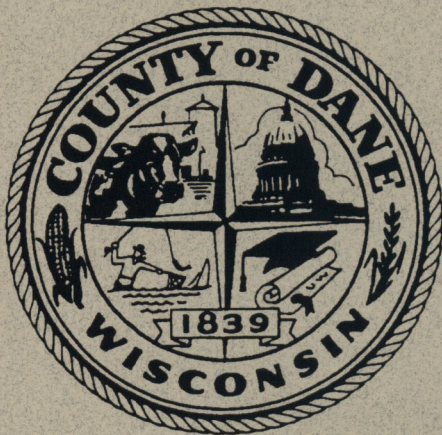


COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT



County of Dane  
Wisconsin

FOR THE YEAR ENDED DECEMBER 31, 2005

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

Year Ended  
December 31, 2005

**CONTROLLER'S OFFICE**

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

# COUNTY OF DANE

## COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2005

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# **INTRODUCTORY SECTION**



**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, 2006

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, 2005 is submitted herewith. This report was prepared by the Controller's Office.

**MANAGEMENT REPRESENTATIONS**

Responsibility for both the accuracy of the data presented 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.

**REPORT ORGANIZATION**

The Comprehensive Annual Financial Report is intended to meet the needs of a wide variety of interested 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 and the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officer's Association.

Financial Section - This section includes the following:

Independent Auditors' 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 and the Henry Vilas Park Zoological Society are 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 458,297, 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 48.4% of the County's population and 45.5% of the equalized value. The City of Madison is the Capitol of Wisconsin and the site of the 41,169 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 2,887 and the amount of land used in farms with 515,475 acres. The average farm consists of 178 acres. Dane County agriculture has the following rankings within the state: first in corn for grain and tobacco; 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 460 firms employing 26,000 in 2005. 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 2005, the University of Wisconsin-Madison received more than \$957.7 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 fourth largest funded research university in the country.

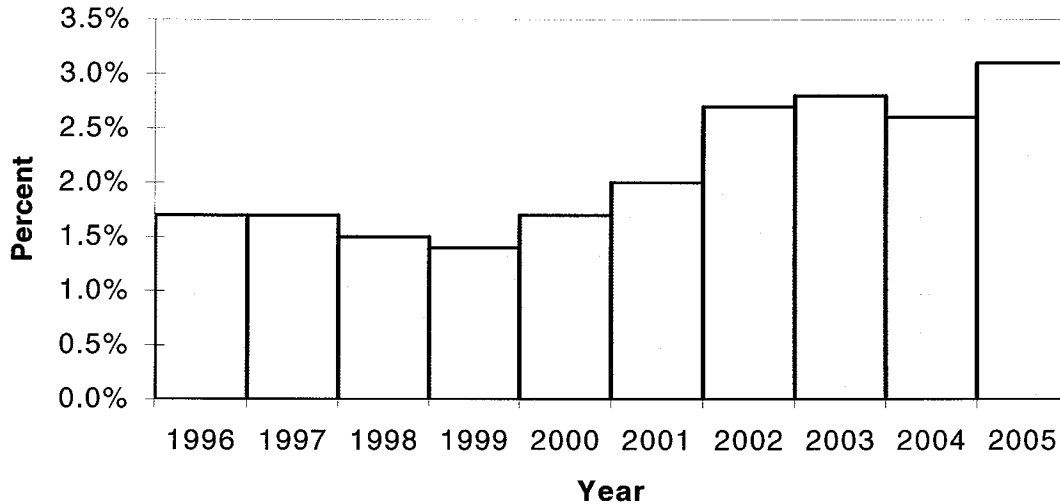
Dane County is the home office of the Oscar Mayer Foods Corporation, a leading national meat processing company; Cuna Mutual & Subsidiaries, providing insurance and services to credit unions throughout the world; American Family Insurance; and many other businesses and industries.

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 2005 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.

## Dane County Unemployment

(source: State of Wisconsin Department of Workforce Development)



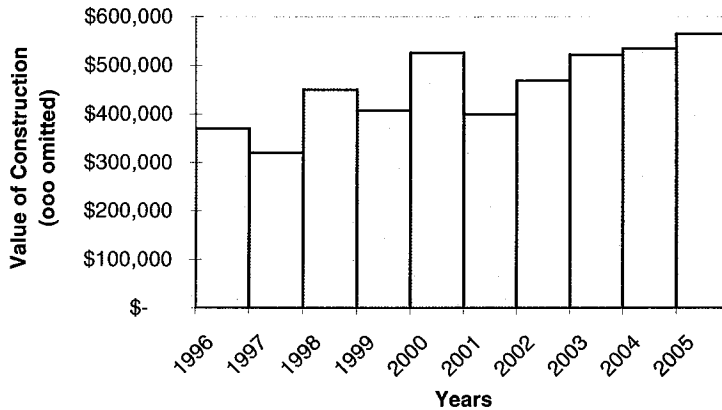
## Dane County Employment by Industry

(source: Wisconsin Department of Workforce Development)

Industry Type	2004		2005	
	Number	% Total	Number	% Total
Construction	14,989	5.16%	16,669	5.62%
Education & Health	68,439	23.58%	66,491	22.40%
Financial Activities	26,789	9.23%	27,881	9.39%
Information	8,002	2.76%	8,776	2.96%
Leisure & Hospitality	26,404	9.10%	28,311	9.54%
Manufacturing	27,070	9.33%	27,260	9.19%
Natural Resources	1,644	0.57%	1,952	0.66%
Other Services	10,691	3.68%	11,069	3.73%
Professional & Business Services	31,039	10.69%	33,150	11.17%
Public Administration	23,326	8.04%	23,131	7.79%
Trade, Transportation, Utilities	51,836	17.86%	52,098	17.55%
Totals	<u>290,229</u>	<u>100.00%</u>	<u>296,788</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 2005, as reported in the Construction Activity Report published by MGE, included: the Covance addition (\$32 million), St Mary's Hospital addition (\$72 million), and the UW – Madison Interdisciplinary Research Complex (\$50 million).

NON-RESIDENTIAL CONSTRUCTION



Source: Madison Gas and Electric – Construction Activity Report

**MAJOR INITIATIVES**

During 2005, the county continued with the development of the new Justice Center project and successfully opened the new building in January 2006. The Justice Center is in downtown Madison adjacent to the Public Safety building and houses the 17 court branches, the Clerk of Courts, the District Attorney and other court related offices. The 2005 capital budget included over \$1.2 million for the project.

**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. 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 2005.

### **GENERAL GOVERNMENT FUNCTIONS**

The general government function includes the General Fund, Special Revenue Funds, Debt Service, and Capital Projects Fund. The definition of these funds can be found in the "Notes to Financial Statements" located in the Financial Section of this report.

### **PROPRIETARY TYPE OPERATIONS**

Enterprise funds account for operations where 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 where periodic measurement of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise operations of the County consist of these entities: the Dane County Regional Airport, Badger Prairie Health Care Center, Highway & Transportation, Printing and Services, Methane Gas and the Sanitary Landfill.

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. The internal service funds of the County include Worker's Compensation Self-Insurance Program, Consolidated Food Services, Liability Self-Insurance Program, and Employee Benefits.

### **FIDUCIARY FUNDS**

Fiduciary Funds are established to account for assets that are being held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Major agency funds include State Tax Levy & Special Charges, Clerk of Courts litigants' deposits, and Delinquent Special Assessments

### **DEBT ADMINISTRATION**

All debt outstanding is a general obligation of the County for which an irrevocable, irrevocable tax has been levied at the time of the borrowing to be included in future tax levies, sufficient to repay the principal and interest payments as they become due. 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.

