and Related Financing Activities	23,893,639	(857,873)	(2,011,516)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	331,027	-	239,573
Marketable securities purchased	-	-	(242,110)
Net Cash Flows From Investing Activities	331,027	-	(2,537)
Net (Decrease) Increase in Cash and Cash Equivalents	31,772,827	70,786	(1,137,900)
CASH AND CASH EQUIVALENTS - Beginning of Year	16,472,616	770,415	6,400,278
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 48,245,443	\$ 841,201	\$ 5,262,378

<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
<u>Badger Prairie Health Care Center</u>	<u>Non-Major Proprietary Fund</u>	<u>Totals Current Year</u>	<u>Activities - Internal Service Funds</u>
\$ 6,056,046	\$ 1,802,655	\$ 41,894,782	\$ 87,007
-	-	-	5,026,614
75,259	-	75,259	-
(3,805,787)	(616,962)	(21,536,993)	(4,040,610)
<u>(9,163,025)</u>	<u>(511,376)</u>	<u>(21,510,498)</u>	<u>(1,716,895)</u>
<u>(6,837,507)</u>	<u>674,317</u>	<u>(1,077,450)</u>	<u>(643,884)</u>
3,984,063	-	4,655,704	-
-	(447,578)	(2,044,123)	(161,760)
-	-	-	(1,526,866)
-	-	-	(130,000)
-	-	5,184,170	-
3,565,409	-	3,677,601	-
-	(672)	(104,897)	105,197
<u>7,549,472</u>	<u>(448,250)</u>	<u>11,368,455</u>	<u>(1,713,429)</u>
(150,552)	(16,129)	(812,681)	(411,877)
-	(48,136)	(48,136)	-
132,000	70,382	29,647,382	-
-	-	2,283,615	-
(50,778)	(8,053)	(212,871)	(60,230)
(315,506)	(14,828)	(17,337,877)	-
-	-	7,103,218	-
<u>(384,836)</u>	<u>(16,764)</u>	<u>20,622,650</u>	<u>(472,107)</u>
-	-	570,600	201,793
-	-	(242,110)	-
-	-	328,490	201,793
327,129	209,303	31,242,145	(2,627,627)
<u>652,169</u>	<u>67,752</u>	<u>24,363,230</u>	<u>9,905,659</u>
<u>\$ 979,298</u>	<u>\$ 277,055</u>	<u>\$ 55,605,375</u>	<u>\$ 7,278,032</u>

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPES
 For the Year Ended December 31, 2002

Business-Type Activities - Enterprise Funds

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
 NET CASH FROM OPERATING ACTIVITIES**

	<u>Airport</u>	<u>Highway</u>	<u>Sanitary Landfill</u>
Operating income (loss)	\$ 3,887,596	\$ (4,417,337)	\$ 513,536
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	3,537,084	1,263,602	770,636
Change in assets and liabilities			
Accounts receivable	73,751	5,121	114,213
Due from other governmental units	7,837	(663,936)	-
Due from other funds	2,631	130,923	-
Inventories	-	(588,831)	-
Prepaid items	-	5,905	58,799
Accounts payable	(63,810)	521,690	103,555
Accrued payroll and payroll taxes	64,084	(53,127)	(3,916)
Accrued compensated absences	-	(198,613)	13,136
Other accrued liabilities and deposits	8,742	(3,075)	(4,178)
Due to other governmental units	-	(119,878)	19,953
Due to other funds	-	-	(8,987)
Deferred revenue	30,246	(15,243)	-
Long-term care and postclosure care costs payable	-	-	93,631
Net Cash Flows From Operating Activities	<u>7,548,161</u>	<u>(4,132,799)</u>	<u>1,670,378</u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE
 STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**

Cash and investments - statement of net assets - proprietary fund	\$ 48,245,443	\$ 841,201	\$ 5,156,721
Restricted cash and investments - statement of net assets - proprietary fund	-	-	4,521,810
Non-cash equivalents	-	-	<u>(4,416,153)</u>

CASH AND CASH EQUIVALENTS - END OF YEAR

	<u>\$ 48,245,443</u>	<u>\$ 841,201</u>	<u>\$ 5,262,378</u>
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NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contributed property and equipment	\$ -	\$ -	\$ -
Adjustments to capital assets	\$ 1,151,152	\$ -	\$ -
Borrowing under capital lease	\$ -	\$ -	\$ -

<u>Business-Type Activities - Enterprise Funds</u>			Governmental
<u>Badger Prairie Health Care Center</u>	<u>Non-Major Proprietary Fund</u>	<u>Totals Current Year</u>	<u>Activities - Internal Service Funds</u>
\$ (7,318,755)	\$ 438,987	\$ (6,895,973)	\$ 382,067
197,534	191,508	5,960,364	212,808
194,681	1,070	388,836	(214,266)
-	36,902	(619,197)	(3,689)
-	-	133,554	-
118	16,590	(572,123)	-
23,988	-	88,692	6,362
35,528	6,054	603,017	(206,221)
75,259	2,781	85,081	(11,743)
71,781	(16,332)	(130,028)	22,585
(23,855)	-	(22,366)	(675,175)
24,973	(3,702)	(78,654)	(345)
(118,759)	459	(127,287)	(156,267)
-	-	15,003	-
-	-	93,631	-
<u>(6,837,507)</u>	<u>674,317</u>	<u>(1,077,450)</u>	<u>(643,884)</u>
\$ 934,143	\$ 277,055	\$ 55,454,563	\$ 7,278,032
45,155	-	4,566,965	-
-	-	(4,416,153)	-
<u>\$ 979,298</u>	<u>\$ 277,055</u>	<u>\$ 55,605,375</u>	<u>\$ 7,278,032</u>
\$ -	\$ 2,831,779		\$ -
\$ -	\$ -		\$ -
\$ -	\$ 33,295		\$ -

COUNTY OF DANE

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2002

	Private Purpose Trusts	Agency Funds	Totals
ASSETS			
Cash and investments	\$ 204,654	\$ 3,585,548	\$ 3,790,202
Taxes receivable	-	6,809,217	6,809,217
Total Assets	<u>204,654</u>	<u>10,394,765</u>	<u>10,599,419</u>
LIABILITIES			
Accounts payable	-	4,628	4,628
Other accrued liabilities and deposits	-	2,220,690	2,220,690
Due to other governmental units	-	8,169,447	8,169,447
Total Liabilities	<u>-</u>	<u>10,394,765</u>	<u>10,394,765</u>
NET ASSETS			
Reserved for private purpose trust activities	<u>204,654</u>	<u>-</u>	<u>204,654</u>
Total Net Assets	<u>\$ 204,654</u>	<u>\$ -</u>	<u>\$ 204,654</u>

COUNTY OF DANE

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2002

	Private Purpose Trust Total
ADDITIONS	
Investment earnings	\$ (5,704)
Total Additions	<u>(5,704)</u>
DEDUCTIONS	
Scholarships and Badger Prairie Health Care	
Center patient benefits	<u>7,587</u>
Total deductions	<u>7,587</u>
Change in Net Assets	(13,291)
Net assets - beginning	<u>217,945</u>
Net Assets - Ending	<u>\$ 204,654</u>

See accompanying notes to financial statements.

COUNTY OF DANE

INDEX TO NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE	Page
I. Summary of Significant Accounting Policies	50
A. Reporting Entity	50
B. Government-Wide and Fund Financial Statements	50
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	54
D. Assets, Liabilities, and Net Assets or Equity	56
1. Deposits and Investments	56
2. Receivables	57
3. Inventories and Prepaid Items	59
4. Restricted Assets	59
5. Capital Assets	59
6. Other Assets	61
7. Compensated Absences	61
8. Long-Term Obligations/Conduit Debt	61
9. Claims and Judgments	61
10. Equity Classifications	62
II. Reconciliation of Government-Wide and Fund Financial Statements	62
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Assets	62
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities	63
III. Stewardship, Compliance, and Accountability	64
A. Budgetary Information	64
B. Excess Expenditures over Appropriations	65
C. Deficit Balances	65
D. Limitations on the County's Tax Levy Rate and Its Ability to Issue New Debt	66
IV. Detailed Notes on All Funds	66
A. Deposits and Investments	66
B. Receivables	69
C. Restricted Assets	71
D. Capital Assets	71
E. Interfund Receivables/Payables and Transfers	73
F. Long-Term Obligations	76
G. Lease Disclosures	80
H. Closure and Postclosure Care Cost	81
I. Governmental and Business-Type Activities Net Assets/Fund Balances	82
J. Restatement of Net Assets/Fund Balances	84
K. Significant Transactions or Events	86
L. Component Unit	87

COUNTY OF DANE

INDEX TO NOTES TO FINANCIAL STATEMENTS (cont.) December 31, 2002

NOTE	<u>Page</u>
V. Other Information	91
A. Employees' Retirement System	91
B. Risk Management	93
C. Commitments and Contingencies	94
D. Henry Vilas Zoo	96
E. Subsequent Event	96
F. Related Entity	96

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Dane, Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

This report includes all of the funds of the County of Dane. 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. 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. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial to emphasize that it is legally separate from the government. This report does not contain any blended component units.

Discretely Presented Component Unit

Dane County Housing Authority

The government-wide financial statements include the Dane County Housing Authority ("Housing Authority") as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the County Executive. Wisconsin Statutes provide for circumstances whereby the County can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the County. See Note IV.L. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended 2002. Separately issued financial statements of the Dane County Housing Authority may be obtained from the Housing Authority's office, 2001 West Broadway, Suite 1, Monona, Wisconsin 53713-3707.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 1999, GASB issued Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). In June 2001, GASB issued Statement No. 37 *Basic Financial Statement – and Management's Discussion and Analysis – For State and Local Governments – Omnibus*, (GASB 37), and Statement No. 38 *Certain Financial Statement Note Disclosures*.

The County of Dane made the decision to implement these standards effective January 1, 2002.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

Statements No. 34 and 37, among many other changes, add two new “government-wide” financial statements as basic financial statements required for all governmental units. The statement of net assets and the statement of activities are the two new required statements. Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the County used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note I.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

Statement No. 38 requires additional note disclosures.

Government-Wide Financial Statements

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

Fund Financial Statements

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

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

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

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- 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 proprietary fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County reports the following major governmental funds:

General – accounts for the County's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Human Services – accounts for resources legally restricted to supporting expenditures for the human services related programs.

Debt Service – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects – used to account for financial resources to be used for the acquisition of equipment and/or major capital facilities.

The County reports the following major enterprise funds:

Airport – accounts for operations and maintenance of the County's airport

Highway – accounts for funds used to maintain and improve roadways within the County's jurisdiction

Sanitary Landfill – accounts for operations and maintenance of a sanitary landfill serving as a solid waste disposal site for the entire County

Badger Prairie Health Care – accounts for activity associated with the operations and maintenance of the county's health care facility.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

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

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

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

- Board of Health
- Library
- Land Information
- Bridge Aid
- Community Development Block Grant (CDBG) Loans
- Commerce Revolving Loan
- Scheidegger Trust Fund

Enterprise Funds – may be used to report any activity for which a fee is charged to external users for goods or services and must be used for activities which meet certain debt or cost recovery criteria.

- Printing and Services
- Methane Gas

In addition, the County reports the following fund types:

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

Internal service funds have been established by the County to pay for workers' compensation and general liability claims and to purchase insurance coverage from outside carriers or to self-insure certain employee benefits. Additionally, Employee Benefits, the Firearms Training Center, and Consolidated Food Service operations are accounted for as internal service funds. Billings for services to user funds and other governmental units are based on standard rates which are set at a level intended to recover the costs of providing services.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

Fund Financial Statements (cont.)

Private-purpose trust funds are used to report certain trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The John T. Lyle and Blockstein Memorial trust operations are accounted for as private-purpose trust funds.

Agency funds are used to account for the receipt and disbursement of various taxes, deposits and assessments held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

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

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenues. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenues when earned. Unbilled receivables are recorded as revenues when services are provided.

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for human services reimbursable grants, for which available is defined as 180 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

Fund Financial Statements (cont.)

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

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled 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 property taxes, miscellaneous taxes, public 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 measurable and available under the criteria described above.

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

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

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport, Highway, Sanitary Landfill, Badger Prairie Health Care Center, Printing and Services, and Methane Gas 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.

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

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

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

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

No significant violations of these restrictions occurred during the year.

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. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2002, the fair value of the County's share of the LGIPs assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

2. Receivables

a. Property and Sales Tax

Property taxes are levied in November on the assessed value as of the prior January 1. They are not legally available for appropriation until the ensuing year. In addition to property taxes for the County, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the Statement of Fiduciary Net Assets – Fiduciary Funds in the Agency column.

Property tax calendar – 2002 tax roll:

Lien date and levy date	December 2002
Tax bills mailed	December 2002
Payment in full, or	January 31, 2003
First installment due	January 31, 2003
Second installment due	July 31, 2003
Personal property taxes in full	January 31, 2003
Tax sale – 2002 delinquent real estate taxes	October 2005

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

The portion of County property taxes receivable at December 31, 2002, which relates to taxes initially levied by other municipalities and uncollected within sixty days after year-end, has been reflected in the accompanying financial statements as a reservation of fund balance of the general fund in the amount of \$3,350,870.

The County has a .5% sales tax which is collected by the State of Wisconsin. Total revenues of \$37,221,577 from this tax for the 2002 fiscal year are recorded in the general fund.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

2. Receivables (cont.)

b. Allowances

No allowance for uncollectible delinquent taxes has been provided because of the County's demonstrated ability to recover any losses through the sale of the applicable property.

Accounts receivable in all funds have been adjusted for all known uncollectible accounts. Accounts receivable have been shown net of an allowance for uncollectible accounts of \$4,169 in the Badger Prairie Health Care Center fund.

c. Due To/From/Advances

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

d. Loans Receivable

The County has received federal and state grant funds for economic development loan programs to various businesses. The County records a loan receivable when the loan has been made and funds have been disbursed.

It is the County's policy to record revenue when the initial loan is made from the federal and state grant funds. The net amount of the loan receivable balance is offset by a reserve for loans receivable. As loans are repaid, the reserve for loans receivable is reduced and the designated fund balance is increased. When new loans are made from loan repayments, the reserve for loans receivable is increased and the designated fund balance is decreased. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as designated fund balance in the governmental fund balance sheet.

e. Other

This represents a lawsuit settlement that the County was awarded. The County receives an annual payment with the final payment due to the County in 2006. The revenues are recognized when they are received. Refer to Note IV.B.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, 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. Restricted Assets

Cash and Investments

Certain proceeds and other cash balances of the County's enterprise funds are classified as restricted on the balance sheet because their use is limited. Restricted assets included in the Badger Prairie Health Care Center Enterprise fund at December 31, 2002 consist of patient trust funds which are not legally available to the County to finance current operations. Restricted assets included in the Sanitary Landfill Enterprise fund at December 31, 2002 represents deposits with the State of Wisconsin Department of Natural Resources for long-term care and closure costs of landfill sites.

Deposit with Wisconsin Municipal Mutual Insurance Company

Refer to Note V.B.

5. Capital Assets

Government –Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets. The County will capitalize infrastructure if it exceeds the following thresholds: 1) Roads – 25% of the county's definition of a segment, 2) Bridges - over 20 feet, and 3) Culverts - over 10 feet. The County is also capitalizing all traffic signals. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation. The County's zoo animals have not been included as capital assets in these financial statements.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Prior to January 2002, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required until January 1, 2006, when GASB 34 requires the County to retroactively report all major general infrastructure assets acquired since January 1, 1980. For the year ended December 31, 2002, the County has retroactively reported all infrastructure acquired by its governmental fund types.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$-0- of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Land Improvements	10-20 Years
Buildings	20-40 Years
Machinery and Equipment	5-10 Years
Roads	25-40 Years
Bridges	50 Years
Traffic Signals	40 Years
Culverts	50 Years

Fund Financial Statements

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

6. Other Assets

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

7. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2002 are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consists primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

The County does not engage in conduit debt transactions.

9. Claims and Judgments

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

10. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance may include funds set aside by management for specific uses, which are labeled “designated.” The balance of unreserved fund balance is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “some liabilities, including long-term debt are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$131,692,129 difference in liabilities is as follows:

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

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

Bonds and notes payable	\$ 106,936,717
Compensated absences	22,919,247
Capital lease obligations	66,032
Claims and judgments	210,000
Other long-term liabilities	237,780
Accrued interest	1,004,782
Unamortized debt discount, premium and issue costs	<u>317,571</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 131,692,129</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$41,368,203 difference is as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (49,067,617)
Capital lease financing	(91,162)
Principal repayments:	
General obligation debt	7,751,892
Down payment on capital lease	<u>38,684</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (41,368,203)</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

All County departments are required to submit their annual budget requests for the ensuing year to the County Executive by July 31. The Department of Administration reviews the requests in detail with the departments during September.

After all of the requests have been reviewed the County Executive submits her proposed Executive Budget to the County Board of Supervisors. The County Ordinances require that this be done on or before October 1. The Board of Supervisors completes its review and adopts the budget on or before December 1 to ensure that property tax bills can be furnished to property tax payers in a timely manner so as to allow for their payment prior to December 31 if the taxpayer so chooses.

County policy requires that budgeted revenues and appropriations for the ensuing year be established on a modified accrual basis of accounting, controlled within individual agencies except for certain agencies (i.e., corporation counsel) which are controlled by individual programs and/or groups of programs (i.e., child support), within the agency, and are monitored by an annual appropriation and encumbrance system. Budgeted revenues and appropriations are approved by the County Board of Supervisors. The budget is defined as the originally approved budget, plus or minus approved revisions.

Supplemental budget appropriations may be made from unanticipated revenues received or fund equity, as defined by state statutes adopted by two-thirds approval of the County Board of Supervisors. Management can expend funds within individual agencies or programs, as appropriated, without approval of the County Board of Supervisors. The budgeted amounts presented include any amendments made. Supplemental appropriations during the year were \$35,832,893.

Formal budgetary integration is employed as a management control device for the general, special revenue, enterprise and internal service funds.

A budget has been adopted for the general fund, certain special revenue funds, and the debt service fund. Budgets have not been formally adopted for CDBG Business Loan, Commerce Revolving Loan and Scheidegger Trust special revenue funds. The capital projects fund budget was adopted at the project level. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The adopted budgets for enterprise and internal service funds are prepared on a basis consistent with generally accepted accounting principles except for the treatment of capital outlay, depreciation and principal payments on long-term debt. For budget purposes, capital outlay and principal payments on long-term debt are included as an expense, whereas, for accounting purposes, only depreciation is included as an expense.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

A. BUDGETARY INFORMATION (cont.)

Budgetary amounts lapse at year-end, except for appropriations of capital projects which have multi-year budgets and those approved by the County Board as a carryforward to the ensuing year. Unexpended appropriations, net of anticipated revenues, carried forward to 2003 at December 31, 2002, have been classified as fund balance designated for subsequent year's expenditures, net of anticipated revenues. The total carried forward is as follows:

General Fund	\$ 917,762
Special Revenue Fund - Human Services	35,626
Special Revenue Fund - Board of Health	22,886
Special Revenue Fund - Land Information	259,445
Special Revenue Fund - Bridge Aid	14,085
Capital Projects Fund – Capital Projects	16,565,326

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following funds had an excess of expenditures or transfers out over appropriations at the legal level of budgetary control for the year ended December 31, 2002:

	<u>Excess</u>
Major Fund	
Debt Service Fund	\$ 1,451,377
Nonmajor Fund	
Library	\$ 18,307

C. DEFICIT BALANCES

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

As of December 31, 2002, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Internal Service – Workers Compensation	\$ 146,042	Revenues not sufficient to cover expenditures

As conditions warrant, the general fund will subsidize the operations of the workers compensation fund through a transfer. Subsidies required of the general fund will be funded through increases in future tax levies. It is anticipated that the deficit in the workers compensation fund will be funded through future charges to other funds.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

D. LIMITATIONS ON THE COUNTY'S TAX LEVY RATE AND ITS ABILITY TO ISSUE NEW DEBT

As part of Wisconsin's State Budget Bill (1993 Act 16), new legislation was passed that limits the County's future tax levy rates. Generally, the County is limited to its 1992 tax levy rate based upon current legislation (State Statute Section 59.605(2)). However, this limitation does not affect debt authorized prior to August 12, 1993 or refunding bonds.