### **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.

#### **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 31, 2005, 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, 2005, 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**

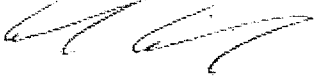
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dane County, Wisconsin for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the twenty-third 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

**COUNTY OF DANE**  
**LIST OF PRINCIPAL OFFICIALS**  
**AS OF DECEMBER 31, 2005**

**COUNTY OF DANE**  
**LIST OF PRINCIPAL OFFICIALS**  
**AS OF DECEMBER 31, 2005**

**ELECTED OFFICIALS**

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

**COUNTY BOARD SUPERVISORS**

<b><u>Supervisory District</u></b>	<b><u>Name</u></b>
1	Scott A. McDonell, Chair
2	Barbara Vedder
3	Elaine DeSmidt
4	Brett D. Hulsey
5	Echnaton Vedder
6	John E. Hendrick
7	David J. Blaska
8	Robert Fyrst
9	Ruth Ann Schoer
10	David Worzala
11	Alfred Matano
12	Paul Rusk
13	Chuck Erickson
14	Michael Hanson
15	Richard Brown
16	Dave DeFelice
17	Andy Olsen
18	Dorothy Wheeler
19	Jeff Kostelic
20	Duane Gau
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, 2005**

(Continued)

**COUNTY BOARD SUPERVISORS**

<b><u>Supervisory District</u></b>	<b><u>Name</u></b>
24	Bill Graf
25	Eileen Bruskevitz
26	Mark M. Opitz
27	Kyle Richmond
28	Vernon W. Wendt
29	David J. Ripp
30	Bob Ruth
31	Gerald Jensen
32	Mike Willett
33	Jack Martz
34	Vacant
35	Donna Vogel
36	Rich Pertzborn
37	Robert D. Salov

**NONELECTED OFFICIALS**

<b><u>Activity</u></b>	<b><u>Name</u></b>
Administration	Bonnie Hammersley
Adult Community Services	Louis F. Genter
Airport	Bradley Livingston
Badger Prairie Health Care Center	Jack D. Nelson
Children, Youth & Family Services	Bob Lee
Controller	Charles Hicklin
Corporation Counsel	Marcia Mackenzie
Economic Assistance & Work Services	Liz Green
Emergency Management	Kathy M. Krusiec
Exposition Center	William J. DiCarlo
Extension	Lee Cunningham

(Continued from previous page)

**COUNTY OF DANE**

**LIST OF PRINCIPAL OFFICIALS**

**AS OF DECEMBER 31, 2005**

(Continued)

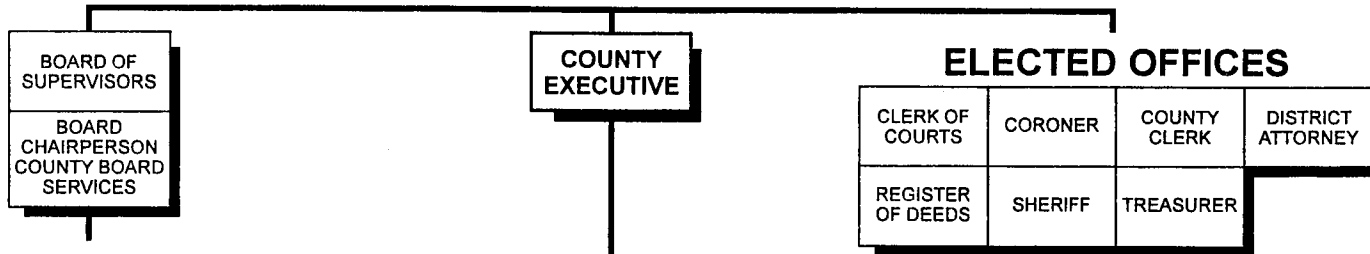
**NONELECTED OFFICIALS**

<b><u>Activity</u></b>	<b><u>Name</u></b>
Family Court Commissioner	Ralph J. Guerin
Family Court Counseling	Kathleen M. Jeffords
Public Works, Highway & Transportation	Gerald Mandli
Human Services	Lynn Green
Juvenile Court Program	James P. Moeser
Land Conservation	Kevin F. Connors
Library	Julie A. Chase
Parks (Acting)	Darren Marsh
Planning & Development	Todd Violante
Public Health Service	Thomas Schlenker
Public Safety Communications	Richard Ellingson
Veterans Service	Michael R. Jackson
Zoo	James Hubing

(Continued from previous page)

# ORGANIZATION OF DANE COUNTY GOVERNMENT

## CITIZENS



## STANDING COMMITTEES

Executive	Personnel & Finance	Health & Human Needs	Public Protection & Judiciary
Environment, Ag & Natural Resources	Public Works & Transportation	Zoning & Land Regulation	

## COMMITTEES OF THE COUNTY BOARD

City-County Liaison	Information Resources Management	Land Conservation	University Extension	Strategic Growth Management
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## DEPARTMENTS

Administration	Airport	Alliant Energy Center	Corporation Counsel	Emergency Management
Extension Office	Family Court Commissioner	Family Court Counseling	Human Services	Juvenile Court Program
Land Conservation	Land Information	Library Service	Parks	Planning & Development
Public Safety Communications	Public Works, Hwy. & Transp.	Veterans Service	Henry Vilas Zoo	

## BOARDS & COMMISSIONS

Agricultural Advisory Council	Airport Commission	Alliant Energy Center Commission	Board of Adjustment	Board of Health	B.U.I.L.D. Committee	Children Come First Commission	Civil Service Commission	Commission on Aging	Commission on Sensitive Crimes	Community Development Block Grant Commission
Coordinating Council	Cultural Affairs Commission	Economic Summit Council	Election Commission	Emergency Medical Services Commission	Employee Management Insurance Advisory Committee	Environmental Council	Equal Opportunities Commission	Ethics Board	Henry Vilas Zoo Commission	Historic Preservation Committee
Housing Authority	Human Services Board	Joint City-County Section 8 Rental Housing Provider Advisory Comm.	Joint Oversight Advisory Committee	Joint Public Health Advisory Committee	Justice Center Planning Oversight Committee	Lakes & Watershed Commission	Land Information Office Committee	Library Board	Living Wage Review Council	Local Emergency Planning Committee
Long Term Support Committee	Monona Terrace Convention & Community Center Board	North Mendota Parkway Advisory Committee	Park Commission	Public Safety Communications Center Board	Public Safety Comm. Oper. Practices Advisory Committee	Reclassification Appeals Board	Safety & Working Conditions Study Committee	Solid Waste & Recycling Commission	South Central Library System Board	South Central Wisconsin Rail Transit Commission
Southwest Dane Transportation Advisory Committee	Specialized Transportation Commission	Task Force on Chronic Wasting Disease	Traffic Safety Commission	Tree Board	Veterans Service Commission	W-2 Community Steering Committee	Wisconsin River Rail Transit Commission	Women's Issues Committee	Youth Commission	

# 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, 2004

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.



*Carla E. Perry*

President

*Jeffrey R. Emer*

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dane, Wisconsin, as of and for the year ended December 31, 2005, 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 or the Henry Vilas Park Zoological Society, Inc., the discretely presented component units of the County of Dane. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dane County Housing Authority and the Henry Vilas Park Zoological Society, Inc., is based on the reports 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. The financial statements of the Henry Vilas Park Zoological Society, Inc. were not audited in accordance with *Government Auditing Standards*. 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 reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dane, Wisconsin at December 31, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we will issue 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the result of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 15 and 89 through 91 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 subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Madison, Wisconsin  
April 24, 2006

*Vierchow, Krause & Company, LLP*

# COUNTY OF DANE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2005

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, 2005. 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 i to vii of this report.