The County may also exceed the limitation by holding a referendum (according to state statutes) authorizing the county board to approve a higher rate. The County may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

The State Budget Bill also imposes restrictions on the County's ability to issue new debt. Generally, referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions:

- Refunding debt issues
- 75% approval by the county board
- A reasonable expectation that the new debt can be accommodated within the existing tax rate
- Other exceptions as listed in State Statutes Section 67.045

The County is in compliance with the limitation.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds, except for Agency funds. The deposits and investments of the Agency funds are held separately from those of other County funds. Total cash and investments of the county consist of the following:

Petty cash and cash on hand	\$ 798,048
Deposits	5,086,324
Investments	<u>130,957,334</u>
Total Cash and Investments	<u>\$ 136,841,706</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

A. DEPOSITS AND INVESTMENTS (cont.)

Per statement of net assets – cash and investments	\$ 128,484,539
Per statement of net assets – restricted assets – cash and investments	4,566,965
Fiduciary funds – cash and investments	<u>3,790,202</u>
Total	<u>\$ 136,841,706</u>

The County has adopted a formal investment policy which delegates authority to the County Treasurer to invest money of the County, to sell or exchange securities purchased and to provide for the safekeeping of such securities.

DEPOSITS

At year-end the carrying amount of the County's deposits was \$5,086,324 and the bank balance was \$11,416,552. The difference between the carrying amount and the bank balance represents outstanding checks and deposits in transit.

Of the bank balance, \$9,400,643 was covered by federal and state depository insurance and \$2,015,909 was uninsured and uncollateralized. Fluctuating cash flows during the year may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities and counties. This coverage has been considered in computing the amounts covered by insurance above.

INVESTMENTS

The County's investments are categorized below to give the indication of the level of custodial credit risk assumed at year-end. Category 1 includes investments that are insured or registered or for which the County or its agent in the County's name holds the securities. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the County's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its safekeeping department or agent, but not in the County's name.

These categories do not disclose market risk, nor do they measure the risk of an issuer of securities being unable to fulfill their obligation. The categories simply indicate custodial risk and collateral relationships to the investment.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

A. DEPOSITS AND INVESTMENTS (cont.)

INVESTMENTS (cont.)

	Category		Totals	Carrying Amount/ Fair Value
	2	3		
U.S. government securities	\$ 4,521,810	\$ 16,034,571	\$ 20,556,381	\$ 20,556,381
Repurchase agreements	-	5,249,536	5,249,536	5,249,536
Sub-Totals	<u>\$ 4,521,810</u>	<u>\$ 21,284,107</u>	<u>\$ 25,805,917</u>	25,805,917
Local government investment pool				105,069,479
Madison Community Foundation – pooled funds				<u>81,938</u>
Total Investments				<u>\$130,957,334</u>

The County had no significant type of investment during the year not included in the above schedule.

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

The Madison Community Foundation (“the Foundation”) is a community endowment fund. The Foundation is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement between the County and the Foundation with respect to investment of County assets. The Foundation reports the fair value of its underlying assets annually. At December 31, 2002, the fair value of the Foundation’s assets was substantially equal to the County’s share as reported above.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

B. RECEIVABLES

Receivable Summary

Receivables as of year end for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Human Services	Debt Service	Capital Projects	Airport	Highway	Sanitary Landfill	Badger Prairie Health Care Center	Nonmajor and other funds	Total
Receivables:										
Taxes	\$ 73,597,223	\$ -	\$ 9,091,374	\$ -	\$ -	\$ 3,839,659	\$ -	\$ -	\$ 6,420,199	\$ 92,948,455
Delinquent taxes	6,052,180	-	-	-	-	-	-	-	-	6,052,180
Accounts	2,027,791	552,096	-	1,743,653	1,244,325	4,520	401,069	628,558	916,865	7,518,877
Loans	-	-	-	-	-	-	-	-	1,147,185	1,147,185
Other	2,481,248	-	-	-	-	-	-	-	-	2,481,248
Due from other governmental units	11,247,531	4,662,722	-	-	-	2,334,632	-	-	75,779	18,320,664
Gross receivables	95,405,973	5,214,818	9,091,374	1,743,653	1,244,325	6,178,811	401,069	628,558	8,560,028	128,468,609
Less: Allowance for uncollectibles	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(4,169)	(-)	(4,169)
Net Total Receivables	\$ 95,405,973	\$ 5,214,818	\$ 9,091,374	\$ 1,743,653	\$ 1,244,325	\$ 6,178,811	\$ 401,069	\$ 624,389	\$ 8,560,028	\$ 128,464,440
Amounts not expected to be collected within one year	\$ 1,924,508	\$ -	\$ -	\$ 1,351,174	\$ -	\$ -	\$ -	\$ -	\$ 1,123,426	\$ 4,399,108

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

B. RECEIVABLES (cont.)

Uncollectible Amounts

Revenues of the County are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to Badger Prairie Health Care Center \$ 4,169

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable	\$ 3,839,659	\$ 89,108,796	\$ 92,948,455
County portion of tax certificates (including interest)	-	1,580,961	1,580,961
Prepaid revenue	<u>35,774</u>	<u>-</u>	<u>35,774</u>
 Total Deferred/Unearned Revenue for Governmental Funds	 <u>\$ 3,875,433</u>	 <u>\$ 90,689,757</u>	 <u>\$ 94,565,190</u>

Taxes

At December 31, 2002, current and delinquent taxes and related interest and penalties receivable by year of tax levy were as follows:

	<u>Current</u>	<u>Delinquent</u>	<u>Total</u>
2002	\$ 92,948,455	\$ -	\$ 92,948,455
2001	-	3,296,397	3,296,397
2000	-	1,208,570	1,208,570
1999	-	489,624	489,624
1998	-	449,073	449,073
1997 and prior	<u>-</u>	<u>608,516</u>	<u>608,516</u>
Total	<u>\$ 92,948,455</u>	<u>\$ 6,052,180</u>	<u>\$ 99,000,635</u>

Other Accounts Receivable

Other accounts receivable represents a receivable from the University of Wisconsin ("UW") men's hockey program for terminating a contract with Dane County Exposition Center for use of the coliseum. The County will receive \$500,000 adjusted by the consumer price index for the next four years. The receivable balance of \$2,424,508 is offset by deferred revenue. Payments will be received annually but revenues will be recognized on a monthly basis with the balance deferred.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

C. RESTRICTED ASSETS

Restricted assets of \$45,155 included in the Badger Prairie Health Care Center enterprise fund at December 31, 2002 consist of patient trust funds which are not legally available to the County to finance current operations. Restricted assets of \$4,521,810 included in the Sanitary Landfill enterprise fund at December 31, 2002 represents deposits with the State of Wisconsin Department of Natural Resources for long-term care and closure costs of landfill sites.

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2002 was as follows:

	Beginning Balance	Additions ⁽²⁾	Deletions	Adjust- ments ⁽³⁾	Ending Balance
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 42,629,174	\$ 2,452,319	\$ 1,576,412	\$ 10,000	\$ 43,515,081
Land improvements ⁽¹⁾	24,289,600	-	-	-	24,289,600
Construction in progress	9,041,986	10,746,185	-	-	19,788,171
Total Capital Assets Not Being Depreciated	75,960,760	13,198,504	1,576,412	10,000	87,592,852
Capital Assets Being Depreciated:					
Land improvements	8,131,768	334,369	-	-	8,466,137
Buildings	91,521,336	212,874	-	6,306	91,740,516
Machinery and equipment	14,209,644	2,828,330	715,267	15,000	16,337,707
Roadways – infrastructure	63,726,900	1,053,147	726,100	-	64,053,947
Bridges – infrastructure	6,263,800	139,770	15,050	-	6,388,520
Traffic signals – infrastructure	2,566,500	282,881	-	-	2,849,381
Culverts – infrastructure	1,521,900	-	-	-	1,521,900
Total Other Capital Assets Being Depreciated	187,941,848	4,851,371	1,456,417	21,306	191,358,108
Total Capital Assets at Historical Cost	263,902,608	18,049,875	3,032,829	31,306	278,950,960

⁽¹⁾ This represents the nondepreciable portion of the county's roads.

⁽²⁾ \$6,645,727 of the current year additions represent infrastructure assets contributed by other local and state governments. This is reflected as capital grants and contributions on the public works line item on the Statement of Activities. The assets are shown on the statement of net assets in the governmental activities column.

⁽³⁾ This represents an adjustment to record previously omitted assets.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Adjust- ments	Ending Balance
Less: Accumulated Depreciation for:					
Land improvements	\$ 5,837,077	\$ 264,253	\$ -	\$ -	\$ 6,101,330
Buildings	28,209,363	2,403,721	-	-	30,613,084
Machinery and equipment	12,015,383	1,434,510	500,558	-	12,949,335
Roadways	19,073,220	2,429,008	724,163	-	20,778,065
Bridges	2,158,600	125,430	11,630	-	2,272,400
Traffic signals	641,640	71,090	-	-	712,730
Culverts	808,940	30,000	-	-	838,940
Total Accumulated Depreciation	<u>68,744,223</u>	<u>6,758,012</u>	<u>1,236,351</u>	<u>-</u>	<u>74,265,884</u>
Net Capital Assets	<u>\$ 195,158,385</u>	<u>\$ 11,291,863</u>	<u>\$ 1,796,478</u>	<u>\$ 31,306</u>	<u>\$ 204,685,076</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 441,172
Human services	162,915
Public safety	1,642,899
Public works, which includes the depreciation of roadways, bridges, traffic signals, and culverts	2,764,330
Culture, education, and recreation	1,727,829
Conservation and economic development	18,867
Total Governmental Activities Depreciation Expense	<u>\$ 6,758,012</u>

	Beginning Balance	Additions	Deletions	Adjust- ments ⁽³⁾	Ending Balance
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 29,427,966	\$ 374,471	\$ -	\$ 10,000	\$ 29,812,437
Construction in progress	11,147,575	14,255,684	1,118,300	-	24,284,959
Total Capital Assets Not Being Depreciated	<u>40,575,541</u>	<u>14,630,155</u>	<u>1,118,300</u>	<u>10,000</u>	<u>54,097,396</u>
Capital Assets Being Depreciated:					
Land improvements	84,112,480	1,288,037	3,870	135,753	85,532,400
Buildings	40,669,775	-	5,942	-	40,663,833
Machinery and equipment	27,798,698	6,270,983	2,553,048	5,000	31,521,633
Total Capital Assets Being Depreciated	<u>152,580,953</u>	<u>7,559,020</u>	<u>2,562,860</u>	<u>140,753</u>	<u>157,717,866</u>
Total Capital Assets at Historical Cost	<u>193,156,494</u>	<u>22,189,175</u>	<u>3,681,160</u>	<u>150,753</u>	<u>211,815,262</u>
Less: Accumulated Depreciation for:					
Land improvements	33,566,687	3,713,193	3,521	8,504	37,284,863
Buildings	14,304,687	220,435	3,953	(197,252)	14,323,917
Machinery and equipment	17,515,716	2,026,736	1,592,920	5,000	17,954,532
Total Accumulated Depreciation	<u>65,387,090</u>	<u>5,960,364</u>	<u>1,600,394</u>	<u>(183,748)</u>	<u>69,563,312</u>
Net Capital Assets	<u>\$ 127,769,404</u>	<u>\$ 16,228,811</u>	<u>\$ 2,080,766</u>	<u>\$ 334,501</u>	<u>\$ 142,251,950</u>

⁽³⁾ This represents an adjustment to record previously omitted assets and adjust for a change in useful lives.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-Type Activities

Airport	\$ 3,537,084
Highway	1,263,602
Sanitary Landfill	770,636
Badger Prairie Health Care Center	197,534
Printing and services	49,919
Methane gas	<u>141,589</u>
Total Business-Type Activities	
Depreciation Expense	<u>\$ 5,960,364</u>

E. INTERFUND RECEIVABLES/PAYABLES/ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Internal Service – Consolidated food service	\$ 37,925
Special revenue – Board of Health	General	150
Enterprise Highway	General	48,497
Enterprise Highway	Special Revenue – Human services	2,498
Enterprise Highway	Special Revenue – Board of health	98
Enterprise Highway	Special Revenue – Library	2,291
Enterprise Highway	Enterprise – Airport	2,745
Enterprise Highway	Enterprise – Sanitary Landfill	1,724
Enterprise Highway	Enterprise – Badger Prairie Health Care	4,076
Enterprise Highway	Enterprise – Printing and services	1,777
Enterprise Highway	Internal Service – Consolidated foods	<u>574</u>
Total		<u>\$ 102,355</u>

The principal purpose of the highway receivables is to record the billing amounts due from other funds for services provided.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Interfund Receivables/Payables (cont.)

For the statement of net assets, interfund receivable/payable balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Advances

The sanitary landfill fund is advancing funds to the firearms training center. In addition, the printing and services fund is advancing funds to the consolidated foods fund. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the fund's inception. No repayment schedules have been established.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Enterprise – Sanitary landfill	Internal Service – Firearms training center	\$ 1,072,123	\$ 1,072,123
Enterprise – Printing and services	Internal Service – Consolidated foods	194,765	194,765
Totals		<u>\$ 1,266,888</u>	<u>\$ 1,266,888</u>

The principal purpose of these interfund advances is to provide cash until the fund is able to generate sufficient revenues to cover expenditures.

For the statement of net assets, interfund advance balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Capital Projects	\$ 1,014,005	To transfer activity from prior year receivable transferred to capital project fund.
General	Enterprise – Sanitary Landfill	680,000	To transfer activity to date of methane gas activity prior to being split into new fund.
General	Enterprise – Methane Gas	434,401	Annual transfer of methane gas fund's net income to general fund.
General	Enterprise – Printing and Services	13,177	To transfer tax subsidies.
General	Internal Services – Consolidated Foods	161,760	To transfer tax subsidies.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Transfers (cont.)

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Special Revenue – Human services	General	\$ 46,152,027	To transfer tax subsidies.
Debt service	General	1,838,825	To transfer funds for Alliant Energy Center debt payment.
Debt service	Enterprise – Highway	906,545	To transfer funds for infrastructure debt payment.
Capital projects	General	1,959,334	To establish new capital projects fund.
Enterprise – Highway	General	671,641	To transfer debt proceeds to be used for infrastructure.
Enterprise – Badger Prairie health care center	General	3,984,063	To transfer tax subsidies.
Enterprise – Methane Gas	Enterprise – Sanitary Landfill	<u>259,120</u>	To transfer the assets to the methane gas fund.
Total Fund Transfers		58,074,898	
Eliminate interfund activity		(55,453,317)	
Reclassify infrastructure costs paid by highway enterprise fund		<u>(1,636,621)</u>	
Total Government Transfers		<u>\$ 984,960</u>	

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2002 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 67,115,140	\$ 49,067,617	\$ 8,163,768	\$ 108,018,989	\$ 13,918,691
Add/(Subtract) Deferred Amounts For:					
Premium on debt	-	707,576	65,009	642,567	-
Discount on debt	-	(51,657)	(3,286)	(48,371)	-
Sub-total	<u>67,115,140</u>	<u>49,723,536</u>	<u>8,225,491</u>	<u>108,613,185</u>	<u>13,918,691</u>
Other Liabilities:					
Vested compensated absences	23,316,998	-	217,610	23,099,388	5,609,153
Claims and judgments (Note V.C.)	800,000	-	200,000	600,000	200,000
Disability benefits (Note V.C.)	246,273	-	8,493	237,780	10,615
Capital leases (Note IV.G.)	<u>13,554</u>	<u>91,162</u>	<u>38,684</u>	<u>66,032</u>	<u>31,274</u>
Total Other Liabilities	<u>24,376,825</u>	<u>91,162</u>	<u>464,787</u>	<u>24,003,200</u>	<u>5,851,042</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 91,491,965</u>	<u>\$ 49,814,698</u>	<u>\$ 8,690,278</u>	<u>\$ 132,616,385</u>	<u>\$ 19,769,733</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 2,025,932	\$ 29,647,382	\$ 432,781	\$ 31,240,533	\$ 420,536
Add Deferred Amounts For:					
Premiums on Debt	-	2,283,615	95,151	2,188,464	-
Sub-total	<u>2,025,932</u>	<u>31,930,997</u>	<u>527,932</u>	<u>33,428,997</u>	<u>420,536</u>
Other Liabilities:					
Vested compensated absences	4,899,466	-	89,383	4,810,083	1,319,528
Long-term care and postclosure care costs payable (Note IV.H.)	4,265,664	140,271	46,640	4,359,295	46,640
Other notes payable	718,934	-	379,900	339,034	239,865
Other long-term liabilities	23,988	-	23,988	-	-
Capital leases (Note IV.G.)	<u>36,446</u>	<u>33,295</u>	<u>48,136</u>	<u>21,605</u>	<u>10,517</u>
Total Other Liabilities	<u>9,944,498</u>	<u>173,566</u>	<u>588,047</u>	<u>9,530,017</u>	<u>1,616,550</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 11,970,430</u>	<u>\$ 32,104,563</u>	<u>\$ 1,115,979</u>	<u>\$ 42,959,014</u>	<u>\$ 2,037,086</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed five percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2002, was \$1,602,505,985. Total general obligation debt outstanding at year end was \$139,259,521.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-02</u>
Governmental Activities					
General Obligation Debt:					
General Obligation Bonds, Series 2002A	12/01/02	06/01/22	3.00-5.00%	\$ 29,922,618	\$ 29,922,618
Taxable General Obligation Bonds, Series 2002C	12/01/02	12/01/22	1.75-5.85%	14,175,000	14,175,000
Taxable General Obligation Bonds, Series 2002D	12/01/02	12/01/12	5.15%	4,970,000	4,970,000
General Obligation Promissory Notes, Series 2001A	09/01/01	03/01/11	4.00-4.30%	2,144,500	1,964,695
General Obligation Corporate Purpose Bonds, Series 2001B	03/29/01	09/01/21	4.00-5.00%	3,030,000	2,930,000
General Obligation Refunding Promissory Notes, Series 2001C	03/29/01	09/01/21	4.125-43.75%	9,551,856	7,258,580
General Obligation Corporate Purpose Bonds, Series 2000	11/09/00	09/01/20	5.00-5.50%	11,725,000	11,095,000
General Obligation Promissory Notes, Series 1999	08/01/99	06/01/09	4.30-4.625%	3,714,300	3,127,840
General Obligation Promissory Notes, Series 1998A	06/15/98	06/01/08	4.20-4.40%	4,770,000	3,589,800
General Obligation Promissory Notes, Series 1998B	09/01/98	03/01/14	4.10-4.50%	19,965,000	19,410,000
General Obligation Promissory Notes, Series 1997A	12/01/97	09/01/07	4.25-4.45%	3,200,000	1,835,289
1997 State Trust Fund Loan	01/22/97	03/15/06	5.75%	420,000	214,521
General Obligation Promissory Notes, Series 1996A	04/01/96	04/01/06	5.00-5.25%	7,625,000	4,230,646
General Obligation Corporate Purpose Bonds, Series 1994A	09/01/94	03/01/14	5.10-5.70%	12,250,000	1,120,000
General Obligation Corporate Purpose Bonds, Series 1994B	09/01/94	03/01/14	5.00-6.75%	17,800,000	<u>2,175,000</u>
Total Governmental Activities – General Obligation Debt					<u>\$ 108,018,989</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-02</u>
Business-Type Activities					
General Obligation Debt:					
General Obligation Bonds, Series 2002A	12/01/02	06/01/22	3.00-5.00%	\$ 202,382	\$ 202,382
General Obligation Bonds, Series 2002B	12/01/02	06/01/14	5.00%	29,445,000	29,445,000
General Obligation Promissory Notes, Purpose Bonds, Series 2001A	09/01/01	03/01/11	4.00-4.30%	300,500	275,305
General Obligation Refunding Promissory Notes, Series 2001C	03/29/01	09/01/21	4.125-4.375%	258,144	201,421
General Obligation Promissory Notes, Series 1999	08/01/99	06/01/09	4.30-4.625%	1,035,700	872,160
General Obligation Promissory Notes, Series 1998A	06/15/98	06/01/08	4.20-4.40%	80,000	60,200
General Obligation Promissory Notes, Series 1997A	12/01/97	09/01/07	4.25-4.45%	200,000	114,711
General Obligation Promissory Notes, Series 1996A	04/01/96	04/01/06	5.00-5.25%	125,000	69,354
Total Business-Type Activities General Obligation Debt					<u>\$ 31,240,533</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 13,918,691	\$ 4,603,347	\$ 420,536	\$ 1,537,595
2004	8,943,303	4,231,741	343,728	1,523,737
2005	8,745,029	3,889,086	2,840,020	1,446,867
2006	7,105,129	3,562,934	2,853,085	1,306,558
2007	6,147,085	3,281,205	2,897,916	1,164,532
2008 – 2012	29,984,752	12,714,890	15,175,248	3,600,538
2013 – 2017	16,845,000	6,441,791	6,710,000	338,750
2018 – 2022	16,330,000	2,468,200	-	-
Totals	<u>\$ 108,018,989</u>	<u>\$ 41,193,194</u>	<u>\$ 31,240,533</u>	<u>\$ 10,918,577</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Notes Payable - Business-Type Activities

Notes payable at December 31, 2002 consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-02</u>
Business-Type Activities Notes Payable					
Alliant Energy loan	11/20/01	12/31/06	3%	\$ 160,500	\$ 130,294
State of Wisconsin – Advance Land Acquisition Loan Program	1/1/01	2/1/03	4%	1,262,434	<u>208,740</u>
Total Business-type Activities – Other Notes Payable					<u>\$ 339,034</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Other Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$ 239,865	\$ 14,591
2004	32,072	2,536
2005	33,047	1,561
2006	<u>34,050</u>	<u>557</u>
Totals	<u>\$ 339,034</u>	<u>\$ 19,245</u>

Capital Leases

Refer to Note IV.G.

Other Debt Information

Estimated payments of other long-term liabilities (vested compensated absences, claims and judgments, disability benefits, capital leases, long-term care, and postclosure care costs payable) are not included in the debt service requirements to maturity schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund and human services fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

G. LEASE DISCLOSURES

Lessee – Capital Leases

In current and prior years, the County acquired fixed assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$138,840. \$105,545 and \$33,295 are presented in the fixed assets in the governmental and business type activities, respectively. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2002, are as follows:

	Governmental Activities	Business Type Activities
2003	\$ 34,978	\$ 11,690
2004	29,920	11,690
2005	3,713	-
2006	3,713	-
Sub-Total	<u>72,324</u>	<u>23,380</u>
Less: Amount representing interest	<u>(6,292)</u>	<u>(1,775)</u>
Present Value of Minimum Lease Payments	<u>\$ 66,032</u>	<u>\$ 21,605</u>

Lessee – Operating Leases

The County has no material operating leases with a remaining noncancellable term exceeding one year.

Lessor – Airport Leases

The County is a lessor of certain airport facilities such as terminal concession space, warehouses and hangars under various operating leases. Lease terms vary with lease expiration dates ranging from 2000 through 2086. Revenues and related expenses for these leases are recorded in the airport fund.

Future minimum lease payments to be received under noncancellable operating leases as of December 31, 2002, are as follows:

Year Ending <u>December 31,</u>	
2003	\$ 1,470,239
2004	1,307,726
2005	1,141,116
2006	1,141,116
2007	914,640
Thereafter	<u>50,113,475</u>
Total Future Minimum Rentals	<u>\$ 56,088,312</u>

The amounts above do not include contingent rentals based on usage or sales dollars which may be received under certain leases. Contingent rentals approximated \$4,876,924 for the year ended December 31, 2002.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

H. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its Rodefild and Verona landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$4,079,455 reported as landfill closure and postclosure care liability at December 31, 2002 for the Rodefild landfill, represents the cumulative amount reported to date based on the use of 70.38 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,716,872 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2002. The County expects to close the landfill in the year 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The \$279,840 reported as landfill postclosure care costs payable at December 31, 2002 for the Verona landfill represents the costs to be incurred for postclosure care on this closed landfill. The County closed the landfill in the year 1988. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2002 deposits with the Wisconsin Department of Natural Resources of \$4,521,810, which approximates fair market value, are held for the Rodefild and Verona landfills for these purposes. These are reported as restricted assets on the statement of net assets. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

I. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET ASSETS/FUND BALANCES

Governmental and business-type activities net assets reported on the government wide statement of net assets at December 31, 2002 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 43,515,081
Construction in progress	19,788,171
Other capital assets, net of accumulated depreciation	141,381,824
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(89,257,592)</u>
Total Invested in Capital Assets	<u>115,427,484</u>
Restricted	
Nonmajor funds:	
Board of health	287,663
Library	16,860
Land information	1,462,242
Bridge aid	21,794
CDBG business loan	1,202,374
Commerce revolving loan	124,391
Scheidegger trust fund	<u>561,700</u>
Total Restricted	<u>3,677,024</u>
Unrestricted	<u>22,513,359</u>
Total Governmental Activities Net Assets	<u>\$ 141,617,867</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

I. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET ASSETS (cont.)

Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statement at December 31, 2002 include the following:

Major Funds	Reserved										Total
	Encumbrances	Prepays	Loans	Delinquent Taxes	Long-Term Receivables	Debt Service	Retirement of Pension Liability	Trust Purposes	Designated	Undesignated	
General Fund	\$ 895,136	\$ 26,274	\$ -	\$ 3,350,870	\$ 522,046	\$ -	\$ -	\$ -	\$ 5,703,716	\$ 8,460,692	\$ 18,898,734
Human Services	425,348	1,860	-	-	-	-	-	-	35,626	-	462,834
Debt Service	-	-	-	-	-	5,480,332	18,800,672	-	-	-	24,281,004
<u>Non-Major Funds</u>											
Board of Health	95	68	-	-	-	-	-	-	287,663	-	287,826
Library	-	-	-	-	-	-	-	-	16,860	-	16,860
Land Information	30,516	132	-	-	-	-	-	-	1,462,242	-	1,492,890
Bridge Aid	-	-	-	-	-	-	-	-	21,794	-	21,794
CDBG	-	-	1,137,317	-	-	-	-	-	65,057	-	1,202,374
Commerce – Revolving Loan	-	-	-	-	-	-	-	-	114,523	-	124,391
Scheidegger Trust	-	-	-	-	-	-	-	-	-	-	561,700
Capital Projects	452,343	28	-	-	1,740,593	-	-	-	14,927,278	-	17,120,242
Total	\$ 1,743,438	\$ 28,362	\$ 1,147,185	\$ 3,350,870	\$ 2,262,639	\$ 5,480,332	\$ 18,800,672	\$ 561,700	\$ 22,634,759	\$ 8,460,692	\$ 64,470,649

The general fund designated fund balance is comprised of the following:

Tax deed sales	\$ 35,524
Fund balance applied	3,974,105
Alliant Energy Center	776,325
Carry forwards to 2003	917,762
Total	\$ 5,703,716

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

I. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET ASSETS (cont.)

Business-Type Activities

Invested in capital assets, net of related debt	
Land	\$ 29,812,437
Construction in progress	24,284,959
Other capital assets, net of accumulated depreciation	88,154,554
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(3,879,957)</u>
Total Invested in Capital Assets	<u>138,371,993</u>
Restricted	
Sanitary landfill:	
Long-term care costs	<u>162,515</u>
Unrestricted	<u>24,724,158</u>
Total Business-Type Activities Net Assets	<u>\$ 163,258,666</u>

J. RESTATEMENT OF NET ASSETS/FUND BALANCE

Fund balance has been restated in the General fund due to revenues recorded in a prior year that should have been deferred.

General Fund	
Fund Balance – December 31, 2001 (as reported)	\$ 20,287,606
Less: Revenues not available for expenditures	<u>(1,014,005)</u>
Net Assets – January 1, 2001 (as restated)	<u>\$ 19,273,601</u>

Net assets in the Airport fund has been restated due to a change in accounting standards through the implementation of GASB 34. Contributed capital is no longer being reported as a separate item on the Statement of Net Assets but flows through the Statement of Revenues, Expenses and Changes in Net Assets.

Airport Fund	
Retained Earnings – December 31, 2001 (as reported)	\$ 53,456,046
Add: Contributed capital	<u>70,114,361</u>
Net Assets – January 1, 2002 (as restated)	<u>\$ 123,570,407</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

Net assets in the Highway fund has been restated due to a change in accounting standards through the implementation of GASB 34. Contributed capital is no longer being reported as a separate item on the Statement of Net Assets but flows through the Statement of Revenues, Expenses and Changes in Net Assets.

Highway Fund	
Retained Earnings – December 31, 2001 (as reported)	\$ 3,379,983
Add: Contributed capital	<u>4,854,833</u>
Net Assets – January 1, 2002 (as restated)	<u>\$ 8,234,816</u>

Net assets in the Sanitary Landfill fund has been restated due to a change in accounting standards through the implementation of GASB 34. Contributed capital is no longer being reported as a separate item on the Statement of Net Assets but flows through the Statement of Revenues, Expenses and Changes in Net Assets.

Sanitary Landfill	
Retained Earnings – December 31, 2001(as reported)	\$ 16,468,569
Add: Contributed capital	<u>27,972</u>
Net Assets – January 1, 2002 (as restated)	<u>\$ 16,496,541</u>

Net assets in the Badger Prairie Health Care Center fund has been restated due to a change in accounting standards through the implementation of GASB 34. Contributed capital is no longer being reported as a separate item on the Statement of Net Assets but flows through the Statement of Revenues, Expenses and Changes in Net Assets.

Badger Prairie Health Care Center	
Retained Earnings (Deficit) – December 31, 2001(as reported)	\$ (3,656,435)
Add: Contributed capital	<u>4,376,041</u>
Net Assets – January 1, 2002 (as restated)	<u>\$ 719,606</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

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

Net assets in the Non-Major Proprietary funds have been restated due to a change in accounting standards through the implementation of GASB 34. Contributed capital is no longer being reported as a separate item on the Statement of Net Assets but flows through the Statement of Revenues, Expenses and Changes in Net Assets. Net assets have been restated in the Methane Gas fund to report assets that were not previously recorded.

Other Non-Major Proprietary Funds	
Retained Earnings – December 31, 2001 (as reported)	\$ 145,552
Add: Contributed capital – Printing and Services	93,778
Methane Gas fund	<u>2,001,335</u>
Net Assets – January 1, 2002 (as restated)	<u>\$ 2,240,665</u>

Net assets in the Governmental Activities – Internal Service funds has been restated due to a change in accounting standards through the implementation of GASB 34. Contributed capital is no longer being reported as a separate item on the Statement of Net Assets but flows through the Statement of Revenues, Expenses and Changes in Net Assets. Net assets related to the Liability Insurance fund has also been restated due to a claims and judgments liability recorded in the general long-term obligations group in prior years.

Governmental Activities – Internal Service Funds	
Retained Earnings – December 31, 2001 (as reported)	\$ 4,425,677
Add: Combined capital – Firearms Training Center	1,023,490
Less: Claims and Judgments liability	<u>(520,000)</u>
Net Assets – January 1, 2002 (as restated)	<u>\$ 4,929,167</u>

K. SIGNIFICANT TRANSACTIONS OR EVENTS

There are no known material special or extraordinary items for the year ended December 31, 2002.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

L. COMPONENT UNIT

This report contains the Dane County Housing Authority (Authority), which is included as a component unit. Financial information is presented as a discrete column in the statement of net assets and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The housing authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the Authority's deposits was 1,315,773 and the bank balance was 1,338,766 which was covered by federal depository insurance or by collateral held by the Authority or its agent in the Authority's name. The Authority's investments are categorized in the following categories based on the descriptions used in Note IV. A.

	Category			Totals	Carrying Amount/ Fair Value
	1	2	3		
Total investments	<u>\$ 431,724</u>	<u>\$ 907,042</u>	<u>\$ -</u>	<u>\$ 1,338,766</u>	\$ 1,315,773
Local government investment pool					<u>38,004</u>
Total Deposits and Investments					<u>\$ 1,353,777</u>
Unrestricted					\$ 760,971
Restricted					<u>592,806</u>
Total Cash and Investments					<u>\$ 1,353,777</u>

c. Section 8 Funding

Section 8 funding provided by HUD represents a majority of DCHA's revenue. If DCHA's Section 8 contracts were reduced or discontinued, DCHA would have no obligation to make payments to landlords or other external parties. Nevertheless, such a reduction in Section 8 funding could have a substantial effect on the activities of DCHA.

d. Conduit Debt

DCHA has authorized several developers to issue bonds using DCHA's credit. The proceeds of these bonds were used for housing projects that serve elderly or low-income tenants. The bonds do not constitute an indebtedness or pledge of the faith and credit of DCHA. The amount of principal balance outstanding at December 31, 2002 has not been determined.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

L. COMPONENT UNIT (cont.)

e. Notes Receivable

DCHA loans money to homeowners and landlords and receives mortgage-backed notes receivable in exchange. These loans were made from funds originally provided by federal grant programs. The note agreements specify repayment terms, including installment payments and payment in full upon transfer of the property, and in some instances are non-interest-bearing. When the notes are repaid, the funds become the property of DCHA and are restricted for future rehabilitation projects.

Notes receivable and activity therein consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Community Development				
Block Grant				
1976 Homeowners	\$ 74,320	\$ -	\$ -	\$ 74,320
1982 Homeowners	136,064	-	6,333	129,731
1982 Habitat for Humanity	64,000	-	14,400	49,600
HUD Section 17 Rental Rehab	<u>30,570</u>	<u>-</u>	<u>2,020</u>	<u>28,550</u>
Notes Receivable	<u>\$ 304,954</u>	<u>\$ -</u>	<u>\$ 22,753</u>	<u>\$ 282,201</u>

f. Property and Equipment

Property and equipment, and activity therein, consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land and improvements	\$ 1,137,721	\$ -	\$ -	\$ 1,137,721	N/A
Buildings	5,771,410	-	-	5,771,410	27.5
Equipment	<u>149,124</u>	<u>-</u>	<u>-</u>	<u>149,124</u>	5-15
Property and equipment	7,058,255	-	-	7,058,255	
Accumulated depreciation	<u>3,787,570</u>	<u>373,185</u>	<u>-</u>	<u>4,160,755</u>	
Property and equipment – net	<u>\$ 3,270,685</u>	<u>\$ 373,185</u>	<u>\$ -</u>	<u>\$ 2,897,500</u>	

g. Long-Term Obligations

Notes payable at December 31, 2002 consisted of a mortgage payable to the U.S. Department of Agriculture – Rural Housing Service in monthly installments of \$3,979, including interest at 11%. The note is secured by real estate and matures in December 2030. The U.S. government subsidizes payments of principal and interest on the note.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

L. COMPONENT UNIT (cont.)

g. Long-Term Obligations (cont.)

Principal payments on the Rural Housing loan during 2002 were \$25,910. Interest expense was as follows for 2002:

Base amount required by loan agreement	\$ 21,833	
Excess rents applied to interest	-	-
Amount paid by DCHA	21,833	
U.S. government interest subsidy	21,833	21,833
Interest expense	\$ -	-

Future principal payments are as follows:

2003	\$ 28,907	
2004	32,252	
2005	35,984	
2006	40,148	
2007	44,794	
Thereafter	2,139	2,139
Total	\$ 184,224	184,224

h. Contingency

DCHA is party to a revolving loan agreement with Dane County Community Development Block Grant (CDBG). Revolving loan funds are used for lead-based paint abatement and other public housing and group home improvements. The revolving loan balance at December 31, 2002 was \$187,000. The loan is non-interest-bearing, and no payments are required until the properties are sold. Based on past experience with CDBG in similar circumstances, management of DCHA has determined that were these properties to be sold, the proceeds would most likely be used by DCHA to support other activities in the Major Rehabilitation CDBG Fund. Therefore, the revolving loan balance has been included in the restricted net assets of this fund.

i. Employee Retirement System

All eligible DCHA employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer public employee retirement system. All permanent employees expected to work over 600 hours per year are eligible to participate in WRS. Covered employees are required by statute to contribute 5.2% of their salary to the Plan for 2002. Employers may make these contributions to the Plan on behalf of the employees.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

L. COMPONENT UNIT (cont.)

i. Employee Retirement System (cont.)

Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. For 2002, the payroll for DCHA employees covered by the system was \$449,514; the employer's total payroll was \$457,659. The total required contribution for 2002 was \$45,850, which consisted of \$22,476 or 5.0% of payroll from the employer and \$23,375 or 5.2% of payroll from employees.

Employees who retire at or after age 65 are entitled to receive a retirement benefit. Employees may retire at age 55 and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years of earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

WRS uses the "Entry Age Normal with Frozen Initial Liability" actuarial method in establishing employer contribution rates. Under this method, the unfunded actuarial accrued liability (pension-related debt) is affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any liabilities caused by a change in benefit provisions. All actuarial gains or losses arising from the difference between actual and assumed experience are reflected in the determination of the normal cost. Employers' pension-related debt for prior service costs is being amortized over a 40-year period beginning January 1, 1990. Historical trend information showing WRSs progress in accumulating sufficient assets to pay benefits is presented in its annual financial report. As of December 31, 2002, pension-related debt for DCHA was \$196,859 (current portion \$5,394). This liability was determined in accordance with GASB Statement 27 regarding pension-related debt. The actuarial methods and assumptions used are unchanged from those used prior to the implementation of GASB Statement 27.

j. Post-Employment Benefits Other Than Pension Benefits

In addition to the pension benefits provided to employees through the Wisconsin Retirement System, DCHA provides post-employment health insurance benefits to retired employees with accumulated unused sick pay. These benefits are available until the employee uses up unused sick pay. Currently, two retirees meet these eligibility requirements. DCHA pays the total cost of the insurance and is obligated for benefits under both union and individual employment contracts. The amount of benefits paid for the year was \$5,394 for 2002.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

L. COMPONENT UNIT (cont.)

j. Post-Employment Benefits Other Than Pension Benefits (cont.)