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### FINANCIAL HIGHLIGHTS

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- The assets of the County of Dane exceeded its liabilities at the close of the most recent fiscal year by \$377,863,240 (*net assets*). Of this amount, \$26,254,758 (*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 \$30,563,003.
- As of the close of the current fiscal year, the County of Dane's governmental funds reported combined ending fund balances of \$52,403,326, a decrease of \$5,553,353 in comparison with the prior year. Approximately 79% of this amount, \$41,520,827 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 \$23,621,912 or approximately 20% of total general fund expenditures.

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### OVERVIEW OF THE FINANCIAL STATEMENTS

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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, 2005

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### **OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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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 one must 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 airport, highway, sanitary landfill, Badger Prairie health care, printing and services, and methane gas.

The government-wide financial statements include not only the County of Dane itself (known as the primary government), but also the Henry Vilas Zoological Society, Inc. and the Dane County Housing Authority which are separate legal entities for which the County of Dane is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 16 to 18 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, 2005

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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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 12 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 the 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 19 to 21 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, Sanitary Landfill, Badger Prairie Health Care Center, Printing and Services, and Methane Gas 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, 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, since they are considered to be major funds of the county. Data from other proprietary enterprise funds are combined into a single, aggregated presentation. 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 22 to 31 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 32 to 33 of this report.

# COUNTY OF DANE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2005

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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*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 36 to 88 of this report.

*Other Information* – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a 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 89 to 91 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 92 to 123 of this report.

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### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

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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 \$377,863,240 as of December 31, 2005.

The largest portion of the county's net assets (approximately 90%) 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.

An additional portion of the county's net assets (approximately 3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$26,254,758 may be used to meet the government's ongoing obligation to citizens and creditors.

## COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
For Year Ended December 31, 2005

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

#### COUNTY OF DANE'S NET ASSETS

(in millions)

	Government Activities		Business-type Activities		Total		Total % Change
	2004	2005	2004	2005	2004	2005	
Current and Other Assets	\$ 190.8	\$ 192.1	\$ 78.6	\$ 68.5	\$ 269.4	\$ 260.6	-3.3%
Capital Assets	<u>248.8</u>	<u>273.2</u>	<u>185.8</u>	<u>220.7</u>	<u>434.6</u>	<u>493.9</u>	13.6%
Total Assets	<u>439.6</u>	<u>465.3</u>	<u>264.4</u>	<u>289.2</u>	<u>704.0</u>	<u>754.5</u>	7.2%
Long-term Liabilities	141.5	165.9	66.7	69.4	208.2	235.3	13.0%
Other Liabilities	<u>145.1</u>	<u>131.6</u>	<u>17.1</u>	<u>9.7</u>	<u>162.2</u>	<u>141.3</u>	-12.9%
Total Liabilities	<u>286.7</u>	<u>297.5</u>	<u>83.7</u>	<u>79.1</u>	<u>370.4</u>	<u>376.6</u>	1.7%
Net Assets:							
Invested in Capital Assets, Net of Related Debt	159.5	174.7	136.8	164.1	296.3	338.8	14.3%
Restricted	7.6	6.3	9.8	6.5	17.4	12.8	-26.4%
Unrestricted (deficit)	<u>(14.2)</u>	<u>(13.2)</u>	<u>34.0</u>	<u>39.5</u>	<u>19.8</u>	<u>26.3</u>	32.8%
Total Net Assets	<u>\$ 152.9</u>	<u>\$ 167.7</u>	<u>\$ 180.6</u>	<u>\$ 210.1</u>	<u>\$ 333.5</u>	<u>\$ 377.9</u>	13.3%

**Analysis of the county's Operations** – The following table provides a summary of the county's operations for the year ended December 31, 2005. Governmental activities increased the County of Dane's net assets by \$9,089,264 accounting for approximately 30% of the total growth in net assets. Business-type activities increased the county's net assets by \$21,473,739 accounting for 70% of the total growth in net assets. Nearly all of the business-type increase was due to capital contributions for airport capital assets.

# COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
For Year Ended December 31, 2005

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

### COUNTY OF DANE CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in millions)

	Government Activities		Business-type Activities		Total Primary Government	
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>
<b>Revenues:</b>						
<u>Program Revenues</u>						
Charges for services	\$ 28.1	\$ 29.4	\$ 37.7	\$ 40.6	\$ 65.8	\$ 70.0
Operating grants	164.9	165.9	6.1	4.8	171.0	170.7
Capital grants	5.8	9.8	5.9	25.8	11.7	35.6
<u>General Revenues:</u>						
Property taxes	93.6	96.3	3.8	4.5	97.4	100.8
Sales taxes	41.4	40.6	-	-	41.4	40.6
Other taxes	4.3	4.7	-	-	4.3	4.7
Intergovernmental	6.0	5.8	-	-	6.0	5.8
Public gifts & grants	1.1	0.4	-	-	1.1	0.4
Investment income	2.3	3.7	0.8	1.5	3.1	5.2
Gain (Loss) on the sale of assets	0.0	0.0	0.1	0.0	0.1	0.0
Miscellaneous	<u>0.5</u>	<u>0.6</u>	<u>0.4</u>	<u>0.3</u>	<u>0.9</u>	<u>0.9</u>
<b>Total Revenues</b>	<u>348.0</u>	<u>357.2</u>	<u>54.8</u>	<u>77.5</u>	<u>402.8</u>	<u>434.7</u>
<b>Expenses:</b>						
General Government	21.8	22.9	-	-	21.8	22.9
Health and human services	195.1	200.7	-	-	195.1	200.7
Public safety & criminal justice	71.9	80.8	-	-	71.9	80.8
Public works	3.6	6.1	-	-	3.6	6.1
Culture, education & recreation	18.0	19.7	-	-	18.0	19.6
Conservation & econ. devel.	7.8	9.1	-	-	7.8	9.1
Interest & fiscal charges	6.0	5.1	-	-	6.0	5.1
Highway	-	-	15.2	17.4	15.2	17.4
Airport	-	-	12.9	18.9	12.9	18.9
Badger Prairie Health Care Cnt	-	-	13.7	13.8	13.7	13.8
Sanitary Landfill	-	-	7.8	8.3	7.8	8.3
Other non-major proprietary funds	<u>-</u>	<u>-</u>	<u>1.5</u>	<u>1.4</u>	<u>1.5</u>	<u>1.4</u>
<b>Total Expenses</b>	<u>324.2</u>	<u>344.4</u>	<u>51.1</u>	<u>59.8</u>	<u>375.3</u>	<u>404.1</u>
Increase in net assets before transfers	23.8	12.8	3.7	17.8	27.5	30.6
Transfers	<u>(3.5)</u>	<u>(3.7)</u>	<u>3.5</u>	<u>3.7</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	20.3	9.1	7.2	21.5	27.5	30.6
<b>Net Assets - January 1 (as restated)</b>	<u>132.6</u>	<u>158.6</u>	<u>173.4</u>	<u>188.7</u>	<u>306.0</u>	<u>347.3</u>
<b>Net Assets - December 31</b>	<u>\$ 152.9</u>	<u>\$ 167.7</u>	<u>\$ 180.6</u>	<u>\$ 210.2</u>	<u>\$ 333.5</u>	<u>\$ 377.9</u>