Expenditures for the benefit described are recognized on a pay-as-you-go basis. The estimated future liability for currently eligible retired employees is reported in the accumulated vacation and sick pay. No liability has been computed for employees not yet retired, since DCHA is only obligated to pay this benefit paid to those employees who have retired from DCHA.

k. Operating Lease

DCHA leases facilities for operation of its programs. This lease is classified as an operating lease. Rent expense for the year ended December 31, 2002 was \$73,416.

Future minimum lease payments are as follows:

2003	\$ 75,618
2004	77,887
2005	80,223
2006	<u>47,606</u>
Total	<u>\$ 281,334</u>

l. Risk Management

DCHA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible County employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.2% of their salary (3.9% for Executives and Elected Officials, 3.8% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for County employees covered by the system for the year ended December 31, 2002 was \$90,908,164; the employer's total payroll was \$94,125,472. The total required contribution for the year ended December 31, 2002 was \$11,450,969 or 12.6 percent of covered payroll. Of this amount, 100 percent was contributed by the employer for the current year. Total contributions for the years ending December 31, 2001 and 2000 were \$11,068,513 and \$9,680,373, respectively, equal to the required contributions for each year.

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

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The unfunded prior service liability for the County as of December 31, 2002, was \$18,800,672. This liability was determined in accordance with provisions of GASB Statement 27 regarding pension-related debt. Depending on actuarial assumptions, this estimate can vary significantly.

B. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County is self-insured for workers' compensation, and general liability claims arising prior to January 1, 1991, and accounts for such activity in the Workers' Compensation fund and the Liability Insurance fund (both internal service funds), respectively. The County participates in a public entity risk pool called WMMIC to provide coverage for losses from torts; errors and omissions; and public liability claims arising subsequent to January 1, 1991. The County purchases commercial insurance for all other risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was organized to provide property and liability insurance and risk management services to participant municipalities. The aggregate annual maximum coverage per municipality is \$5,000,000. At December 31, 2002, WMMIC was owned by fourteen municipalities. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

WMMIC was formed pursuant to an Intergovernmental Charter-Contract dated November 1, 1987 by municipal members. WMMIC's initial capitalization was obtained by a \$13,935,000 tax exempt Revenue Bond issuance. WMMIC forwarded the proceeds of the issuance to Fuji Bank, Ltd. (the "Bank") in return for a letter of credit. Payment of all principal and up to 185 days of interest on the bonds is fully secured by the letter of credit. WMMIC is only contingently liable for payment on the bond indebtedness in the event of failure of the Bank.

Concurrent with Revenue Bond issuance, the municipal members of WMMIC borrowed an equivalent aggregate amount from the Bank and invested the net proceeds in WMMIC. The municipal members are obligated to make principal and interest payments on their indebtedness to the Bank in an amount which is identical to the debt service on the Revenue Bonds.

WMMIC is self-insured for all insurance risks up to a maximum of \$5,000,000 of losses involving two or more of its members. Losses paid by WMMIC plus administrative costs will be recovered through premiums of the participating pool of municipalities. The County's share of such losses is 9.74%. A list of other members and their share of participation is in the WMMIC report. Financial statements of WMMIC are available from: Wisconsin Municipal Mutual Insurance Company, 4785 Hayes Road, Madison, WI 53704-7364.

The County's investment in WMMIC is reported on the statement of net assets as a deposit. The amount reported is the original capitalization of \$1,809,171.

All funds of the County participate in the risk management program and make payments to the Workers' Compensation and Liability Insurance internal service funds. Workers' Compensation charges are based primarily on payroll and worker classification. Charges for general liability are based primarily on exposure and claims experience.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

The claims liabilities for general liability and workers' compensation are actuarially determined using a discount rate of 6%. At December 31, 2002, the County has recognized \$2,531,604 in claims liabilities for general liability, including the WMMIC SIR liability, and has reported \$2,333,296 as retained earnings reserved for self-insurance losses related to general liability. In addition, at December 31, 2002, the County has recognized \$2,588,737 of incurred but not reported claims liabilities for workers' compensation and has a deficit retained earning of \$(146,042) for self insurance losses related to workers' compensation.

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the claims liability balances during the past two fiscal years are as follows:

	Workers' Compensation		Liability	
	December 31, 2002	December 31, 2001	December 31, 2002	December 31, 2001
Unpaid claims, beginning of fiscal year	\$ 2,915,715	\$ 2,615,152	\$ 2,893,009	\$ 1,183,765
Incurred claims (including IBNRs) and changes in estimates	220,030	902,464	300,250	2,456,274
Claim payments	<u>(547,008)</u>	<u>(601,901)</u>	<u>(661,655)</u>	<u>(747,030)</u>
 Unpaid Claims, End of Fiscal Year	 <u>\$ 2,588,737</u>	 <u>\$ 2,915,715</u>	 <u>\$ 2,531,604</u>	 <u>\$ 2,893,009</u>

C. COMMITMENTS AND CONTINGENCIES

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

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

During 2002, the County borrowed \$55,117,215 for the purpose of making various capital improvements. These monies, as well as other revenue sources, are reflected in the County's capital projects fund (\$24,798,193), general fund (\$671,640), airport (\$29,445,000), Badger Prairie Healthcare Center (\$132,000), and Printing and Services (\$70,382). For the governmental funds, work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The balance of contract amounts plus open purchase orders is reported as reserved for encumbrances in the governmental fund financial statements. Work that is completed in the business-type funds is capitalized.

Funding for the operating budget of the County comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the County. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the County.

The County is required by State Statutes to provide financial assistance for medical costs incurred by qualifying County residents. The County reimburses health care facilities directly for services provided to such residents. The County's liability related to medical services is based on the County's determination of individual patient eligibility, which may be disputed by the health care providers. Therefore, the liability recorded at December 31, 2002, represents the County's estimate of the amount due to such providers.

In 1998, the University of Wisconsin ("UW") terminated a contract with the Dane County Exposition Center for the use of the coliseum for the men's hockey program. In settlement, the County will receive \$500,000 per year through the year 2006. In conjunction with the termination of the UW contract, the County was sued by the concessionaire for breach of contract. The County has agreed to pay the concessionaire \$200,000 per year for a total of \$1,400,000 over the remaining term of that contract. The County has made payments to date of \$800,000. The balance due as of December 31, 2002 is \$600,000. Of the balance due, \$390,000 has been recorded in the liability insurance internal service fund. The entire \$600,000 is shown as a liability on the statement of net assets in the governmental activities column.

Under the terms of a stipulation order issued by the State of Wisconsin Department of Industry, Labor, and Human Relations, the County is making monthly payments to a former Deputy Sheriff. The payments under this order are \$885 per month. The payments are due for the life of the ex-deputy sheriff. \$237,780 has been included as governmental activities long-term obligations.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE V – OTHER INFORMATION (cont.)

D. HENRY VILAS ZOO

In 1983, the County entered into an agreement with the City of Madison for the joint operation of the Henry Vilas Zoo (the "Zoo"). The purpose of the agreement was to transfer substantial control, authority, and funding of the Zoo from the City of Madison to the County. This transfer became effective January 1, 1987, when the County's authority and responsibility for the Zoo was extended to include budgetary approval, administrative support and ownership of property. Under the terms of the agreement, the portion of County funding to maintain and operate the Zoo will remain at 80%, with the City funding the remaining 20%. The activities of the Zoo are accounted for in the general fund.

This agreement may be terminated by either party effective at the beginning of any calendar year, provided at least fourteen months advance notice is given. In the event of termination of the agreement, all assets shall revert to the City of Madison. This agreement is automatically renewable on an annual basis.

E. SUBSEQUENT EVENT

Subsequent to year end (January 2003), the County paid off its unfunded Wisconsin retirement liability (Note V.A.) in the amount of \$18,800,672.

F. RELATED ENTITIES

Administrative offices, court facilities and the maximum security jail of the County are housed in a building which includes similar facilities for the City of Madison. Certain occupancy expenses are reimbursed by the City of Madison and have been recorded as operating revenues rather than as an offset against County expenditures.

COUNTY OF DANE

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended December 31, 2002

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes	\$ 112,102,502	\$ 112,102,502	\$ 112,742,670	\$ 640,168
Intergovernmental	22,100,651	30,814,921	22,097,809	(8,717,112)
Public charges for services	14,563,100	14,614,699	15,177,037	562,338
Fines, forfeitures and penalties	2,317,700	2,490,000	2,294,661	(195,339)
Licenses and permits	580,300	580,300	675,914	95,614
Investment income	3,620,000	3,620,000	1,531,918	(2,088,082)
Miscellaneous	4,088,681	4,910,875	4,596,462	(314,413)
Total Revenues	<u>159,372,934</u>	<u>169,133,297</u>	<u>159,116,471</u>	<u>(10,016,826)</u>
EXPENDITURES				
Current:				
General government	21,646,714	21,576,189	20,815,365	760,824
Health and human services	415,000	408,346	396,836	11,510
Public safety and criminal justice	63,303,666	65,035,368	66,947,987	(1,912,619)
Public works	1,318,720	1,322,752	1,277,206	45,546
Culture, education and recreation	14,327,638	14,351,907	11,860,253	2,491,654
Conservation and economic development	6,721,396	13,618,971	4,666,790	8,952,181
Capital outlay:	<u>1,876,330</u>	<u>4,084,634</u>	<u>2,249,692</u>	<u>1,834,942</u>
Total Expenditures	<u>109,609,464</u>	<u>120,398,167</u>	<u>108,214,129</u>	<u>12,184,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,763,470</u>	<u>48,735,130</u>	<u>50,902,342</u>	<u>2,167,212</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	-	671,640	671,640
Capital lease issued	-	-	16,565	16,565
Sale of county property	222,600	284,600	337,133	52,533
Transfers in	1,042,755	1,042,755	2,303,343	1,260,588
Transfers out	<u>(54,721,378)</u>	<u>(54,721,378)</u>	<u>(54,605,890)</u>	<u>115,488</u>
Total Other Financing Sources (Uses)	<u>(53,456,023)</u>	<u>(53,394,023)</u>	<u>(51,277,209)</u>	<u>2,116,814</u>
Net change in fund balance	(3,692,553)	(4,658,893)	(374,867)	4,284,026
Fund balance - beginning	<u>19,273,601</u>	<u>19,273,601</u>	<u>19,273,601</u>	-
Fund balance - ending	<u>\$ 15,581,048</u>	<u>\$ 14,614,708</u>	<u>\$ 18,898,734</u>	<u>\$ 4,284,026</u>

COUNTY OF DANE

GENERAL FUND SCHEDULE OF EXPENDITURES COMPARED TO BUDGET For the Year Ended December 31, 2002

CURRENT EXPENDITURES	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
GENERAL GOVERNMENT				
County Board	\$ 728,110	\$ 702,572	\$ 642,005	\$ 60,567
Executive	1,771,819	1,876,894	1,792,025	84,869
County Clerk	614,380	658,230	626,938	31,292
Administrative	6,494,430	6,264,742	6,201,841	62,901
Treasurer	537,540	526,000	534,951	(8,951)
Corporation Counsel	4,308,880	4,279,074	4,275,317	3,757
Register of Deeds	1,066,740	1,136,372	1,118,426	17,946
Facilities Management	5,589,650	5,597,140	5,165,697	431,443
Humane Society	458,165	458,165	458,165	-
Other	77,000	77,000	-	77,000
Total General Government	21,646,714	21,576,189	20,815,365	760,824
HEALTH AND HUMAN SERVICES				
Veterans' Services	415,000	408,346	396,836	11,510
PUBLIC SAFETY AND CRIMINAL JUSTICE				
Sheriff	40,866,304	41,665,235	43,541,214	(1,875,979)
Public Safety Communications	4,054,800	4,104,800	4,243,797	(138,997)
Emergency Planning	1,115,500	1,386,031	1,234,448	151,583
Juvenile Court Program	2,916,890	2,908,990	2,852,726	56,264
Clerk of Courts	8,354,416	8,437,417	8,534,447	(97,030)
Family Court Commissioner	1,796,840	1,772,731	1,731,164	41,567
Coroner	561,020	574,808	582,275	(7,467)
District Attorney	3,637,896	4,185,356	4,227,916	(42,560)
Total Public Safety and Criminal Justice	63,303,666	65,035,368	66,947,987	(1,912,619)
PUBLIC WORKS				
Parking Ramp	282,300	282,300	301,946	(19,646)
Public Works	1,035,220	1,039,252	975,260	63,992
Other	1,200	1,200	-	1,200
Total Public Works	1,318,720	1,322,752	1,277,206	45,546
CULTURE, EDUCATION AND RECREATION				
Henry Vilas Zoo	1,659,700	1,602,268	1,549,599	52,669
Parks	2,913,120	2,943,577	2,553,131	390,446
Alliant Center	8,439,000	8,440,200	6,399,927	2,040,273
County Extension	976,050	1,026,094	1,017,828	8,266
Other	339,768	339,768	339,768	-
Total Culture, Education and Recreation	14,327,638	14,351,907	11,860,253	2,491,654
CONSERVATION AND ECONOMIC DEVELOPMENT				
Land Conservation	1,458,570	5,614,722	1,272,707	4,342,015
Planning and Development	5,262,826	8,004,249	3,394,083	4,610,166
Total Conservation and Economic Development	6,721,396	13,618,971	4,666,790	8,952,181
Total Current Expenditures	\$ 107,733,134	\$ 116,313,533	\$ 105,964,437	\$ 10,349,096

COUNTY OF DANE

GENERAL FUND (cont.)
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
 For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
CAPITAL OUTLAY				
GENERAL GOVERNMENT				
Administration	\$ 75,000	\$ 75,000	\$ 21,018	\$ 53,982
County Board	7,530	7,530	6,810	720
Executive	5,000	5,000	3,995	1,005
Treasurer	-	10,924	3,500	7,424
Corporation Counsel	3,000	3,000	383	2,617
Facilities Management	130,000	585,164	223,447	361,717
Register of Deeds	100,000	100,000	107,559	(7,559)
Total General Government	<u>320,530</u>	<u>786,618</u>	<u>366,712</u>	<u>419,906</u>
PUBLIC SAFETY AND CRIMINAL JUSTICE				
Sheriff	704,200	1,109,947	791,562	318,385
Public Safety Communications	-	79,400	79,400	-
Emergency Planning	34,000	73,400	32,668	40,732
Total Public Safety and Criminal Justice	<u>738,200</u>	<u>1,262,747</u>	<u>903,630</u>	<u>359,117</u>
PUBLIC WORKS				
Parking Ramp	5,000	5,000	-	5,000
Public Works	20,000	52,102	47,664	4,438
Other	-	30,300	13,982	16,318
Total Public Works	<u>25,000</u>	<u>87,402</u>	<u>61,646</u>	<u>25,756</u>
CULTURE, EDUCATION AND RECREATION				
Parks	89,500	384,186	106,162	278,024
Alliant Center	690,500	1,501,081	777,385	723,696
Total Culture, Education and Recreation	<u>780,000</u>	<u>1,885,267</u>	<u>883,547</u>	<u>1,001,720</u>
CONSERVATION AND ECONOMIC DEVELOPMENT				
Land Conservation	2,300	2,300	-	2,300
Planning and Development	10,300	60,300	34,157	26,143
Total Conservation and Economic Development	<u>12,600</u>	<u>62,600</u>	<u>34,157</u>	<u>28,443</u>
Total Capital Outlay	<u>1,876,330</u>	<u>4,084,634</u>	<u>2,249,692</u>	<u>1,834,942</u>
Total Current Expenditures and Capital Outlay	<u>\$ 109,609,464</u>	<u>\$ 120,398,167</u>	<u>\$ 108,214,129</u>	<u>\$ 12,184,038</u>

COUNTY OF DANE

HUMAN SERVICES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 121,544,100	\$ 128,148,070	\$ 128,539,110	\$ 391,040
Public charges for services	93,200	93,200	107,611	14,411
Miscellaneous	4,890,500	4,891,980	4,057,882	(834,098)
Total Revenues	<u>126,527,800</u>	<u>133,133,250</u>	<u>132,704,603</u>	<u>(428,647)</u>
EXPENDITURES				
Current:				
Health and human services				
Personal services	22,770,600	22,465,842	22,123,548	342,294
Contractual services	152,501,165	158,450,542	152,247,959	6,202,583
Other	<u>3,477,672</u>	<u>3,749,965</u>	<u>4,197,635</u>	<u>(447,670)</u>
Total Health and Human Services	178,749,437	184,666,349	178,569,142	6,097,207
Capital outlay	<u>154,200</u>	<u>208,570</u>	<u>148,308</u>	<u>60,262</u>
Total Expenditures	<u>178,903,637</u>	<u>184,874,919</u>	<u>178,717,450</u>	<u>6,157,469</u>
Excess (deficiency) of revenues over (under) expenditures	(52,375,837)	(51,741,669)	(46,012,847)	5,728,822
OTHER FINANCING SOURCES				
Capital lease issued	-	-	60,658	60,658
Transfers in	<u>52,375,837</u>	<u>52,375,837</u>	<u>46,152,027</u>	<u>(6,223,810)</u>
Total Other Financing Sources	<u>52,375,837</u>	<u>52,375,837</u>	<u>46,212,685</u>	<u>(6,163,152)</u>
Net change in fund balance	-	634,168	199,838	(434,330)
Fund balance - beginning	<u>262,996</u>	<u>262,996</u>	<u>262,996</u>	<u>-</u>
Fund balance - ending	<u>\$ 262,996</u>	<u>\$ 897,164</u>	<u>\$ 462,834</u>	<u>\$ (434,330)</u>

COUNTY OF DANE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2002

Budgetary Information

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

The County controls expenditures at the agency level of expenditures except for certain agencies (i.e., corporation counsel) which are adopted by individual programs and/or groups of programs (i.e., child support), within the agency. Some individual agencies experienced expenditures which exceeded appropriations in the general fund:

Excess expenditures over appropriations are as follows:

	<u>Amended Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Current Expenditures			
Treasurer	\$ 526,000	\$ 534,951	\$ 8,951
Sheriff	41,665,235	43,541,214	1,875,979
Public Safety Communications	4,104,800	4,243,797	138,997
Clerk of Courts	8,437,417	8,534,447	97,030
Coroner	574,808	582,275	7,467
District Attorney	4,185,356	4,227,916	42,560
Parking Ramp	282,300	301,946	19,646
Capital Outlay			
Register of Deeds	100,000	107,559	7,559

The excess expenditures were funded through transfers from other general fund agencies which had sufficient funds available.

Human Services Fund

Other	\$ 3,749,965	\$ 4,197,635	\$ 447,670
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Supplemental appropriations for the human services fund during the year were \$237,342.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue sources that are legally restricted to expenditure for particular purposes.

- *Board of Health* – Accounts for funds used to provide a wide range of public health services essential to the health and welfare of County residents.
- *Library* – Accounts for funds used to maintain and improve library services.
- *Land Information* – Accounts for funds used to improve the accessibility of land-related information and to provide a means to place the County in a state-of-the-art business posture to process land-related information.
- *Bridge Aid* – Provides a separate accounting for County reimbursements to local municipalities for costs incurred to construct or repair bridges or culverts within the County.
- *CDBG Loans* – Accounts for the issuance and repayment of loans from the Community Development Block Grant Program.
- *Commerce Revolving Loan* – Accounts for the receipt of grant funds from the Wisconsin Department of Commerce and subsequent issuance and repayment of loans to grant recipients.
- *Scheidegger Trust Fund* – Accounts for monies to be used for park purchases.

COUNTY OF DANE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS December 31, 2002

	Special Revenue Funds			
	Board of Health	Library	Land Information	Bridge Aid
ASSETS				
Cash and investments	\$ 548,005	\$ 62,841	\$ 1,506,981	\$ 21,794
Receivables				
Taxes	2,766,001	3,525,409	-	128,789
Accounts	31,552	99	9,933	-
Loans	-	-	-	-
Due from other governments	24,833	-	-	-
Due from other funds	150	-	-	-
Prepaid items	68	-	132	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,370,609</u>	<u>\$ 3,588,349</u>	<u>\$ 1,517,046</u>	<u>\$ 150,583</u>
LIABILITIES				
Accounts payable	\$ 64,907	\$ 20,840	\$ 9,394	\$ -
Accrued payroll and payroll taxes	218,927	20,351	14,760	-
Other accrued liabilities	10,239	1,668	-	-
Due to other government units	21,058	930	2	-
Due to other funds	98	2,291	-	-
Deferred revenue	<u>2,767,554</u>	<u>3,525,409</u>	<u> </u>	<u>128,789</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>3,082,783</u>	<u>3,571,489</u>	<u>24,156</u>	<u>128,789</u>
FUND BALANCES				
Reserved for:				
Encumbrances	95	-	30,516	-
Prepays	68	-	132	-
Loans	-	-	-	-
Trust activities	-	-	-	-
Unreserved and designated	<u>287,663</u>	<u>16,860</u>	<u>1,462,242</u>	<u>21,794</u>
Total Fund Balances	<u>287,826</u>	<u>16,860</u>	<u>1,492,890</u>	<u>21,794</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 3,370,609</u>	<u>\$ 3,588,349</u>	<u>\$ 1,517,046</u>	<u>\$ 150,583</u>

Special Revenue Funds			Total
CDBG Business Loans	Commerce Revolving Loan	Scheidegger Trust Fund	Nonmajor Governmental Funds
\$ 65,057	\$ 114,523	\$ 561,700	\$ 2,880,901
-	-	-	6,420,199
-	-	-	41,584
1,137,317	9,868	-	1,147,185
-	-	-	24,833
-	-	-	150
-	-	-	200
<u>\$ 1,202,374</u>	<u>\$ 124,391</u>	<u>\$ 561,700</u>	<u>\$ 10,515,052</u>
\$ -	\$ -	\$ -	\$ 95,141
-	-	-	254,038
-	-	-	11,907
-	-	-	21,990
-	-	-	2,389
-	-	-	6,421,752
-	-	-	6,807,217
-	-	-	30,611
-	-	-	200
1,137,317	9,868	-	1,147,185
-	-	561,700	561,700
<u>65,057</u>	<u>114,523</u>	<u>-</u>	<u>1,968,139</u>
<u>1,202,374</u>	<u>124,391</u>	<u>561,700</u>	<u>3,707,835</u>
<u>\$ 1,202,374</u>	<u>\$ 124,391</u>	<u>\$ 561,700</u>	<u>\$ 10,515,052</u>

COUNTY OF DANE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2002

	Special Revenue Funds			
	Board of Health	Library	Land Information	Bridge Aid
REVENUES				
Taxes	\$ 2,548,431	\$ 3,220,461	\$ -	\$ 61,290
Intergovernmental	791,553	12,731	72,749	-
Public charges for services	7,650	11,990	1,120,449	-
Licenses and permits	882,296	-	-	-
Miscellaneous	12,109	11,801	-	-
Total Revenues	4,242,039	3,256,983	1,193,198	61,290
EXPENDITURES				
Current:				
Health and human services	4,529,120	-	-	-
Public works	-	-	-	77,129
Culture, education and recreation	-	3,295,272	-	-
Conservation and economic development	-	-	504,668	-
Capital Outlay	19,168	-	47,301	-
Total Expenditures	4,548,288	3,295,272	551,969	77,129
Excess (deficiency) of revenues over (under) expenditures	(306,249)	(38,289)	641,229	(15,839)
OTHER FINANCING SOURCES (USES)				
Capital lease issued	13,939	-	-	-
Net Change in Fund Balances	(292,310)	(38,289)	641,229	(15,839)
Fund balances - beginning	580,136	55,149	851,661	37,633
Fund balances - ending	\$ 287,826	\$ 16,860	\$ 1,492,890	\$ 21,794

Special Revenue Funds			Total
CDBG Loans	Commerce Revolving Loan	Scheidegger Trust Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 5,830,182
1,026,374	49	-	1,903,456
-	-	-	1,140,089
-	-	-	882,296
-	-	526,700	550,610
<u>1,026,374</u>	<u>49</u>	<u>526,700</u>	<u>10,306,633</u>
-	-	-	4,529,120
-	-	-	77,129
-	-	-	3,295,272
-	40	-	504,708
-	-	-	66,469
-	<u>40</u>	-	<u>8,472,698</u>
1,026,374	9	526,700	1,833,935
-	-	-	13,939
1,026,374	9	526,700	1,847,874
<u>176,000</u>	<u>124,382</u>	<u>35,000</u>	<u>1,859,961</u>
<u>\$ 1,202,374</u>	<u>\$ 124,391</u>	<u>\$ 561,700</u>	<u>\$ 3,707,835</u>

COUNTY OF DANE

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,226,193	\$ 7,226,193	\$ 7,226,193	\$ -
Investment income	65,000	65,000	31,681	(33,319)
Miscellaneous	224,650	224,650	302,795	78,145
Total Revenues	<u>7,515,843</u>	<u>7,515,843</u>	<u>7,560,669</u>	<u>44,826</u>
EXPENDITURES				
Debt service:				
Principal retirement	6,340,171	6,340,171	7,751,892	(1,411,721)
Interest and fees	2,343,262	3,243,262	3,231,261	12,001
Total Expenditures	<u>8,683,433</u>	<u>9,583,433</u>	<u>10,983,153</u>	<u>(1,399,720)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,167,590)</u>	<u>(2,067,590)</u>	<u>(3,422,484)</u>	<u>(1,354,894)</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	-	23,597,784	23,597,784
Debt premium	-	-	707,576	707,576
Debt discount	-	-	(51,657)	(51,657)
Transfers in	700,000	700,000	2,745,370	2,045,370
Total Other Financing Sources (Uses)	<u>700,000</u>	<u>700,000</u>	<u>26,999,073</u>	<u>26,299,073</u>
Net change in fund balances	(467,590)	(1,367,590)	23,576,589	24,944,179
Fund balances - beginning	704,415	704,415	704,415	-
Fund balances (deficit) - ending	<u>\$ 236,825</u>	<u>\$ (663,175)</u>	<u>\$ 24,281,004</u>	<u>\$ 24,944,179</u>

COUNTY OF DANE

CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Public charges for services	\$ 20,000	\$ 5,456,547	\$ 361,041	\$ (5,095,506)
Miscellaneous	75,000	1,847,560	1,856,086	8,526
Total Revenues	<u>95,000</u>	<u>7,304,107</u>	<u>2,217,127</u>	<u>(5,086,980)</u>
EXPENDITURES				
Capital outlay	<u>20,255,400</u>	<u>37,718,976</u>	<u>7,507,209</u>	<u>30,211,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,160,400)</u>	<u>(30,414,869)</u>	<u>(5,290,082)</u>	<u>25,124,787</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	20,160,400	31,788,400	24,798,193	(6,990,207)
Sale of county property	-	449,000	448,665	(335)
Transfers in	-	-	1,959,334	1,959,334
Transfers out	-	-	(1,014,005)	(1,014,005)
Total Other Financing Sources (Uses)	<u>20,160,400</u>	<u>32,237,400</u>	<u>26,192,187</u>	<u>(6,045,213)</u>
Net change in fund balances	-	1,822,531	20,902,105	19,079,574
Fund balances (deficit) - beginning	<u>(3,781,863)</u>	<u>(3,781,863)</u>	<u>(3,781,863)</u>	<u>-</u>
Fund balances (deficit) - Ending	<u>\$ (3,781,863)</u>	<u>\$ (1,959,332)</u>	<u>\$ 17,120,242</u>	<u>\$ 19,079,574</u>

COUNTY OF DANE

BOARD OF HEALTH SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,548,431	\$ 2,548,431	\$ 2,548,431	\$ -
Intergovernmental	768,100	1,052,542	791,553	(260,989)
Public charges for services	20,000	20,398	7,650	(12,748)
Licenses and permits	816,700	816,700	882,296	65,596
Miscellaneous	100	29,851	12,109	(17,742)
Total Revenues	<u>4,153,331</u>	<u>4,467,922</u>	<u>4,242,039</u>	<u>(225,883)</u>
EXPENDITURES				
Current:				
Health and human services				
Personal services	3,664,600	3,767,988	3,768,607	(619)
Contractual services	317,500	528,224	463,825	64,399
Other	409,000	483,405	296,688	186,717
Total Health and Human Services	4,391,100	4,779,617	4,529,120	250,497
Capital outlay	5,500	10,700	19,168	(8,468)
Total Expenditures	<u>4,396,600</u>	<u>4,790,317</u>	<u>4,548,288</u>	<u>242,029</u>
Excess (deficiency) of revenues over (under) expenditures	(243,269)	(322,395)	(306,249)	16,146
OTHER FINANCING SOURCES				
Capital lease issued	-	-	13,939	13,939
Net change in fund balance	(243,269)	(322,395)	(292,310)	30,085
Fund balances - beginning	<u>580,136</u>	<u>580,136</u>	<u>580,136</u>	<u>-</u>
Fund balances - ending	<u>\$ 336,867</u>	<u>\$ 257,741</u>	<u>\$ 287,826</u>	<u>\$ 30,085</u>

COUNTY OF DANE

LIBRARY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,220,461	\$ 3,220,461	\$ 3,220,461	\$ -
Intergovernmental	12,700	12,700	12,731	31
Public charges for services	12,300	12,300	11,990	(310)
Miscellaneous	10,000	15,000	11,801	(3,199)
Total Revenues	<u>3,255,461</u>	<u>3,260,461</u>	<u>3,256,983</u>	<u>(3,478)</u>
EXPENDITURES				
Current:				
Culture, education and recreation				
Personal services	565,500	544,865	539,236	5,629
Contractual services	2,563,800	2,563,800	2,591,709	(27,909)
Other	163,300	168,300	164,327	3,973
Total Culture, Education and Recreation Expenditures	<u>3,292,600</u>	<u>3,276,965</u>	<u>3,295,272</u>	<u>(18,307)</u>
Excess (deficiency) of revenues over (under) expenditures	(37,139)	(16,504)	(38,289)	(21,785)
Fund balances - beginning	<u>55,149</u>	<u>55,149</u>	<u>55,149</u>	<u>-</u>
Fund balances - ending	<u>\$ 18,010</u>	<u>\$ 38,645</u>	<u>\$ 16,860</u>	<u>\$ (21,785)</u>

COUNTY OF DANE

LAND INFORMATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 55,000	\$ 119,502	\$ 72,749	\$ (46,753)
Public charges for services	518,000	518,000	1,120,449	602,449
Total Revenues	<u>573,000</u>	<u>637,502</u>	<u>1,193,198</u>	<u>555,696</u>
EXPENDITURES				
Current:				
Conservation and economic development				
Personal services	382,300	397,310	354,675	42,635
Contractual services	121,600	289,909	85,420	204,489
Other	90,100	94,400	64,573	29,827
Total Conservation and Economic Development Expenditures	594,000	781,619	504,668	276,951
Capital outlay	10,000	134,708	47,301	87,407
Total Expenditures	<u>604,000</u>	<u>916,327</u>	<u>551,969</u>	<u>364,358</u>
Excess (deficiency) of revenues over (under) expenditures	(31,000)	(278,825)	641,229	920,054
Fund balances - beginning	<u>851,661</u>	<u>851,661</u>	<u>851,661</u>	<u>-</u>
Fund balances - ending	<u>\$ 820,661</u>	<u>\$ 572,836</u>	<u>\$ 1,492,890</u>	<u>\$ 920,054</u>

COUNTY OF DANE

BRIDGE AID SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 61,290	\$ 61,290	\$ 61,290	\$ -
EXPENDITURES				
Current:				
Public works	80,000	98,923	77,129	21,794
Excess (deficiency) of revenues over (under) expenditures	(18,710)	(37,633)	(15,839)	21,794
Fund balances - beginning	37,633	37,633	37,633	-
Fund balances - ending	\$ 18,923	\$ -	\$ 21,794	\$ 21,794

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NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds account for operations for which the intent of the County is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or for which periodic measurement of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes..

- *Printing and Services* – Accounts for printing and related services provided by the Department of Administration to other County departments and other governmental units.
- *Methane Gas* – To account for the operation and maintenance of the gas extraction system at the county landfill sites, as well as the sale of electricity generated.

COUNTY OF DANE

COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS December 31, 2002

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Printing and Services	Methane Gas	
ASSETS			
Current assets:			
Cash and investments	\$ 94,059	\$ 182,996	\$ 277,055
Accounts receivable, net	2,617	-	2,617
Due from other governmental units	47,257	-	47,257
Inventory	128,962	-	128,962
Total current assets	<u>272,895</u>	<u>182,996</u>	<u>455,891</u>
Noncurrent assets:			
Advance to other funds	194,765	-	194,765
Capital assets:			
Machinery and equipment	580,498	2,831,779	3,412,277
Less accumulated depreciation	(464,294)	(712,913)	(1,177,207)
Total capital assets (net of accumulated depreciation)	<u>116,204</u>	<u>2,118,866</u>	<u>2,235,070</u>
Total noncurrent assets	<u>310,969</u>	<u>2,118,866</u>	<u>2,429,835</u>
Total assets	<u>\$ 583,864</u>	<u>\$ 2,301,862</u>	<u>\$ 2,885,726</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 19,401	\$ 32,471	\$ 51,872
Accrued payroll and payroll taxes	18,971	4,481	23,452
Accrued compensated absences	41,234	-	41,234
Other accrued liabilities and deposits	1,047	-	1,047
Due to other funds	1,777	-	1,777
Current portion of general obligation debt	86,264	-	86,264
Current portion of capital leases	10,517	-	10,517
Total current liabilities	<u>179,211</u>	<u>36,952</u>	<u>216,163</u>
Noncurrent liabilities:			
Accrued compensated absences	117,353	4,456	121,809
General obligation long-term debt	53,472	-	53,472
Capital lease payable	11,088	-	11,088
Total noncurrent liabilities	<u>181,913</u>	<u>4,456</u>	<u>186,369</u>
Total liabilities	<u>361,124</u>	<u>41,408</u>	<u>402,532</u>
NET ASSETS			
Invested in capital assets, net of related debt (deficit)	(45,137)	2,118,866	2,073,729
Unrestricted	267,877	141,588	409,465
Total net assets	<u>\$ 222,740</u>	<u>\$ 2,260,454</u>	<u>\$ 2,483,194</u>

COUNTY OF DANE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 FUND NET ASSETS - NONMAJOR PROPRIETARY FUNDS
 For the Year Ended December 31, 2002

	<u>Enterprise Funds</u>		
	<u>Printing and Services</u>	<u>Methane Gas</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 1,048,727	\$ 715,956	\$ 1,764,683
Total operating revenues	<u>1,048,727</u>	<u>715,956</u>	<u>1,764,683</u>
Operating expenses:			
Personal services	442,203	69,173	511,376
Contractual services	123,286	-	123,286
Other	428,732	70,794	499,526
Depreciation	49,919	141,589	191,508
Total operating expenses	<u>1,044,140</u>	<u>281,556</u>	<u>1,325,696</u>
Operating income	<u>4,587</u>	<u>434,400</u>	<u>438,987</u>
Nonoperating revenues (expenses)			
Interest expense	<u>(8,000)</u>	<u>-</u>	<u>(8,000)</u>
Total nonoperating revenues (expenses)	<u>(8,000)</u>	<u>-</u>	<u>(8,000)</u>
Income (loss) before transfers	(3,413)	434,400	430,987
Transfers in	-	259,120	259,120
Transfers out	<u>(13,177)</u>	<u>(434,401)</u>	<u>(447,578)</u>
Change in net assets	(16,590)	259,119	242,529
Total net assets - beginning	<u>239,330</u>	<u>2,001,335</u>	<u>2,240,665</u>
Total net assets - ending	<u>\$ 222,740</u>	<u>\$ 2,260,454</u>	<u>\$ 2,483,194</u>

COUNTY OF DANE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2002

	Enterprise Funds		
	Printing and Services	Methane Gas	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,086,699	\$ 715,956	\$ 1,802,655
Paid to suppliers for goods and services	(587,576)	(29,386)	(616,962)
Paid to employees for services	(442,203)	(69,173)	(511,376)
Net Cash Flows From Operating Activities	56,920	617,397	674,317
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(13,177)	(434,401)	(447,578)
Advances from (to) other funds	(672)	-	(672)
Net Cash Flows From Noncapital Financing Activities	(13,849)	(434,401)	(448,250)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	(16,129)	-	(16,129)
Principal payments on capital lease	(48,136)	-	(48,136)
Proceeds from long-term debt	70,382	-	70,382
Interest paid	(8,053)	-	(8,053)
Acquisition and construction of fixed assets	(14,828)	-	(14,828)
Net Cash Flows From Capital and Related Financing Activities	(16,764)	-	(16,764)
Net Increase in Cash and Cash Equivalents	26,307	182,996	209,303
CASH AND CASH EQUIVALENTS - Beginning of Year	67,752	-	67,752
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 94,059	\$ 182,996	\$ 277,055

COUNTY OF DANE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (cont.)
For the Year Ended December 31, 2002

	Enterprise Funds		
	Printing and Services	Methane Gas	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating income	\$ 4,587	\$ 434,400	\$ 438,987
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	49,919	141,589	191,508
Change in assets and liabilities			
Accounts receivable	1,070	-	1,070
Due from other governmental units	36,902	-	36,902
Inventories	16,590	-	16,590
Accounts payable	(26,417)	32,471	6,054
Accrued payroll and payroll taxes	(1,700)	4,481	2,781
Accrued compensated absences	(20,788)	4,456	(16,332)
Due to other governmental units	(3,702)	-	(3,702)
Due to other funds	459	-	459
Net Cash Flows From Operating Activities	56,920	617,397	674,317
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributed property and equipment	\$ -	\$ 2,831,779	\$ 2,831,779
Borrowing under capital lease	\$ 33,295	\$ -	\$ 33,295

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INTERNAL SERVICE FUNDS

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

- *Workers' Compensation* – Accounts for workers' compensation claims on a self-insured basis.
- *Liability Insurance* – Accounts for funds used for payment of general liability claims on a self-insured basis or for purchase of insurance coverage from Wisconsin Municipal Mutual Insurance Co. (WMMIC) or from private carriers.
- *Employee Benefits* – Accounts for funds used for payment of certain employee benefits through the purchase of insurance coverage from private carriers.
- *Firearms Training Center* – Accounts for firearms range services provided to various other governmental users.
- *Consolidated Food Service* – Accounts for food services provided to other County departments.