# COUNTY OF DANE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2005

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

#### Governmental Activities

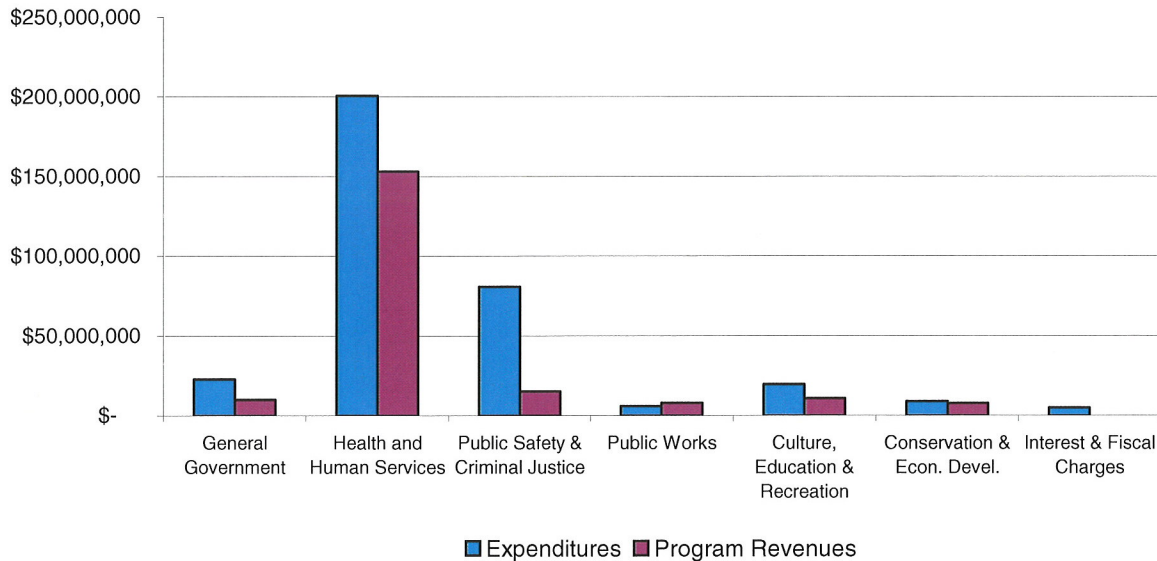
While total revenues increased by 2.64%, total expenditures increased by 6.24% in the Governmental Activities of the County of Dane.

Operating grants for Health and Human Services increased by only \$1.2 million, while expenditures in this category increased by \$5.6 million. Property tax revenue increased by \$2.7 million, and sales taxes decreased by \$0.8 million. Adjustments to prior year's sales tax collections by the Wisconsin Department of Revenue resulted in a decrease in sales tax revenue of approximately \$1.0 million in 2005. Increased expenditures of \$8.9 million in Public Safety and Criminal Justice was also accompanied by a \$3.3 million reduction in charges for services and operating grants in this category of Governmental Activities.

#### Business-type Activities

Total revenues for Business-type Activities increased by 41.4% while expenditures increased by 17%. A capital grant contribution from the State of Wisconsin to the Dane County Regional Airport accounts for most of this increase in revenues. Total revenues exclusive of capital grants increased by 5.7% between 2004 and 2005.

Expenses & Program Revenues-Governmental Activities



# COUNTY OF DANE, WISCONSIN

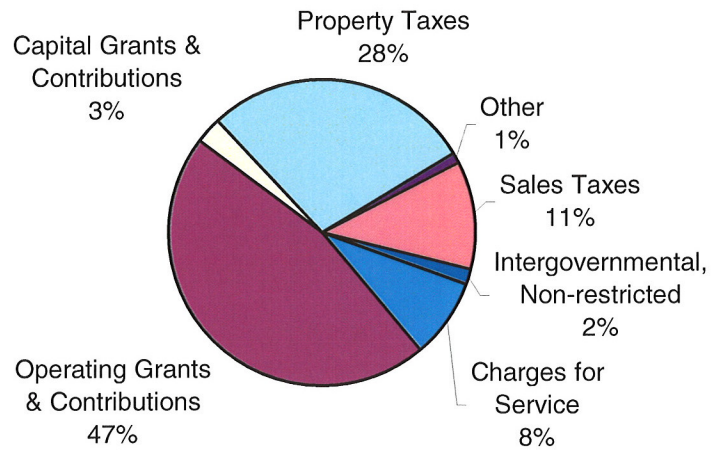
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
For Year Ended December 31, 2005

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

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### Revenue by Source-Gov. Activities

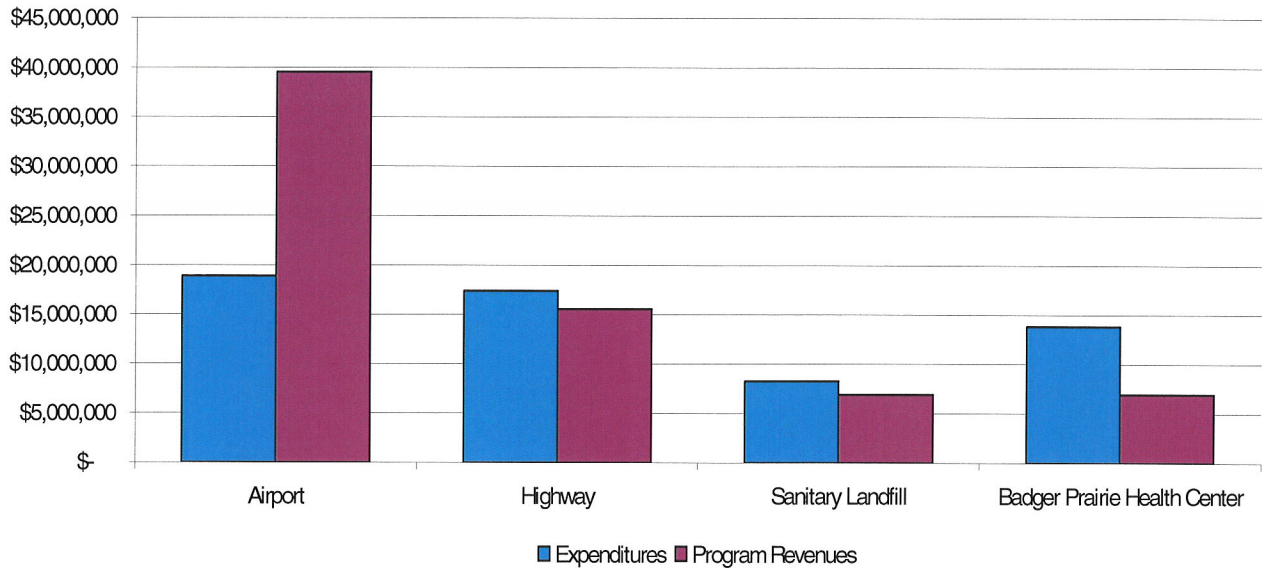


# COUNTY OF DANE, WISCONSIN

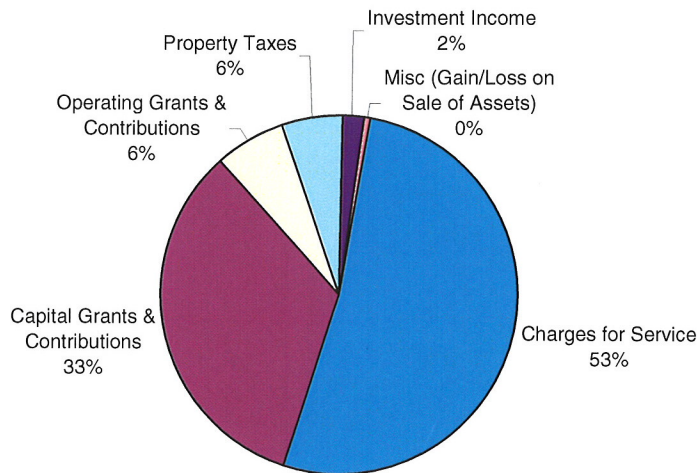
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
For Year Ended December 31, 2005

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

Expenses & Program Revenues-Business-type Activities



Revenues by Source-Business-type Activities





# COUNTY OF DANE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2005

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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#### 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 the current fiscal year, the County of Dane's governmental funds reported combined ending fund balances of \$52,403,326. Approximately 79% of this total amount, \$41,520,827 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 (\$5,032,499), 2) for prepaid items (\$18,630), 3) delinquent property taxes (\$4,118,326), 4) long-term receivables/advances (\$688,761), 5) debt retirement (\$588,231) and 6) for trust purposes (\$436,052).

Of the \$41,520,827 unreserved fund balance, the use of \$8,942,166 or approximately 22% 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 \$5,131,639.
- The remaining \$3,810,527 is designated for specific activities such as the Alliant Energy Center operations, tax deed sales, and carryforwards to 2006.

#### *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. The General fund balance increased \$2,203,038 from 2004.

#### *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. The Human Services Fund balance decreased \$878,647 from 2004.

## COUNTY OF DANE, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2005

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

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##### **Governmental Funds (cont.)**

###### *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. The Debt Service fund balance decreased \$2,009,702 from 2004. This decrease is due to the expenditure of funds for debt service.

###### *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. The Capital Projects Fund fund balance decreased \$4,040,875 from 2004. This decrease is due to the application of remaining borrowing proceeds from prior years that were expended on projects in 2005.

##### **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. The Airport Net Assets increased \$22,399,943 from 2004. Of this amount, \$18 million is due to capital contributions from the State of Wisconsin for Airport Improvement projects.

###### *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. The Highway Fund Net Assets increased \$523,732 over 2004.

###### *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. The Sanitary Landfill Net Assets decreased \$1,283,427 from 2004.

###### *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. Badger Prairie Health Care Center Net Assets decreased \$322,342 from 2004.

## COUNTY OF DANE, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2005

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended General Fund budget had total appropriations of \$10,769,547 more than the original budget. The total original appropriations, including those for transfers out, were \$174,134,425, while the final appropriations were \$184,903,972. Of the difference, \$1,916,398 was related to the appropriation carry forwards for projects not completed by year-end. The remaining increase of approximately \$8,853,149 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 2005, the county had invested a total of \$493,883,713 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, zoo animals, machinery and equipment, infrastructure and construction work in progress.

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

Buildings had a net increase of \$94.24 million primarily due to the completion of the County's new courthouse building and the airport terminal expansion.

Of the \$11.4 million increase in land value, \$7.2 million was moved from construction in progress for the new courthouse to the land account, and \$3.5 million was from the capitalization of land purchases made for the Dane County Conservation Fund.

#### **CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION** (in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>
Land	\$ 52.09	\$ 63.54	\$ 29.04	\$ 29.04	\$ 81.13	\$ 92.58
Land Improvements	31.83	33.62	60.82	62.35	92.65	95.97
Buildings	69.44	107.12	32.93	94.99	102.37	202.11
Zoo Animals	0.23	0.24	-	-	0.23	0.24
Machinery & Equipment	5.51	9.38	16.8	17.45	22.31	26.83
Infrastructure	54.46	57.81	-	-	54.46	57.81
Construction in Progress	<u>35.24</u>	<u>1.45</u>	<u>46.24</u>	<u>16.89</u>	<u>81.48</u>	<u>18.34</u>
Total	<u>\$ 248.80</u>	<u>\$ 273.16</u>	<u>\$ 185.83</u>	<u>\$ 220.72</u>	<u>\$ 434.63</u>	<u>\$ 493.88</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, 2005

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### LONG-TERM DEBT

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During 2005, the county issued \$14,533,834 in bonds and notes and retired debt of \$15,250,729 resulting in \$188,147,049 in outstanding bonds payable at the end of 2005. This results in a per capita general obligation debt of \$410.54/person. Of the bonded debt, \$132,970,290 is to be repaid with general property taxes.

All of the \$14,533,834 in bonds issued in 2005 were issued to fund various projects included in the 2005 capital budget.

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 \$188,147,049, which is considerably below the maximum of \$2,139,986,425. The general obligation notes and bonds issued in 2005 received an Aaa rating from Moody's Investors Service and an AAA from Fitch Ratings.

### COUNTY OF DANE'S OUTSTANDING DEBT GENERAL OBLIGATION BONDS (in millions)

	Governmental Activities		Business-Type Activities		Total		Percent Change
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	
General Obligation Debt Outstanding	<u>\$ 130.53</u>	<u>\$ 133.0</u>	<u>\$ 58.33</u>	<u>\$ 55.20</u>	<u>\$ 188.86</u>	<u>\$ 188.20</u>	-0.35%

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

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### REQUESTS FOR INFORMATION

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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, 53703, 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](http://www.co.dane.wi.us).

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**COUNTY OF DANE**

**STATEMENT OF NET ASSETS**  
December 31, 2005

	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 57,691,620	\$ 43,659,232	\$ 101,350,852	\$ 4,382,118
Receivables (net of allowance for uncollectibles)				
Taxes	100,856,440	4,180,823	105,037,263	-
Delinquent taxes	7,420,317	-	7,420,317	-
Accounts	3,082,427	3,649,783	6,732,210	1,915,255
Loans	4,259,605	-	4,259,605	193,903
Other	706,834	-	706,834	3,514
Due from other governmental units	16,577,680	2,877,048	19,454,728	28,438
Internal balances	(98,048)	98,048	-	-
Inventories	-	1,549,106	1,549,106	123,355
Internal advances	(573,536)	573,536	-	-
Prepaid items	19,107	80,329	99,436	5,270
Deposits	50,000	-	50,000	-
Restricted Assets				
Temporarily Restricted				
Cash and investments	-	11,484,731	11,484,731	162,805
Deposit with Wisconsin Municipal Mutual Insurance Co.	1,809,171	-	1,809,171	-
Other assets	301,462	371,956	673,418	-
Capital Assets				
Land	63,535,471	29,043,177	92,578,648	1,197,431
Construction in progress	1,448,914	16,894,219	18,343,133	29,907
Land Improvements (non-depreciable)	28,472,599	-	28,472,599	-
Land Improvements (depreciable)	9,669,835	106,756,221	116,426,056	-
Buildings	142,965,779	110,812,023	253,777,802	5,824,604
Zoo animals	369,205	-	369,205	-
Machinery and equipment	20,168,598	37,034,957	57,203,555	335,703
Infrastructure	88,343,761	-	88,343,761	-
Less: Accumulated depreciation	(81,811,313)	(79,819,733)	(161,631,046)	(5,124,973)
Total Assets	<u>465,265,928</u>	<u>289,245,456</u>	<u>754,511,384</u>	<u>9,077,330</u>
<b>LIABILITIES</b>				
Accounts payable	10,891,164	2,837,456	13,728,620	1,495,301
Accrued payroll and payroll taxes	4,857,704	1,004,367	5,862,071	-
Other accrued liabilities and deposits	6,082,995	355,312	6,438,307	53,823
Due to other governmental units	6,891,592	1,216,831	8,108,423	7,083
Unearned revenue	102,937,323	4,282,386	107,219,709	237,209
Noncurrent Liabilities				
Due within one year	18,467,883	4,888,364	23,356,247	50,708
Due in more than one year	147,421,673	64,513,094	211,934,767	337,498
Total Liabilities	<u>297,550,334</u>	<u>79,097,810</u>	<u>376,648,144</u>	<u>2,181,622</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	174,670,044	164,138,875	338,808,919	1,935,245
Restricted for:				
Health services	1,003,039	-	1,003,039	-
Library operations	35,579	-	35,579	-
Improvement of land information	1,406,558	-	1,406,558	-
Construction or repairs to bridges and culverts	169,897	-	169,897	-
CDBG	1,529,532	-	1,529,532	-
HOME	1,118,840	-	1,118,840	-
Grant funding proceeds	573,491	-	573,491	-
Trust activities - expendable	436,052	-	436,052	-
Capital projects	-	6,485,426	6,485,426	-
Landfill long-term care costs	-	41,149	41,149	-
Zoo exhibits	-	-	-	2,218,945
Housing programs	-	-	-	284,400
Unrestricted (deficit)	(13,227,438)	39,482,196	26,254,758	2,457,118
<b>TOTAL NET ASSETS</b>	<u>\$ 167,715,594</u>	<u>\$ 210,147,646</u>	<u>\$ 377,863,240</u>	<u>\$ 6,895,708</u>

See accompanying notes to financial statements.