COUNTY OF DANE

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS December 31, 2002

	<u>Workers'</u> <u>Compensation</u>	<u>Liability</u> <u>Insurance</u>	<u>Employee</u> <u>Benefits</u>
ASSETS			
Current assets:			
Cash and investments	\$ 2,401,432	\$ 2,612,330	\$ 2,264,270
Accounts receivable, net	-	869,784	-
Due from other governmental units	-	-	-
Deposits	<u>50,000</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>2,451,432</u>	<u>3,482,114</u>	<u>2,264,270</u>
Noncurrent assets:			
Restricted deposit with Wisconsin Mutual Insurance Company	-	1,809,171	-
Capital assets:			
Land	-	-	-
Land improvements	-	-	-
Buildings	-	-	-
Machinery and equipment	-	-	-
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>-</u>	<u>1,809,171</u>	<u>-</u>
Total Assets	<u>\$ 2,451,432</u>	<u>\$ 5,291,285</u>	<u>\$ 2,264,270</u>

Firearms Training Center	Consolidated Food Service	Total
\$ -	\$ -	\$ 7,278,032
2,880	-	872,664
3,689	-	3,689
-	-	50,000
<u>6,569</u>	<u>-</u>	<u>8,204,385</u>
-	-	1,809,171
108,000	-	108,000
1,631,109	-	1,631,109
534,228	1,968,705	2,502,933
-	947,262	947,262
<u>(543,933)</u>	<u>(1,082,544)</u>	<u>(1,626,477)</u>
<u>1,729,404</u>	<u>1,833,423</u>	<u>3,562,827</u>
<u>1,729,404</u>	<u>1,833,423</u>	<u>5,371,998</u>
<u>\$ 1,735,973</u>	<u>\$ 1,833,423</u>	<u>\$ 13,576,383</u>

COUNTY OF DANE

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
December 31, 2002

LIABILITIES	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Employee Benefits</u>
Current liabilities:			
Accounts payable	\$ 8,737	\$ 36,385	\$ 6,714
Accrued payroll and payroll taxes	-	-	-
Accrued compensated absences	-	-	-
Other accrued liabilities and deposits	2,588,737	2,531,604	-
Due to other governmental units	-	-	-
Due to other funds	-	-	-
Current portion of general obligation	-	-	-
Current portion of other liabilities	-	130,000	-
Total Current Liabilities	<u>2,597,474</u>	<u>2,697,989</u>	<u>6,714</u>
Noncurrent liabilities:			
Advance from other funds	-	-	-
Accrued compensated absences	-	-	-
General obligation long-term debt	-	-	-
Other noncurrent liabilities	-	260,000	-
Total Noncurrent Liabilities	<u>-</u>	<u>260,000</u>	<u>-</u>
Total Liabilities	<u>2,597,474</u>	<u>2,957,989</u>	<u>6,714</u>
NET ASSETS			
Invested in capital assets, net of related debt	-	-	-
Restricted for			
Unpaid claims and restricted deposits	-	2,333,296	-
Employee benefits	-	-	1,687,595
Unrestricted (deficit)	<u>(146,042)</u>	<u>-</u>	<u>569,961</u>
Total Net Assets	<u>\$ (146,042)</u>	<u>\$ 2,333,296</u>	<u>\$ 2,257,556</u>

Firearms Training Center	Consolidated Food Service	Total
\$ 9,538	\$ 65,329	\$ 126,703
1,684	63,023	64,707
7,660	64,780	72,440
5,275	9,904	5,135,520
97	519	616
-	38,499	38,499
133,120	356,524	489,644
-	-	130,000
<u>157,374</u>	<u>598,578</u>	<u>6,058,129</u>
1,072,123	194,765	1,266,888
6,294	101,407	107,701
239,531	353,097	592,628
-	-	260,000
<u>245,825</u>	<u>454,504</u>	<u>960,329</u>
<u>403,199</u>	<u>1,053,082</u>	<u>7,018,458</u>
1,356,753	1,123,802	2,480,555
-	-	2,333,296
-	-	1,687,595
<u>(1,096,102)</u>	<u>(538,226)</u>	<u>(1,210,409)</u>
<u>\$ 260,651</u>	<u>\$ 585,576</u>	<u>\$ 5,291,037</u>

COUNTY OF DANE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (DEFICIT) - INTERNAL SERVICE FUNDS For the Year Ended December 31, 2002

	<u>Workers'</u> <u>Compensation</u>	<u>Liability</u> <u>Insurance</u>	<u>Employee</u> <u>Benefits</u>
Operating revenues:			
Charges for services	\$ -	\$ 1,333,600	\$ -
Other	-	6,000	-
Total Operating Revenues	<u>-</u>	<u>1,339,600</u>	<u>-</u>
Operating expenses:			
Personal services	-	-	-
Contractual services	-	-	253,012
Insurance services	547,008	477,836	-
Other	-	114,300	-
Depreciation	-	-	-
Total Operating Expenses	<u>547,008</u>	<u>592,136</u>	<u>253,012</u>
Operating Income (Loss)	<u>(547,008)</u>	<u>747,464</u>	<u>(253,012)</u>
Nonoperating revenues (expenses)			
Investment income	-	201,099	694
Interest expense	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>201,099</u>	<u>694</u>
Income (Loss) Before Transfers	<u>(547,008)</u>	<u>948,563</u>	<u>(252,318)</u>
Transfers out	-	-	-
Changes in Net Assets	<u>(547,008)</u>	<u>948,563</u>	<u>(252,318)</u>
Total net assets - beginning	<u>400,966</u>	<u>1,384,733</u>	<u>2,509,874</u>
Total net assets (deficit) - ending	<u>\$ (146,042)</u>	<u>\$ 2,333,296</u>	<u>\$ 2,257,556</u>

<u>Firearms Training Center</u>	<u>Consolidated Food Service</u>	<u>Total</u>
\$ 71,288	\$ 3,913,392	\$ 5,318,280
5,300	1,996	13,296
<u>76,588</u>	<u>3,915,388</u>	<u>5,331,576</u>
58,245	1,658,650	1,716,895
6,941	-	259,953
-	-	1,024,844
56,560	1,564,149	1,735,009
94,849	117,959	212,808
<u>216,595</u>	<u>3,340,758</u>	<u>4,949,509</u>
<u>(140,007)</u>	<u>574,630</u>	<u>382,067</u>
-	-	201,793
<u>(18,299)</u>	<u>(41,931)</u>	<u>(60,230)</u>
<u>(18,299)</u>	<u>(41,931)</u>	<u>141,563</u>
(158,306)	532,699	523,630
-	(161,760)	(161,760)
<u>(158,306)</u>	<u>370,939</u>	<u>361,870</u>
<u>418,957</u>	<u>214,637</u>	<u>4,929,167</u>
<u>\$ 260,651</u>	<u>\$ 585,576</u>	<u>\$ 5,291,037</u>

COUNTY OF DANE

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2002

	Workers' Compen- sation	Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ -	\$ -
Received from other funds	-	1,111,204
Paid to suppliers for goods and services	(877,159)	(1,160,301)
Paid to employees for services	-	-
Net Cash Flows From Operating Activities	<u>(877,159)</u>	<u>(49,097)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers - out	-	-
Paid to other funds	-	(1,526,866)
Payment of other long-term debt	-	(130,000)
Advances from (to) other funds	-	-
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>(1,656,866)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on long-term debt	-	-
Interest paid	-	-
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	-	201,099
Net Cash Flows From Investing Activities	<u>-</u>	<u>201,099</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(877,159)	(1,504,864)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,278,591</u>	<u>4,117,194</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,401,432</u>	<u>\$ 2,612,330</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ (547,008)	\$ 747,464
Adjustments to reconcile income (loss) to net cash flows from operating activities:		
Depreciation	-	-
Change in assets and liabilities:		
Accounts receivable	-	(228,396)
Due from other governmental units	-	-
Prepaid items	6,362	-
Accounts payable	(9,535)	(206,760)
Accrued payroll and payroll taxes	-	-
Accrued compensated absences	-	-
Other accrued liabilities and deposits	(326,978)	(361,405)
Due to other governmental units	-	-
Due to other funds	-	-
Net Cash Flows From Operating Activities	<u>(877,159)</u>	<u>(49,097)</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

None

Employee Benefits	Firearms Training Center	Consolidated Food Service	Total
\$ -	\$ 87,007	\$ -	\$ 87,007
-	-	3,915,410	5,026,614
(246,298)	(52,511)	(1,704,341)	(4,040,610)
-	(58,245)	(1,658,650)	(1,716,895)
<u>(246,298)</u>	<u>(23,749)</u>	<u>552,419</u>	<u>(643,884)</u>
-	-	(161,760)	(161,760)
-	-	-	(1,526,866)
-	-	-	(130,000)
-	104,225	972	105,197
-	<u>104,225</u>	<u>(160,788)</u>	<u>(1,713,429)</u>
-	(62,177)	(349,700)	(411,877)
-	(18,299)	(41,931)	(60,230)
-	<u>(80,476)</u>	<u>(391,631)</u>	<u>(472,107)</u>
694	-	-	201,793
<u>694</u>	-	-	<u>201,793</u>
(245,604)	-	-	(2,627,627)
<u>2,509,874</u>	-	-	<u>9,905,659</u>
<u>\$ 2,264,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,278,032</u>

\$ (253,012)	\$ (140,007)	\$ 574,630	\$ 382,067
-	94,849	117,959	212,808
-	14,108	22	(214,266)
-	(3,689)	-	(3,689)
-	-	-	6,362
6,714	6,283	(2,923)	(206,221)
-	(196)	(11,547)	(11,743)
-	3,347	19,238	22,585
-	2,214	10,994	(675,175)
-	(658)	313	(345)
-	-	(156,267)	(156,267)
<u>(246,298)</u>	<u>(23,749)</u>	<u>552,419</u>	<u>(643,884)</u>

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FIDUCIARY FUNDS

Private-purpose Trust Funds – Private-purpose trust funds account for assets held by the County in a trustee capacity under which principal and income benefit individuals, private organizations, or other governments. The John T. Lyle Trust and Blockstein Memorial Trust operations are accounted for as private-purpose trust funds.

Agency Funds – Accounts for resources held by the County in a purely custodial capacity (assets equal liabilities). Agency funds account for the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations, or other governments.

- *Delinquent Special Assessments* – Accounts for delinquent special assessments collected for municipalities within the County.
- *Alimony and Support* – Accounts for alimony and support payments received but not paid.
- *Clerk of Courts Agency Account* – Accounts for fines and forfeitures to be disbursed to the County and other municipalities.
- *State Tax Levy and Special Charges* – Accounts for receipts and disbursements for state charges included in property tax billings.
- *Other* – The remaining agency funds account for receipts and disbursements of various taxes and deposits collected by the County, acting in the capacity of agent, for distribution to other governmental units or designated beneficiaries.

COUNTY OF DANE

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2002

	<u>Private Purpose Trusts</u>		
	<u>John T. Lyle Trust</u>	<u>Blockstein Memorial Trust</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 190,002	\$ 14,652	\$ 204,654
Total Assets	<u>190,002</u>	<u>14,652</u>	<u>204,654</u>
LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Reserved for private purpose trust activities	<u>190,002</u>	<u>14,652</u>	<u>204,654</u>
Total Net Assets	<u>\$ 190,002</u>	<u>\$ 14,652</u>	<u>\$ 204,654</u>

COUNTY OF DANE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2002

	Private Purpose Trusts		Totals
	John T. Lyle Trust	Blockstein Memorial Trust	
ADDITIONS			
Investment earnings (losses)	\$ (5,954)	\$ 250	\$ (5,704)
Total Additions	<u>(5,954)</u>	<u>250</u>	<u>(5,704)</u>
DEDUCTIONS			
Scholarships and Badger Prairie Health Care Center patient benefits	7,587	-	7,587
Total Deductions	<u>7,587</u>	<u>-</u>	<u>7,587</u>
Change in net assets	(13,541)	250	(13,291)
Net assets - beginning	<u>203,543</u>	<u>14,402</u>	<u>217,945</u>
Net Assets - Ending	<u>\$ 190,002</u>	<u>\$ 14,652</u>	<u>\$ 204,654</u>

COUNTY OF DANE

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
DELINQUENT SPECIAL ASSESSMENTS				
Assets				
Cash and investments	\$ 18,403	\$ 23,081	\$ 18,403	\$ 23,081
Taxes receivable	<u>335,192</u>	<u>412,312</u>	<u>335,192</u>	<u>412,312</u>
Total Assets	<u>\$ 353,595</u>	<u>\$ 435,393</u>	<u>\$ 353,595</u>	<u>\$ 435,393</u>
Liabilities				
Due to other governmental units	<u>\$ 353,595</u>	<u>\$ 435,393</u>	<u>\$ 353,595</u>	<u>\$ 435,393</u>
Total Liabilities	<u>\$ 353,595</u>	<u>\$ 435,393</u>	<u>\$ 353,595</u>	<u>\$ 435,393</u>
ALIMONY AND SUPPORT				
Assets				
Cash and investments	<u>\$ 10,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,271</u>
Liabilities				
Other accrued liabilities and deposits	<u>\$ 10,271</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 10,271</u>
CLERK OF COURTS AGENCY ACCOUNT				
Assets				
Cash and investments	<u>\$ 1,630,163</u>	<u>\$ 1,606,081</u>	<u>\$ 1,630,163</u>	<u>\$ 1,606,081</u>
Liabilities				
Other accrued liabilities and deposits	<u>\$ 1,630,163</u>	<u>\$ 1,606,081</u>	<u>\$ 1,630,163</u>	<u>\$ 1,606,081</u>

COUNTY OF DANE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS (cont.) For the Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
STATE TAX LEVY AND SPECIAL CHARGES				
Assets				
Taxes Receivable	\$ 5,837,393	\$ 6,396,905	\$ 5,837,393	\$ 6,396,905
Liabilities				
Due to Other Governmental Units	\$ 5,837,393	\$ 6,396,905	\$ 5,837,393	\$ 6,396,905
OTHER				
Assets				
Cash and investments	\$ 1,050,120	\$ 1,946,115	\$ 1,050,120	\$ 1,946,115
Total Assets	\$ 1,050,120	\$ 1,946,115	\$ 1,050,120	\$ 1,946,115
Liabilities				
Accounts payable	\$ -	\$ 4,628	\$ -	\$ 4,628
Other accrued liabilities and deposits	990,983	604,338	990,983	604,338
Due to other governmental units	59,137	1,337,149	59,137	1,337,149
Total Liabilities	\$ 1,050,120	\$ 1,946,115	\$ 1,050,120	\$ 1,946,115
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash and investments	\$ 2,708,957	\$ 3,575,277	\$ 2,698,686	\$ 3,585,548
Taxes receivable	6,172,585	6,809,217	6,172,585	6,809,217
Total Assets	\$ 8,881,542	\$ 10,384,494	\$ 8,871,271	\$ 10,394,765
Liabilities				
Accounts payable	\$ -	\$ 4,628	\$ -	\$ 4,628
Other accrued liabilities and deposits	2,631,417	2,210,419	2,621,146	2,220,690
Due to other governmental units	6,250,125	8,169,447	6,250,125	8,169,447
Total Liabilities	\$ 8,881,542	\$ 10,384,494	\$ 8,871,271	\$ 10,394,765

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STATISTICAL SECTION

COUNTY OF DANE

STATISTICAL SECTION

Table of Contents

Table 1	General Governmental Expenditures by Function - Last Ten Fiscal Years
Table 2	General Governmental Revenues by Source - Last Ten Fiscal Years
Table 3	Property Tax Levies and Collections - Last Ten Fiscal Years
Table 4	Equalized Value of Taxable Property - Last Ten Fiscal Years
Table 5	Property Tax Rates - Last Ten Budget Years
Table 6	County Taxes - Last Ten Budget Years
Table 7	Ratio of Indebtedness to Equalized Value and Indebtedness Per Capita - Last Ten Fiscal Years
Table 8	Computation of Legal Debt Margin
Table 9	Computation of Direct and Overlapping Debt
Table 10	Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures - Last Ten Fiscal Years
Table 11	Annual Principal and Interest Requirements For the Past Ten Years and through Maturity as of December 31, 2002
Table 12	Demographic Statistics - Last Ten Fiscal Years
Table 13	Property Value and New Construction - Last Ten Fiscal Years
Table 14	Principal Taxpayers
Table 15	Schedule of Insurance In Force
Table 16	Salary Ranges of Principal Officials
Table 17	Miscellaneous Statistics

Tables identified by the 2000 Codification, Section 2800.103 that are not are as follows:

Special Assessment Billings and Collections - Last Ten Fiscal Years

The County has no special assessments.

Revenue Bond Coverage - Last Ten Fiscal Years

The County has no outstanding Revenue Bonds.