**COUNTY OF DANE**

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2005

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 22,871,308	\$ 4,865,768	\$ 5,185,803	\$ -
Health and human services	200,734,092	5,254,621	148,009,181	-
Public safety and criminal justice	80,838,195	7,517,004	7,145,673	605,848
Public works	6,097,457	717,347	148,096	7,093,388
Culture, education and recreation	19,648,299	9,091,937	220,124	1,542,786
Conservation and economic development	9,109,179	1,921,977	5,237,693	594,249
Interest and fiscal charges	5,077,733	-	-	-
<b>Total Governmental Activities</b>	<b>344,376,263</b>	<b>29,368,654</b>	<b>165,946,570</b>	<b>9,836,271</b>
<b>Business-type Activities</b>				
Airport	18,889,923	13,744,945	10,725	25,768,338
Highway	17,397,795	11,706,327	3,854,742	-
Sanitary landfill	8,280,434	6,930,381	-	-
Badger Prairie Health Care Center	13,810,658	6,002,735	961,725	-
Printing and services - non-major fund	918,650	895,462	19,725	-
Methane gas - non-major fund	461,641	1,302,575	-	-
<b>Total Business-type Activities</b>	<b>59,759,101</b>	<b>40,582,425</b>	<b>4,846,917</b>	<b>25,768,338</b>
<b>Total Primary Government</b>	<b>\$ 404,135,364</b>	<b>\$ 69,951,079</b>	<b>\$ 170,793,487</b>	<b>\$ 35,604,609</b>
<b>Component Units</b>				
Henry Vilas Park Zoological Society, Inc.	2,806,232	1,108,493	-	2,436,487
Dane County Housing Authority	8,889,216	637,687	8,080,861	-
<b>Total Component Units</b>	<b>\$ 11,695,448</b>	<b>\$ 1,746,180</b>	<b>\$ 8,080,861</b>	<b>\$ 2,436,487</b>

**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 on the sale of assets  
 Miscellaneous

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Assets**

NET ASSETS - Beginning (as restated)

**NET ASSETS - ENDING**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Totals	
\$ (12,819,737)	\$ -	\$ (12,819,737)	\$ -
(47,470,290)	-	(47,470,290)	-
(65,569,670)	-	(65,569,670)	-
1,861,374	-	1,861,374	-
(8,793,452)	-	(8,793,452)	-
(1,355,260)	-	(1,355,260)	-
(5,077,733)	-	(5,077,733)	-
<u>(139,224,768)</u>	<u>-</u>	<u>(139,224,768)</u>	<u>-</u>
-	20,634,085	20,634,085	-
-	(1,836,726)	(1,836,726)	-
-	(1,350,053)	(1,350,053)	-
-	(6,846,198)	(6,846,198)	-
-	(3,463)	(3,463)	-
-	840,934	840,934	-
<u>-</u>	<u>11,438,579</u>	<u>11,438,579</u>	<u>-</u>
(139,224,768)	11,438,579	(127,786,189)	-
-	-	-	738,748
-	-	-	(170,668)
86,318,786	-	86,318,786	-
9,979,192	-	9,979,192	-
-	4,499,824	4,499,824	-
40,620,232	-	40,620,232	-
4,656,050	-	4,656,050	-
5,783,147	-	5,783,147	-
427,710	-	427,710	-
3,666,737	1,493,860	5,160,597	73,399
-	7,531	7,531	-
564,572	331,551	896,123	782,917
(3,702,394)	3,702,394	-	-
<u>148,314,032</u>	<u>10,035,160</u>	<u>158,349,192</u>	<u>856,316</u>
9,089,264	21,473,739	30,563,003	1,424,396
<u>158,626,330</u>	<u>188,673,907</u>	<u>347,300,237</u>	<u>5,471,312</u>
<u>\$ 167,715,594</u>	<u>\$ 210,147,646</u>	<u>\$ 377,863,240</u>	<u>\$ 6,895,708</u>

See accompanying notes to financial statements.



**COUNTY OF DANE**

BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2005

	General	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 21,464,540	\$ 3,167,842	\$ 588,231	\$ 22,232,192	\$ 3,537,814	\$ 50,990,619
Receivables						
Taxes	83,097,335	-	10,964,040	-	6,795,065	100,856,440
Delinquent taxes	7,420,317	-	-	-	-	7,420,317
Accounts	1,896,252	295,170	-	-	21,955	2,213,377
Loans	-	-	-	-	4,259,605	4,259,605
Other	706,834	-	-	-	-	706,834
Due from other governments	9,791,182	5,760,567	-	298,150	723,098	16,572,997
Due from other funds	-	-	-	-	250,616	250,616
Prepaid items	8,203	10,427	-	-	150	18,780
Total Assets	<u>\$ 124,384,663</u>	<u>\$ 9,234,006</u>	<u>\$ 11,552,271</u>	<u>\$ 22,530,342</u>	<u>\$ 15,588,303</u>	<u>\$ 183,289,585</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,837,740	\$ 5,632,895	\$ -	\$ 2,688,538	\$ 647,882	\$ 10,807,055
Accrued payroll and payroll taxes	3,722,225	878,725	-	-	202,444	4,803,394
Other accrued liabilities and deposits	1,239,002	-	-	-	-	1,239,002
Due to other governments	2,853,420	2,542,496	-	75,937	1,419,603	6,891,456
Due to other funds	89,410	6,798	-	-	251,664	347,872
Deferred revenue	85,639,568	-	10,964,040	214,202	9,979,670	106,797,480
Total Liabilities	<u>95,381,365</u>	<u>9,060,914</u>	<u>10,964,040</u>	<u>2,978,677</u>	<u>12,501,263</u>	<u>130,886,259</u>
<b>Fund Balances</b>						
<b>Reserved for:</b>						
Encumbrances	566,096	-	-	2,776,535	1,689,868	5,032,499
Prepaid items	8,203	10,427	-	-	-	18,630
Non-county levy portion of delinquent taxes receivable	4,118,326	-	-	-	-	4,118,326
Long-term receivables	688,761	-	-	-	-	688,761
Debt service	-	-	588,231	-	-	588,231
Trust activities	-	-	-	-	436,052	436,052
<b>Unreserved and designated, reported in:</b>						
General fund	8,942,166	-	-	-	-	8,942,166
<b>Unreserved and undesignated, reported in:</b>						
General fund	14,679,746	-	-	-	-	14,679,746
Special revenue funds	-	162,665	-	-	961,120	1,123,785
Capital projects fund	-	-	-	16,775,130	-	16,775,130
Total Fund Balances	<u>29,003,298</u>	<u>173,092</u>	<u>588,231</u>	<u>19,551,665</u>	<u>3,087,040</u>	<u>52,403,326</u>
Total Liabilities and Fund Balances	<u>\$ 124,384,663</u>	<u>\$ 9,234,006</u>	<u>\$ 11,552,271</u>	<u>\$ 22,530,342</u>	<u>\$ 15,588,303</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. See Note II.A.	271,458,242
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.	3,860,157
Internal service funds are reported in the statement of net assets as governmental funds	6,434,396
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>(166,440,527)</u>
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 167,715,594</u>