TABLE 1

COUNTY OF DANE
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (1)

Fiscal Year	General Government	Public Safety & Criminal Justice	Health & Human Services	Conservation & Economic Development	Culture, Education & Recreation	Public Works	Capital Outlay	Debt Service (2)	Total
1993	\$14,756,703	\$36,900,987	\$93,106,667	\$2,187,532	\$5,210,511	\$1,190,280	\$13,608,281	\$9,911,674	\$176,872,635
1994	\$15,674,567	\$40,183,031	\$106,556,505	\$2,392,853	\$8,690,787	\$1,142,289	\$32,999,362	\$8,140,659	\$215,780,053
1995	\$16,339,019	\$45,771,623	\$118,275,996	\$2,840,867	\$9,555,339	\$1,260,124	\$27,536,422	\$7,959,742	\$229,539,132
1996	\$16,743,254	\$48,092,192	\$130,283,752	\$2,780,150	\$10,607,507	\$1,328,850	\$16,863,635	\$9,776,119	\$236,475,459
1997	\$16,812,758	\$49,776,924	\$141,112,497	\$2,905,347	\$10,931,228	\$1,299,633	\$9,159,584	\$9,881,443	\$241,879,414
1998	\$18,948,186	\$53,572,267	\$151,029,654	\$3,092,764	\$11,892,207	\$1,324,580	\$6,399,222	\$9,843,697	\$256,102,577
1999	\$19,790,094	\$56,176,168	\$162,349,389	\$3,802,803	\$12,769,603	\$1,371,662	\$7,690,953	\$9,400,344	\$273,351,016
2000	\$20,448,513	\$58,189,325	\$167,558,533	\$4,821,449	\$13,981,505	\$1,355,287	\$14,091,963	\$9,238,092	\$289,684,667
2001	\$20,601,767	\$61,947,682	\$178,903,400	\$5,023,201	\$14,531,549	\$1,458,948	\$18,022,234	\$9,712,482	\$310,201,263
2002	\$20,815,365	\$66,947,987	\$183,495,098	\$5,171,498	\$15,155,525	\$1,354,335	\$9,971,678	\$10,983,153	\$313,894,639

(1) Includes the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds

(2) Debt Service is shown net of refunding proceeds

TABLE 2

COUNTY OF DANE
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS (1)

Fiscal Year	County Taxes	Intergovernmental Revenue	Licenses and Permits	Fines, Forfeitures, & Penalties	Public Charges for Services	Investment Income	Miscellaneous Revenues	Total
1993	\$76,755,586	\$73,585,183	\$851,491	\$3,161,200	\$10,660,131	\$2,426,586	\$488,758	\$167,928,935
1994	\$84,215,309	\$82,515,165	\$825,472	\$2,774,426	\$14,356,429	\$3,920,612	\$1,886,117	\$190,493,530
1995	\$87,797,889	\$99,015,768	\$917,498	\$2,050,995	\$11,244,418	\$4,125,914	\$1,893,460	\$207,045,942
1996	\$93,599,427	\$108,743,260	\$940,671	\$1,913,138	\$12,507,805	\$4,001,260	\$3,674,913	\$225,380,474
1997	\$100,844,304	\$117,666,488	\$1,001,163	\$2,029,774	\$13,242,846	\$3,903,301	\$3,971,865	\$242,659,741
1998	\$104,607,316	\$125,853,932	\$1,293,718	\$1,930,619	\$13,890,711	\$4,142,933	\$3,914,535	\$255,633,764
1999	\$107,445,885	\$135,618,126	\$1,320,213	\$2,088,855	\$14,309,285	\$3,082,878	\$5,114,237	\$268,979,479
2000	\$116,521,448	\$140,783,743	\$1,205,541	\$2,276,015	\$13,764,121	\$4,267,023	\$7,767,670	\$286,585,561
2001	\$122,250,598	\$148,091,415	\$1,461,245	\$2,165,549	\$15,207,283	\$3,927,282	\$13,606,966	\$306,710,338
2002	\$125,799,045	\$152,540,375	\$1,558,210	\$2,294,661	\$16,785,778	\$1,563,599	\$11,363,835	\$311,905,503

(1) Includes the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds

TABLE 3

COUNTY OF DANE

PROPERTY TAX LEVIES AND COLLECTIONS (A)

Fiscal Year	LAST TEN FISCAL YEARS							Outstanding Delinquent Taxes
	Tax Levy	Current Year Collections	Percentage of Levy Collected	Prior Years' Collections	Total Collections	Outstanding Delinquent Taxes		
1993	\$442,159,063	\$439,557,599	99.41%	\$3,706,444	\$443,264,043	\$4,478,386		
1994	\$472,398,084	\$469,945,647	99.48%	\$2,969,258	\$472,914,905	\$3,961,565		
1995	\$496,976,349	\$494,614,362	99.52%	\$2,876,848	\$497,491,210	\$3,446,704		
1996	\$535,152,274	\$532,028,262	99.42%	\$2,224,622	\$534,252,884	\$4,346,093		
1997	\$500,172,875	\$497,573,031	99.48%	\$3,108,734	\$500,681,765	\$3,837,203		
1998	\$522,719,314	\$520,418,339	99.56%	\$2,638,313	\$523,056,652	\$3,499,865		
1999	\$544,002,217	\$541,492,799	99.54%	\$2,346,991	\$543,839,790	\$3,662,292		
2000	\$563,968,540	\$560,992,591	99.47%	\$2,251,724	\$563,244,315	\$4,386,517		
2001	\$601,404,211	\$597,745,581	99.39%	\$2,896,289	\$600,641,870	\$5,148,858		
2002	\$638,806,863	\$635,653,401	99.51%	\$3,576,173	\$639,229,574	\$6,052,180		

(A) The amounts contained herein include the County of Dane and all other local taxing authorities residing in the County of Dane

TABLE 4

COUNTY OF DANE

EQUALIZED VALUE OF TAXABLE PROPERTY (A)

Fiscal Year	LAST TEN FISCAL YEARS		
	Real Estate Property Equalized Value	Personal Property Equalized Value	Total All Property Equalized Value
1993	\$12,706,984,900	\$742,787,800	\$13,449,772,700
1994	\$14,098,032,400	\$797,918,050	\$14,895,950,450
1995	\$15,797,905,900	\$844,047,950	\$16,641,953,850
1996	\$17,661,783,600	\$879,887,950	\$18,541,671,550
1997	\$19,034,814,800	\$870,332,350	\$19,905,147,150
1998	\$20,483,280,200	\$915,450,300	\$21,398,730,500
1999	\$21,758,963,100	\$948,032,750	\$22,706,995,850
2000	\$23,274,320,700	\$802,635,750	\$24,076,956,450
2001	\$24,938,757,100	\$820,891,850	\$25,759,648,950
2002	\$27,685,346,700	\$862,120,550	\$28,547,467,250

(A) Due to the varying assessment policies of the 60 municipalities of the County, the County uses the equalized value of taxable property for tax levy purposes. The equalized value is prepared by the Wisconsin Department of Revenue, Bureau of equalized value is prepared by the Wisconsin Department of Revenue, Bureau of Property Tax.

TABLE 5

COUNTY OF DANE

PROPERTY TAX RATES

LAST TEN BUDGET YEARS

Budget Year	Tax Levy	Rate per \$1,000 of Equalized Valuation
1993	\$59,348,955	\$4.41
1994	\$63,936,281	\$4.29
1995	\$67,347,330	\$4.05
1996	\$71,112,014	\$3.84
1997	\$73,705,637	\$3.70
1998	\$77,425,465	\$3.62
1999	\$79,696,873	\$3.51
2000	\$82,317,814	\$3.42
2001	\$86,223,795	\$3.35
2002	\$90,144,947	\$3.16

Note: The above property tax rates are the county-wide average rates, based on equalized valuations shown in Table IV, for the County as a whole.

TABLE 6

COUNTY OF DANE

COUNTY TAXES

LAST TEN BUDGET YEARS

Budget Year	Property Tax Levy	Rate per \$1,000 of Equalized Valuation (A)	County Sales Tax (B)	Total County Taxes
1993	\$59,348,955	\$4.41	\$20,038,661	\$79,387,616
1994	\$63,936,281	\$4.29	\$22,500,000	\$86,436,281
1995	\$67,347,330	\$4.05	\$24,300,000	\$91,647,330
1996	\$71,112,014	\$3.84	\$25,000,000	\$96,112,014
1997	\$73,705,637	\$3.70	\$26,318,000	\$100,023,637
1998	\$77,425,465	\$3.62	\$28,300,000	\$105,725,465
1999	\$79,696,873	\$3.51	\$30,008,000	\$109,704,873
2000	\$82,317,814	\$3.42	\$32,775,000	\$115,092,814
2001	\$86,223,795	\$3.35	\$36,050,000	\$122,273,795
2002	\$90,144,947	\$3.16	\$37,850,000	\$127,994,947

(A) The above property tax rates are the county-wide average rates, based on equalized valuations shown on Table IV, for the County as a whole.

(B) The County enacted a .5% Sales Tax effective April 1, 1991.

TABLE 7

COUNTY OF DANE
RATIO OF INDEBTEDNESS TO EQUALIZED VALUE AND INDEBTEDNESS PER CAPITA

Fiscal Year	LAST TEN FISCAL YEARS				
	Population (A)	Equalized Assessed Value	Total Indebtedness To Be Repaid By The Property Tax Levy	Ratio of Indebtedness To Equalized Assessed Value	Indebtedness Per Capita
1993	383,420	\$13,449,772,700	\$27,130,062	0.20	\$70.76
1994	389,677	\$14,895,950,450	\$55,795,802	0.37	\$143.18
1995	393,857	\$16,641,953,850	\$67,672,959	0.41	\$171.82
1996	398,233	\$18,541,671,550	\$69,584,010	0.38	\$174.73
1997	402,988	\$19,905,147,150	\$66,521,095	0.33	\$165.07
1998	407,584	\$21,398,730,500	\$64,158,139	0.30	\$157.41
1999	413,090	\$22,706,995,850	\$61,603,478	0.27	\$149.13
2000	426,526	(B) \$24,076,956,450	\$67,039,101	0.28	\$157.17
2001	431,815	\$25,759,648,950	\$65,620,990	0.25	\$151.97
2002	438,881	\$28,547,467,250	\$106,936,717	0.37	\$243.66

Sources:

(A) Estimates prepared by Wisconsin Department of Administration, Demographics Service Center

(B) 2000 United States official census.

COUNTY OF DANE
COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2002

CHAPTER 67, SECTION 03 OF THE WISCONSIN STATE STATUTES STATES:

"The aggregate amount of indebtedness, including existing indebtedness, of any municipality shall not exceed 5% of the value of the taxable property located therein as equalized for state purposes."

Equalized value of real and personal property including TID values (1)	<u>\$32,050,119,700</u>
Debt limit - 5% of equalized value	\$1,602,505,985
Amount of debt applicable to debt limit: General obligation debt (2)	\$139,259,522
Less:	
Asset amount in Debt Service fund available for payment of principal:	
Net amount in Debt Service fund available for payment of principal	<u>\$24,281,004</u>
Net amount of debt applicable to debt limit	<u>\$114,978,518</u>
Legal debt margin	<u>\$1,487,527,467</u>

(1) The "Equalized value of real and personal property including TID values" is the sum of the Equalized values plus the values of the tax incremental districts.

(2) General obligation debt is defined to be the total County indebtedness for all funds.

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2002

Governmental Unit	Percentage of Valuation Within Dane County	Total Debt Outstanding	Gross Debt Applicable To Valuation Within Dane County	Exclusions (1) Applicable To Valuation Within Dane County	Net Debt Applicable To Valuation Within Dane County
DIRECT DEBT					
<u>County</u>					
Dane	100.0%	\$139,259,522	\$139,259,522	\$43,236,065	\$96,023,457
TOTAL DIRECT DEBT		<u>\$139,259,522</u>	<u>\$139,259,522</u>	<u>\$43,236,065</u>	<u>\$96,023,457</u>
GROSS OVERLAPPING DEBT					
<u>Cities</u>					
Edgerton	0.2%	\$12,522,768	\$25,046	\$12,220	\$12,826
Fitchburg	100.0%	\$23,257,176	\$23,257,176	\$1,702,762	\$21,554,414
Madison	100.0%	\$231,534,026	\$231,534,026	\$96,769,026	\$134,765,000
Middleton	100.0%	\$55,480,325	\$55,480,325	\$3,450,000	\$52,030,325
Monona	100.0%	\$19,941,001	\$19,941,001	\$2,312,801	\$17,628,200
Stoughton	100.0%	\$26,262,558	\$26,262,558	\$11,668,487	\$14,594,071
Sun Prairie	100.0%	\$49,702,979	\$49,702,979	\$7,517,109	\$42,185,870
Verona	100.0%	\$27,858,239	\$27,858,239	\$18,999,752	\$8,858,487
Total for Cities		<u>\$446,559,072</u>	<u>\$434,061,350</u>	<u>\$142,432,157</u>	<u>\$291,629,193</u>
<u>Villages</u>					
Belleville	0.9%	\$2,625,000	\$24,649	\$730	\$23,919
Black Earth	100.0%	\$740,000	\$740,000	\$0	\$740,000
Blue Mounds	100.0%	\$2,136,539	\$2,136,539	\$1,726,633	\$409,906
Brooklyn	57.0%	\$2,798,502	\$1,595,146	\$1,210,263	\$384,883
Cambridge	92.8%	\$3,240,440	\$3,005,832	\$1,090,095	\$1,915,737
Cottage Grove	100.0%	\$3,526,642	\$3,526,642	\$772,256	\$2,754,386
Cross Plains	100.0%	\$4,983,398	\$4,983,398	\$804,015	\$4,179,383
Dane	100.0%	\$1,320,450	\$1,320,450	\$1,046,541	\$273,909
Deerfield	100.0%	\$4,916,500	\$4,916,500	\$1,315,000	\$3,601,500
DeForest	100.0%	\$33,200,284	\$33,200,284	\$1,422,036	\$31,778,248
Maple Bluff	100.0%	\$2,995,000	\$2,995,000	\$0	\$2,995,000
Marshall	100.0%	\$10,421,966	\$10,421,966	\$6,649,302	\$3,772,664

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2002

Governmental Unit GROSS OVERLAPPING DEBT (Continued)	Percentage of Valuation Within Dane County	Total Debt Outstanding	Gross Debt Applicable To Valuation Within Dane County	Exclusions (1) Applicable To Valuation Within Dane County	Net Debt Applicable To Valuation Within Dane County
Mazomanie	100.0%	\$9,915,357	\$9,915,357	\$6,854,038	\$3,061,319
McFarland	100.0%	\$10,521,952	\$10,521,952	\$2,617,182	\$7,904,770
Mt. Horeb	100.0%	\$10,099,318	\$10,099,318	\$5,362,027	\$4,737,291
Oregon	100.0%	\$17,135,293	\$17,135,293	\$7,263,976	\$9,871,317
Rockdale	100.0%	\$26,000	\$26,000	\$0	\$26,000
Shorewood Hills	100.0%	\$7,383,525	\$7,383,525	\$260,000	\$7,123,525
Waunakee	100.0%	\$20,533,406	\$20,533,406	\$5,730,000	\$14,803,406
Total for Villages		\$148,519,572	\$144,481,257	\$44,124,095	\$100,357,163
Towns					
Albion	100.0%	\$100,000	\$100,000	\$100,000	\$0
Berry	100.0%	\$622,481	\$622,481	\$0	\$622,481
Black Earth	100.0%	\$0	\$0	\$0	\$0
Blooming Grove	100.0%	\$250,166	\$250,166	\$10,420	\$239,746
Blue Mounds	100.0%	\$123,749	\$123,749	\$0	\$123,749
Bristol	100.0%	\$554,995	\$554,995	\$0	\$554,995
Burke	100.0%	\$2,545,000	\$2,545,000	\$2,410,000	\$135,000
Christiana	100.0%	\$0	\$0	\$0	\$0
Cottage Grove	100.0%	\$1,635,000	\$1,635,000	\$0	\$1,635,000
Cross Plains	100.0%	\$1,067,644	\$1,067,644	\$0	\$1,067,644
Dane	100.0%	\$0	\$0	\$0	\$0
Deerfield	100.0%	\$470,000	\$470,000	\$0	\$470,000
Dunkirk	100.0%	\$0	\$0	\$0	\$0
Dunn	100.0%	\$3,225,981	\$3,225,981	\$0	\$3,225,981
Madison	100.0%	\$4,889,113	\$4,889,113	\$2,410,000	\$4,889,113
Mazomanie	100.0%	\$232,938	\$232,938	\$0	\$232,938
Medina	100.0%	\$652,900	\$652,900	\$0	\$652,900
Middleton	100.0%	\$4,356,971	\$4,356,971	\$0	\$4,356,971
Montrose	100.0%	\$124,662	\$124,662	\$0	\$124,662
Oregon	100.0%	\$90,998	\$90,998	\$0	\$90,998

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2002

Governmental Unit GROSS OVERLAPPING DEBT (Continued)	Percentage of Valuation Within	Total Debt Outstanding	Gross Debt Applicable To Valuation Within Dane County	Exclusions (1) Applicable To Valuation Within Dane County	Net Debt Applicable To Valuation Within Dane County
Perry	100.0%	\$187,909	\$187,909	\$0	\$187,909
Pleasant Springs	100.0%	\$133,274	\$133,274	\$0	\$133,274
Primrose	100.0%	\$0	\$0	\$0	\$0
Roxbury	100.0%	\$0	\$0	\$0	\$0
Rutland	100.0%	\$38,990	\$38,990	\$0	\$38,990
Springdale	100.0%	\$33,291	\$33,291	\$0	\$33,291
Springfield	100.0%	\$20,000	\$20,000	\$0	\$20,000
Sun Prairie	100.0%	\$189,700	\$189,700	\$0	\$189,700
Vermont	100.0%	\$0	\$0	\$0	\$0
Verona	100.0%	\$0	\$0	\$0	\$0
Vienna	100.0%	\$1,243,414	\$1,243,414	\$0	\$1,243,414
Westport	100.0%	\$4,055,875	\$4,055,875	\$0	\$4,055,875
Windsor	100.0%	\$3,328,303	\$3,328,303	\$623,171	\$2,705,132
York	100.0%	\$189,156	\$189,156	\$0	\$189,156
Total for Towns		\$30,362,510	\$30,362,510	\$5,553,591	\$24,808,919
School Districts					
Barneveld	1.1%	\$1,785,000	\$19,635	\$0	\$19,635
Belleville	68.7%	\$6,330,778	\$4,349,244	\$0	\$4,349,244
Cambridge	44.7%	\$15,255,000	\$6,818,985	\$0	\$6,818,985
Columbus	9.2%	\$3,415,000	\$314,180	\$0	\$314,180
Deerfield Community	100.0%	\$482,420	\$482,420	\$0	\$482,420
DeForest Area	96.0%	\$42,424,548	\$40,727,566	\$0	\$40,727,566
Edgerton	20.5%	\$12,895,000	\$2,643,475	\$0	\$2,643,475
Evansville Community	0.1%	\$29,073,072	\$29,073	\$0	\$29,073
Lodi	16.3%	\$22,970,000	\$3,744,110	\$0	\$3,744,110
Madison Metropolitan	100.0%	\$46,225,000	\$46,225,000	\$0	\$46,225,000
Marshall et al	100.0%	\$20,975,000	\$20,975,000	\$0	\$20,975,000
McFarland	100.0%	\$32,670,883	\$32,670,883	\$0	\$32,670,883
Middleton-Cross Plains	100.0%	\$44,100,000	\$44,100,000	\$0	\$44,100,000

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2002

Governmental Unit	Percentage of Valuation Within	Total Debt Outstanding	Gross Debt Applicable To Valuation Within Dane County	Exclusions (1) Applicable To Valuation Within Dane County	Net Debt Applicable To Valuation Within Dane County
GROSS OVERLAPPING DEBT (Continued)					
Monona Grove	100.0%	\$36,134,497	\$36,134,497	\$0	\$36,134,497
Mount Horeb Area	99.7%	\$26,107,833	\$26,029,510	\$0	\$26,029,510
New Glarus	12.0%	\$7,435,000	\$892,200	\$0	\$892,200
Oregon	96.3%	\$37,910,000	\$36,507,330	\$0	\$36,507,330
Pecatonica Area	2.9%	\$3,925,000	\$113,825	\$0	\$113,825
Poynette	0.2%	\$8,580,000	\$17,160	\$0	\$17,160
River Valley	0.1%	\$8,380,000	\$8,380	\$0	\$8,380
Sauk Prairie	13.8%	\$16,235,000	\$2,240,430	\$0	\$2,240,430
Stoughton Area	99.1%	\$27,759,000	\$27,509,169	\$0	\$27,509,169
Sun Prairie et al	99.9%	\$43,041,850	\$42,998,808	\$0	\$42,998,808
Verona Area	100.0%	\$35,352,240	\$35,352,240	\$0	\$35,352,240
Waterloo	4.4%	\$3,496,547	\$153,848	\$0	\$153,848
Waunakee Community	100.0%	\$19,226,869	\$19,226,869	\$0	\$19,226,869
Wisconsin Heights	97.0%	\$8,020,000	\$7,779,400	\$0	\$7,779,400
MATC, District 4	67.8%	\$19,180,467	\$13,004,357	\$0	\$13,004,357
Total for School Districts		\$579,386,004	\$451,067,594	\$0	\$451,067,594
Sanitary Districts					
ABS Sanitary District	100.0%	\$0	\$0	\$0	\$0
Dunn Sanitary District # 3	100.0%	\$84,900	\$84,900	\$84,900	\$0
Dunn Sanitary District # 4	100.0%	\$0	\$0	\$0	\$0
Hidden Springs Sanitary District	100.0%	\$0	\$0	\$0	\$0
Kegonsa Sanitary District	100.0%	\$0	\$0	\$0	\$0
Lake Windsor Sanitary District	100.0%	\$0	\$0	\$0	\$0
Madison Metropolitan Sewerage	100.0%	\$37,830,594	\$37,830,594	\$37,830,594	\$0
Middleton Sanitary District # 5	100.0%	\$0	\$0	\$0	\$0
Middleton Sanitary District # 6	100.0%	\$0	\$0	\$0	\$0
Morrisonville Sanitary District #1	100.0%	\$266,964	\$266,964	\$266,964	\$0
Oak Springs Sanitary District	100.0%	\$0	\$0	\$0	\$0
Oakridge Sanitary District	100.0%	\$0	\$0	\$0	\$0
Pleasant Springs Sanitary District	100.0%	\$1,688,909	\$1,688,909	\$1,688,909	\$0
Roxbury Sanitary District	100.0%	\$805,821	\$805,821	\$805,821	\$0
Windsor Sanitary District # 1	100.0%	\$66,000	\$66,000	\$66,000	\$0
Windsor Sanitary District # 3	100.0%	\$0	\$0	\$0	\$0
Total for Sanitary Districts		\$40,743,188	\$40,743,188	\$40,743,188	\$0

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2002

<u>Governmental Unit</u>	<u>Percentage of Valuation Within Dane County</u>	<u>Total Debt Outstanding</u>	<u>Gross Debt Applicable To Valuation Within Dane County</u>	<u>Exclusions (1) Applicable To Valuation Within Dane County</u>	<u>Net Debt Applicable To Valuation Within Dane County</u>
TOTAL GROSS OVERLAPPING DEBT		\$1,245,570,346	\$1,100,715,899	\$232,853,030	\$867,862,869
TOTAL DIRECT AND OVERLAPPING DEBT - ALL JURISDICTIONS		\$1,384,829,868	\$1,239,975,421	\$276,089,096	\$963,886,326

(1) Exclusions represent debt that is not being repaid through property taxes.