**COUNTY OF DANE**

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2005

	<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>
<b>REVENUES</b>						
Taxes	\$ 124,554,482	\$ -	\$ 9,979,192	\$ -	\$ 6,984,611	\$ 141,518,285
Intergovernmental	22,902,356	145,883,383	-	722,847	5,263,321	174,771,907
Public charges for services	15,275,482	149,277	-	1,072,629	770,091	17,267,479
Fines, forfeitures and penalties	2,145,341	-	-	-	-	2,145,341
Licenses and permits	918,960	-	-	-	964,467	1,883,427
Investment income	2,507,950	-	812,043	-	-	3,319,993
Miscellaneous	4,741,217	4,035,249	1,554,848	-	154,693	10,486,007
Total Revenues	<u>173,045,788</u>	<u>150,067,909</u>	<u>12,346,083</u>	<u>1,795,476</u>	<u>14,137,183</u>	<u>351,392,439</u>
<b>EXPENDITURES</b>						
Current						
General government	22,171,120	-	-	-	-	22,171,120
Health and human services	397,978	194,170,746	-	-	5,505,717	200,074,441
Public safety and criminal justice	77,015,660	-	-	-	-	77,015,660
Public works	855,549	-	-	-	147,331	1,002,880
Culture, education and recreation	13,872,611	-	-	-	3,619,662	17,492,273
Conservation and economic development	4,050,274	-	-	-	5,648,547	9,698,821
Capital Outlay	1,501,800	2,065	-	19,214,885	17,006	20,735,756
Debt Service						
Principal retirement	-	-	12,095,295	-	-	12,095,295
Interest and fees	-	-	5,585,862	-	-	5,585,862
Total Expenditures	<u>119,864,992</u>	<u>194,172,811</u>	<u>17,681,157</u>	<u>19,214,885</u>	<u>14,938,263</u>	<u>365,872,108</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,180,796</u>	<u>(44,104,902)</u>	<u>(5,335,074)</u>	<u>(17,419,409)</u>	<u>(801,080)</u>	<u>(14,479,669)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
General obligation debt issued	1,043,000	-	112,300	13,378,534	-	14,533,834
Debt premium	-	-	3,773	-	-	3,773
Capital lease	12,307	52,091	-	-	15,958	80,356
Transfers in	682,096	43,174,164	3,209,299	-	-	47,065,559
Transfers out	<u>(52,715,161)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,045)</u>	<u>(52,757,206)</u>
Total Other Financing Sources (Uses)	<u>(50,977,758)</u>	<u>43,226,255</u>	<u>3,325,372</u>	<u>13,378,534</u>	<u>(26,087)</u>	<u>8,926,316</u>
<b>Net Change in Fund Balance</b>	2,203,038	(878,647)	(2,009,702)	(4,040,875)	(827,167)	(5,553,353)
FUND BALANCES - Beginning (as restated)	<u>26,800,260</u>	<u>1,051,739</u>	<u>2,597,933</u>	<u>23,592,540</u>	<u>3,914,207</u>	<u>57,956,679</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 29,003,298</u>	<u>\$ 173,092</u>	<u>\$ 588,231</u>	<u>\$ 19,551,665</u>	<u>\$ 3,087,040</u>	<u>\$ 52,403,326</u>

## 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, 2005

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Net change in fund balances - total governmental funds	\$ (5,553,353)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of 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.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	20,735,756
Less: Some items are reported as capital outlay but are not capitalized	(645,892)
Depreciation is reported in the government-wide statements - less internal service funds	(7,262,507)
Capital contributions reported in the government-wide statements (infrastructure)	7,093,388
Infrastructure financed by the highway fund	1,989,253
Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net assets.	(2,265,902)
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.	46,540
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. Refer to note II.B.	(2,468,279)
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.	108,181
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	(2,257,225)
Claims and judgments	70,000
Disability benefits	10,615
Accrued interest on debt	400,769
Internal service funds are used by management to charge the costs of printing, workers compensation, liability insurance, employee benefits and food service costs to individual funds. The decrease in net assets of the internal service funds is reported with governmental activities.	<u>(912,080)</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 9,089,264</u></b>

See accompanying notes to financial statements.

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**COUNTY OF DANE**

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
December 31, 2005

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Airport</u>	<u>Highway</u>	<u>Sanitary Landfill</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 37,654,348	\$ 1,392,750	\$ 4,202,929
Taxes receivable	-	4,180,823	-
Accounts receivable, net	1,765,057	215,631	770,520
Due from other governments	1,664	2,796,226	-
Due from other funds	-	141,069	72,863
Inventories	-	1,456,341	-
Prepaid items	2,157	78,041	65
Deposits	-	-	-
Restricted cash and investments	-	-	46,640
<b>Total Current Assets</b>	<u>39,423,226</u>	<u>10,260,881</u>	<u>5,093,017</u>
<b>Noncurrent Assets</b>			
Restricted cash and investments	6,485,426	-	4,894,344
Advances to other funds	-	-	573,536
Other assets	371,956	-	-
<b>Capital Assets</b>			
Land	27,430,587	139,166	1,427,436
Construction in progress	16,698,457	195,762	-
Land improvements	90,434,154	525,487	15,442,133
Buildings	101,145,635	4,989,743	648,694
Machinery and equipment	7,989,990	15,111,163	5,598,172
Less: Accumulated depreciation	(51,600,572)	(10,422,725)	(11,773,229)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<u>192,098,251</u>	<u>10,538,596</u>	<u>11,343,206</u>
<b>Total Noncurrent Assets</b>	<u>198,955,633</u>	<u>10,538,596</u>	<u>16,811,086</u>
<b>Total Assets</b>	<u>238,378,859</u>	<u>20,799,477</u>	<u>21,904,103</u>

Continued on  
Next Page

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
<u>Badger Prairie</u>	<u>Non-major</u>	<u>Totals</u>	<u>Activities -</u>
<u>Health Care</u>	<u>Proprietary</u>	<u>Current Year</u>	<u>Internal</u>
<u>Center</u>	<u>Funds</u>		<u>Service Funds</u>
\$ 2,000	\$ 407,205	\$ 43,659,232	\$ 6,701,001
-	-	4,180,823	-
688,642	209,933	3,649,783	869,050
-	79,158	2,877,048	4,683
-	-	213,932	-
29,758	63,007	1,549,106	-
66	-	80,329	327
-	-	-	50,000
-	-	46,640	-
<u>720,466</u>	<u>759,303</u>	<u>56,256,893</u>	<u>7,625,061</u>
58,321	-	11,438,091	1,809,171
-	-	573,536	-
-	-	371,956	-
45,988	-	29,043,177	-
-	-	16,894,219	-
354,447	-	106,756,221	-
4,027,951	-	110,812,023	1,968,705
2,543,304	5,792,328	37,034,957	974,337
<u>(4,336,998)</u>	<u>(1,686,209)</u>	<u>(79,819,733)</u>	<u>(1,238,435)</u>
<u>2,634,692</u>	<u>4,106,119</u>	<u>220,720,864</u>	<u>1,704,607</u>
<u>2,693,013</u>	<u>4,106,119</u>	<u>233,104,447</u>	<u>3,513,778</u>
<u>3,413,479</u>	<u>4,865,422</u>	<u>289,361,340</u>	<u>11,138,839</u>

See accompanying notes to financial statements.