(Continued from previous page)

TABLE 10

COUNTY OF DANE

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION DEBT (1)
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

Fiscal Year	LAST TEN FISCAL YEARS				Ratio of Debt Service To Total General Governmental Expenditures
	Principal	Interest (2)	Total Debt Service (3)	Total General Governmental Expenditures (4)	
1993	\$8,031,763	\$1,879,911	\$9,911,674	\$176,789,971	5.606%
1994	\$6,135,463	\$2,005,196	\$8,140,659	\$215,780,053	3.773%
1995	\$4,479,529	\$3,480,213	\$7,959,742	\$229,539,132	3.468%
1996	\$9,159,820	\$3,936,299	\$13,096,119	\$239,795,459	5.461%
1997	\$6,279,955	\$3,601,488	\$9,881,443	\$241,879,414	4.085%
1998	\$6,467,499	\$3,217,081	\$9,684,580	\$256,102,577	3.782%
1999	\$6,287,389	\$3,112,955	\$9,400,344	\$273,351,016	3.439%
2000	\$6,289,377	\$2,914,486	\$9,203,863	\$289,684,667	3.177%
2001	\$6,592,611	\$3,119,871	\$9,712,482	\$310,201,263	3.131%
2002	\$7,751,891	\$3,046,211	\$10,798,102	\$313,894,639	3.440%

(1) General obligation debt reported in the Enterprise Funds and Internal Service Funds has been excluded.

(2) Excludes debt issuance expense.

(3) Debt Service is shown net of refunding proceeds

(4) Includes the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Fund.

TABLE 11

COUNTY OF DANE

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS
FOR THE PAST TEN YEARS AND THROUGH MATURITY

AS OF DECEMBER 31, 2002 (1)

Fiscal Year	Principal	Interest	Total Requirement
1993	\$5,304,663	\$2,218,556	\$7,523,219
1994	\$6,520,661	\$2,364,191	\$8,884,852
1995	\$5,853,777	\$4,172,220	\$10,025,997
1996	\$7,662,801	\$4,438,546	\$12,101,347
1997	\$7,922,157	\$4,146,748	\$12,068,905
1998	\$8,355,843	\$3,732,275	\$12,088,118
1999	\$8,194,365	\$3,431,459	\$11,625,824
2000	\$8,336,574	\$3,222,134	\$11,558,708
2001	\$8,454,019	\$3,260,209	\$11,714,228
2002	\$8,596,550	\$3,195,696	\$11,792,246
2003	\$14,339,227	\$6,140,942	\$20,480,169
2004	\$9,287,031	\$5,755,478	\$15,042,509
2005	\$11,585,049	\$5,335,953	\$16,921,002
2006	\$9,958,214	\$4,869,492	\$14,827,706
2007	\$9,045,000	\$4,445,736	\$13,490,736
2008	\$8,660,000	\$4,031,890	\$12,691,890
2009	\$8,390,000	\$3,641,946	\$12,031,946
2010	\$8,145,000	\$3,259,665	\$11,404,665
2011	\$7,485,000	\$2,867,194	\$10,352,194
2012	\$12,480,000	\$2,514,733	\$14,994,733
2013	\$7,665,000	\$1,892,813	\$9,557,813
2014	\$7,975,000	\$1,511,513	\$9,486,513
2015	\$2,465,000	\$1,256,250	\$3,721,250
2016	\$2,630,000	\$1,128,300	\$3,758,300
2017	\$2,820,000	\$991,665	\$3,811,665
2018	\$3,015,000	\$839,508	\$3,854,508
2019	\$3,225,000	\$676,188	\$3,901,188
2020	\$3,445,000	\$500,958	\$3,945,958
2021	\$3,320,000	\$313,315	\$3,633,315
2022	\$3,325,000	\$138,231	\$3,463,231

(1) The Debt Service requirements shown are the total Debt Service requirement for all funds

TABLE 12

COUNTY OF DANE

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Per Capita Income (3)	Education Level in Years of Formal Schooling	School Enrollment (5)	Unemployment Rate (6)
1993	383,420	\$23,193	14.1	63,289	2.2%
1994	389,677	\$24,437	14.1	65,077	2.3%
1995	393,857	\$26,449	14.1	66,273	1.8%
1996	398,233	\$27,377	14.1	67,175	1.7%
1997	402,988	\$28,764	14.1	68,067	1.7%
1998	407,584	\$30,599	14.1	68,923	1.5%
1999	413,090	\$31,999	14.1	69,416	1.4%
2000	426,526 (2)	\$34,301	14.1	70,107	1.7%
2001	432,654	(4)	14.1	70,370	2.0%
2002	438,881	(4)	14.1	70,947	3.1%

(1) Estimates prepared annually by the Wisconsin Department of Administration, Demographics Services Center

(2) 2000 United States official census.

(3) Bureau of Economic Analysis, Department of Commerce.

(4) Information not available at this time.

(5) Fall registration, public and private schools - State Department of Public Instruction

(6) State Department of Workforce Development Local Area Unemployment Statistics Historical Series, Not Seasonally Adjusted figures for Madison MSA

TABLE 13

COUNTY OF DANE

PROPERTY VALUE AND NEW CONSTRUCTION

LAST TEN FISCAL YEARS

Fiscal Year	Total Value All Property (1)	Non-Residential Construction (2)		Residential Construction (3)	
		# of Permits	Value	# of Permits	Value
1993	\$ 13,449,772,700	N.A.	\$ 230,000,000	3,915	\$329,791,000
1994	\$ 14,895,950,450	N.A.	\$ 232,500,000	3,809	\$331,438,000
1995	\$ 16,641,953,850	N.A.	\$ 264,500,000	3,092	\$258,785,000
1996	\$ 18,541,671,550	N.A.	\$ 370,000,000	2,478	\$265,499,000
1997	\$ 19,905,147,150	N.A.	\$ 320,000,000	2,593	\$269,409,000
1998	\$ 21,398,730,500	N.A.	\$ 450,000,000	3,066	\$335,821,000
1999	\$ 22,706,995,850	N.A.	\$ 407,000,000	3,275	\$374,103,000
2000	\$ 24,076,956,450	N.A.	\$ 526,000,000	3,636	\$423,024,000
2001	\$ 25,759,648,950	N.A.	\$ 421,000,000	4,435	\$506,292,000
2002	\$ 28,547,467,250	N.A.	\$ 468,000,000	4,335	\$594,029,000

(1) Due to the varying assessment policies of the 60 municipalities of the County, the County uses the equalized value of taxable property for tax levy purposes. The equalized value is prepared by the Wisconsin Department of Revenue, Bureau of Property Tax.

(2) Data from the "Regional Trends - Dane County Wisconsin" which is prepared annually by the Dane County Regional Planning Commission. There is no information available on the number of permits issued for non-residential construction.

(3) U.S. Census Bureau, Housing Units Authorized by Building Permits for Madison, MSA.

TABLE 14

COUNTY OF DANE
PRINCIPAL TAXPAYERS

December 31, 2002				
Taxpayer	Type of Business	2002 Equalized Assessed Value	Percentage Of Total Equalized Assessed Valuation	
American Family Insurance	Insurance	\$173,231,700	0.67%	
Madison Joint Venture	Shopping Center	\$150,309,000	0.58%	
University Research Park	Research & Technology Park	\$42,114,900	0.16%	
Citicorp Del-Lease Inc	Property Development	\$34,334,000	0.13%	
Western Center Properties	Property Development and Management	\$37,763,400	0.15%	
Midland Builders Inc.	Property Development and Management	\$32,864,150	0.13%	
Waimad Association Limited	Retail Stores	\$31,013,700	0.12%	
UW Medical Foundation	Medical School Support	\$31,553,000	0.12%	
Cuna Mutual Insurance Society	Insurance	\$30,590,000	0.12%	
General Casualty	Insurance	\$30,000,000	0.12%	
Totals		<u>\$593,773,850</u>	<u>2.30%</u>	

COUNTY OF DANE

SCHEDULE OF INSURANCE IN FORCE

December 31, 2002

Type of Coverage Name of Company	Policy Number	Policy From	Period To	Details of Coverage	Policy Limits	Annual Premium	Deductible
<u>PROPERTY INSURANCE</u>							
Wisconsin Local Government Property Fund	V120012 1	10/1/2002	10/1/2003	Fire and Extended Coverage - County Buildings and Contents	\$276,130,085	\$85,601	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2002	10/1/2003	Collision / Auto	\$2,102,619	\$12,527	\$1,000
Wisconsin Local Government Property Fund	V120012 1	10/1/2002	10/1/2003	Comprehensive Auto	\$15,606,361	\$33,329	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2002	10/1/2003	Livestock (Zoo)	\$305,000	\$1,007	\$100
Wisconsin Local Government Property Fund	V120012 1	10/1/2002	10/1/2003	Contractor's Equipment	\$17,129,956	\$40,941	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2002	10/1/2003	Business Interruption	\$1,700,000	\$323	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2002	10/1/2003	Builder's Risk	\$3,700,000	\$629	\$0
Chubb	7834-27-14	1/1/2002	1/1/2003	Boiler and Machinery - County Buildings	\$30,000,000	\$21,368	\$1,000
Chubb	7834-27-14	1/1/2002	1/1/2003	Business Income	\$3,245,000	\$0	\$0
Zurich	USC3583768	1/1/2002	1/1/2003	Tank Pollution	\$5,000,000	\$3,520	\$5,000

(Continued on next page)

COUNTY OF DANE

SCHEDULE OF INSURANCE IN FORCE

December 31, 2002

SURETY, FIDELITY

Capitol Indemnity	CC00742924	1/1/2002	1/1/2003	Employee Dishonesty Theft - Inside Premises Theft - Outside Premises Robbery of Custodian	\$550,000 \$550,000 \$550,000 \$50,000	\$11,199	\$5,000 \$5,000 \$5,000 \$5,000
	Bond # 744096	1/1/2002	1/1/2003	Elected Officials Bond Clerk of Courts Sheriff Treasurer Register of Deeds Coroner Clerk	\$5,000 \$10,000 \$500,000 \$13,000 \$5,000 \$2,000	\$1,152	N/A N/A N/A N/A N/A N/A
	CC00534525	4/1/2002	4/1/2003	ALLIANT ENERGY CRIME RENEWAL	\$25,000	\$1,044	\$500

Total premium for Capitol Indemnity Coverage

\$13,395

LIABILITY INSURANCE

AAU-Federal Insurance Co.	AL1157040	1/1/2002	1/1/2003	Airport General Liability Ea Occurrence Product-Comp Ops Personal Advertising Fire Damage Medical Expense Hangarkeeper Ea Loss Hangarkeeper Ea Aircraft Total Premium for all AAU coverages	\$150,000,000 \$150,000,000 \$25,000,000 \$100,000 \$1,000 \$150,000,000 \$150,000,000	\$106,800	\$10,000 \$10,000 \$10,000 \$10,000 \$10,000 \$10,000 \$10,000
Utica Mutual Insurance	CPP2930820	1/1/2002	1/1/2003	EMS Automobile - Liability Includes Auto Physical Damage	\$1,000,000 Replacement	\$30,610	\$1,000 \$1,000

(Continued on next page)

COUNTY OF DANE

SCHEDULE OF INSURANCE IN FORCE

		December 31, 2002					
Ins. Co./North America	Policy No.	Effective Date	Insurance Type	Amount	Limit	Retention	Other
Ins. Co./North America	CPP2930820	1/1/2002	EMS General Liability	\$2,000,000			\$28,521
		1/1/2003	EMS - Errors & Omissions	\$1,000,000			N/A
Ins. Co./North America	CPP2930820	1/1/2002	EMS - Excess	\$4,000,000			\$25,913
	WP90010008	1/15/2002	EMS - Workers' Compensation	Statutory			\$47,568
St. Paul Liability Insurance Plan	NM06600056	1/1/2002	Badger Prairie - Hospital General Liability	\$1,000,000			\$16,732
			- Nurses Professional	\$3,000,000			N/A
			- Umbrella	\$1,000,000			N/A
			- Bond	\$100,000			\$1,500
Wisconsin Municipal Mutual Insurance Company	WI98CS11A	1/1/2002	General Liability	\$5,000,000			\$198,917
							\$250,000 (A)
Wisconsin Municipal Mutual Insurance Company	WI98CS11A	1/1/2002	Auto Liability	\$5,000,000			\$41,127
							\$250,000 (A)
Wisconsin Municipal Mutual Insurance Company	WI98EO11A	1/1/2002	Errors & Omissions	\$5,000,000			\$34,135
							\$250,000 (A)
Safety National	SP-3375-WI	1/1/2002	Workers Comp Excess	\$1,000,000			\$68,902

(A) The deductible for these three policies in total is \$250,000 per occurrence and \$1,500,000 in aggregate
 (Continued from previous page)

COUNTY OF DANE

SALARY RANGES OF PRINCIPAL OFFICIALS

AS OF DECEMBER 31, 2002

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Gary H. Hamblin	Sheriff	\$98,073
Kathleen M. Falk	County Executive	\$83,395
Judith A. Coleman	Clerk of Court	\$69,363
John Stanley	Coroner	\$63,392
Joseph T. Parisi	County Clerk	\$63,392
Jane C. Licht	Register of Deeds	\$63,392
Dave Gawenda	Treasurer	\$67,171
Brian Blanchard	District Attorney	NA (1)
Kevin R. Kesterson	County Board Chair	\$24,000
(38 members - see list of principal officials)	County Board Supervisors	\$7,000 (2)

NON-ELECTED OFFICIALS (3)

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
William J. DiCarlo	Executive Director - Alliant Energy Center	\$111,896
John A. Norwell	Highway & Transportation Commissioner	\$91,559
Lynn Green	Director, Department of Human Services	\$95,359
Bonnie Hammersley	Director of Administration	\$89,951
Kenneth J. LePine	Director of Parks	\$78,864
G. Jean Stieling	Planning & Development Director	\$74,583
Jimmy D. Patty	Director of Public Safety Communications	\$76,296
Michael R. Jackson	Veterans Service Officer	\$63,580

(Continued on next page)

TABLE 16

COUNTY OF DANE
SALARY RANGES OF PRINCIPAL OFFICIALS

AS OF DECEMBER 31, 2002

NONSELECTED OFFICIALS

Name	Title	Annual Salary	
		Minimum	Maximum
Dave Jensen	Airport Director (Acting)	\$76,066	\$99,243
Rodney Knight	Corporation Counsel (4) (Acting)	\$76,066	\$99,243
Jack D. Nelson	Badger Prairie Health Care Center Administrator	\$71,076	\$92,728
Liz Green	Division Manager, Economic Assistance & Work Services	\$71,076	\$92,728
Vacant	Division Manager, Youth & Family Services	\$71,076	\$92,728
Louis F. Genter	Division Manager, Adult Community Services	\$71,076	\$92,728
Gareth R. Johnson	Division Manager, Public Health Services	\$62,097	\$81,014
Charles Hicklin	Controller	\$71,076	\$92,728
John Schraufnagel	Director of Public Works (Acting)	\$71,076	\$92,728
Ralph J. Guerin	Family Court Commissioner (4)	\$71,076	\$92,728
James P. Moeser	Juvenile Court Administrator	\$66,461	\$86,694
Kevin F. Connors	County Conservationist	\$62,097	\$81,014
Kathleen Jeffords	Family Court Counseling Manager	\$62,097	\$81,014
Julie A. Chase	Library Director	\$62,097	\$81,014
James Hubing	Zoo Director (Interim)	\$62,097	\$81,014
Kathy M. Krusiec	Emergency Planning Director	\$53,850	\$69,969
Lee Cunningham	County Extension Director (5)	\$29,907	\$39,012

(1) The State of Wisconsin assumed the payment of the salary and fringe benefits for the District Attorney Effective January 1, 1990

(2) County Board Supervisors receive an annual salary of \$7,000 for County Board and Standing Committee meetings. In addition, County Board Supervisors receive a \$30 per meeting payment, (up to a maximum of 60 meeting payments per year) for attendance at other qualifying county meetings.

(3) All new department heads are hired under a five-year contract.

(4) In accordance with Section 18.19(4) of the Dane County Code of Ordinances, an employee serving in a supervisory or management position shall be paid at a rate which is 105% of the pay that a bargaining unit employee with equal longevity credits would earn, or the rate as provided in the Managerial and Professional Salary Schedule, whichever is greater.

(5) Receives 45% of the salary range \$66,461 - \$86,694 from Dane County and additional salary from the state and federal governments

(Continued from previous page)

TABLE 17

COUNTY OF DANE

MISCELLANEOUS STATISTICS

December 31, 2002

Date of Incorporation:	March 11, 1839		
Form of Government:	Elected - Executive Board of Supervisors		
Area:	Square Miles	1,238	
Miles of Roads:	Interstate Highway System	53.35	
	U.S. Highway System	157.38	
	State Highway System	168.31	
	Connecting Highway System	19.43	
	County Highway System	541.45	
	Local Roads & Streets	2,957.57	
Recreation:	Number of Properties	35	
	Number of Acres Owned	6,706.03	
Greenspace:	Number of Acres for which Development Rights are Owned	304.77	
Employees:	Full-time Equivalent	2,102.53	



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