**COUNTY OF DANE**

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
December 31, 2005

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Airport</u>	<u>Highway</u>	<u>Sanitary Landfill</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 259,016	\$ 2,134,589	\$ 188,142
Accrued payroll and payroll taxes	203,762	357,573	45,401
Accrued compensated absences	392,711	594,559	136,727
Other accrued liabilities and deposits	239,602	1,443	-
Due to other governments	538,583	446,070	204,310
Due to other funds	-	-	39,593
Current portion of postclosure care costs	-	-	46,640
Current portion of general obligation debt	2,635,000	38,609	-
Current portion of notes payable	-	-	-
Current portion of leases payable	-	-	-
Unearned revenue	25,000	4,257,386	-
<b>Total Current Liabilities</b>	<u>4,293,674</u>	<u>7,830,229</u>	<u>660,813</u>
Noncurrent Liabilities			
Advances from other funds	-	-	-
Leases payable	-	-	-
Accrued compensated absences	1,156,203	2,028,920	346,582
Long-term care and postclosure care costs payable	-	-	5,758,611
General obligation debt	49,490,000	107,768	-
Unamortized premium on debt	1,832,139	-	-
<b>Total Noncurrent Liabilities</b>	<u>52,478,342</u>	<u>2,136,688</u>	<u>6,105,193</u>
<b>Total Liabilities</b>	<u>56,772,016</u>	<u>9,966,917</u>	<u>6,766,006</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	138,542,903	10,392,219	11,343,206
Restricted for:			
Capital projects	6,485,426	-	-
Landfill long-term care costs	-	-	41,149
Unrestricted (deficit)	<u>36,578,514</u>	<u>440,341</u>	<u>3,753,742</u>
<b>TOTAL NET ASSETS (DEFICIT)</b>	<u>\$ 181,606,843</u>	<u>\$ 10,832,560</u>	<u>\$ 15,138,097</u>

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
<u>Badger Prairie</u>	<u>Non-major</u>	<u>Totals</u>	<u>Activities -</u>
<u>Health Care</u>	<u>Proprietary</u>	<u>Current Year</u>	<u>Internal</u>
<u>Center</u>	<u>Funds</u>		<u>Service Funds</u>
\$ 229,217	\$ 26,492	\$ 2,837,456	\$ 84,106
377,800	19,831	1,004,367	54,309
455,746	42,371	1,622,114	37,726
109,804	4,463	355,312	3,779,139
27,868	-	1,216,831	135
73,217	3,074	115,884	792
-	-	46,640	-
263,154	248,796	3,185,559	-
34,051	-	34,051	-
-	-	-	6,198
-	-	4,282,386	-
<u>1,570,857</u>	<u>345,027</u>	<u>14,700,600</u>	<u>3,962,405</u>
-	-	-	573,536
-	-	-	13,516
1,273,458	125,983	4,931,146	154,986
-	-	5,758,611	-
636,430	1,757,000	51,991,198	-
-	-	1,832,139	-
<u>1,909,888</u>	<u>1,882,983</u>	<u>64,513,094</u>	<u>742,038</u>
<u>3,480,745</u>	<u>2,228,010</u>	<u>79,213,694</u>	<u>4,704,443</u>
1,703,666	2,156,881	164,138,875	1,684,893
-	-	6,485,426	-
-	-	41,149	-
<u>(1,770,932)</u>	<u>480,531</u>	<u>39,482,196</u>	<u>4,749,503</u>
<u>\$ (67,266)</u>	<u>\$ 2,637,412</u>	<u>\$ 210,147,646</u>	<u>\$ 6,434,396</u>

See accompanying notes to financial statements.



**COUNTY OF DANE**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND  
NET ASSETS - PROPRIETARY FUNDS  
For the Year Ended December 31, 2005

	Business-type Activities - Enterprise Funds		
	Airport	Highway	Sanitary Landfill
<b>OPERATING REVENUES</b>			
Charges for services	\$ 8,059,595	\$ 10,708,342	\$ 6,827,293
Intergovernmental charges for services	-	3,854,742	-
Parking fees and concession sales	5,424,615	-	-
Other	271,460	24,922	103,088
Total Operating Revenues	<u>13,755,670</u>	<u>14,588,006</u>	<u>6,930,381</u>
<b>OPERATING EXPENSES</b>			
Personal services	4,434,916	9,152,608	1,558,753
Contractual services	1,914,667	861,618	2,588,225
Highway operations	-	8,381,992	-
Insurance services	-	-	-
Other	1,994,300	-	3,056,415
Depreciation	5,427,877	985,319	985,608
Total Operating Expenses	<u>13,771,760</u>	<u>19,381,537</u>	<u>8,189,001</u>
Operating Income (Loss)	<u>(16,090)</u>	<u>(4,793,531)</u>	<u>(1,258,620)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	-	4,499,824	-
Intergovernmental grants	-	973,063	-
Investment income	1,427,234	-	66,626
Interest expense	(2,519,620)	(5,512)	-
Interest charged to construction	2,069,812	-	-
Amortization of bond premium	331,551	-	-
Gain/(Loss) on sale or disposal of capital assets	7,073	-	(91,433)
Passenger facility charges	3,186,691	-	-
Total Nonoperating Revenues (Expenses)	<u>4,502,741</u>	<u>5,467,375</u>	<u>(24,807)</u>
Income (Loss) Before Contributions and Transfers	4,486,651	673,844	(1,283,427)
Capital contributions	17,913,292	-	-
Transfers in	-	1,043,000	-
Transfers out	-	(1,193,112)	-
<b>Change in Net Assets</b>	<u>22,399,943</u>	<u>523,732</u>	<u>(1,283,427)</u>
TOTAL NET ASSETS - Beginning (as restated)	<u>159,206,900</u>	<u>10,308,828</u>	<u>16,421,524</u>
<b>TOTAL NET ASSETS - ENDING (DEFICIT)</b>	<u>\$ 181,606,843</u>	<u>\$ 10,832,560</u>	<u>\$ 15,138,097</u>

Business-type Activities - Enterprise Funds			Governmental
Badger Prairie Health Care Center	Non-major Proprietary Funds	Totals Current Year	Activities- Internal Service Funds
\$ 5,989,208	\$ 2,217,762	\$ 33,802,200	\$ 5,756,945
-	-	3,854,742	-
-	-	5,424,615	-
13,527	-	412,997	8,076
<u>6,002,735</u>	<u>2,217,762</u>	<u>43,494,554</u>	<u>5,765,021</u>
10,193,031	559,012	25,898,320	1,827,069
2,277,280	79,447	7,721,237	103,169
-	-	8,381,992	-
-	-	-	3,376,298
1,111,836	457,034	6,619,585	1,478,777
200,755	251,877	7,851,436	70,939
<u>13,782,902</u>	<u>1,347,370</u>	<u>56,472,570</u>	<u>6,856,252</u>
<u>(7,780,167)</u>	<u>870,392</u>	<u>(12,978,016)</u>	<u>(1,091,231)</u>
-	-	4,499,824	-
961,725	-	1,934,788	-
-	-	1,493,860	183,745
(27,755)	(32,921)	(2,585,808)	(4,594)
-	-	2,069,812	-
-	-	331,551	-
-	458	(83,902)	-
-	-	3,186,691	-
<u>933,970</u>	<u>(32,463)</u>	<u>10,846,816</u>	<u>179,151</u>
(6,846,197)	837,929	(2,131,200)	(912,080)
-	-	17,913,292	-
6,523,855	-	7,566,855	-
-	(682,096)	(1,875,208)	-
(322,342)	155,833	21,473,739	(912,080)
<u>255,076</u>	<u>2,481,579</u>	<u>188,673,907</u>	<u>7,346,476</u>
<u>\$ (67,266)</u>	<u>\$ 2,637,412</u>	<u>\$ 210,147,646</u>	<u>\$ 6,434,396</u>

See accompanying notes to financial statements.

**COUNTY OF DANE**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUND TYPES  
 For the Year Ended December 31, 2005

Business-type Activities - Enterprise Funds

	<u>Airport</u>	<u>Highway</u>	<u>Sanitary Landfill</u>
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**CASH FLOWS FROM OPERATING ACTIVITIES**

Received from customers	\$ 13,396,720	\$ 12,663,866	\$ 6,770,211
Received from other funds	-	-	-
Paid to suppliers for goods and services	(4,065,344)	(8,073,321)	(4,570,155)
Paid to employees for services	(4,234,302)	(9,151,908)	(1,558,753)
Net Cash Flows From Operating Activities	<u>5,097,074</u>	<u>(4,561,363)</u>	<u>641,303</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Transfers in	-	1,043,000	-
Transfers out	-	(1,193,112)	-
General property taxes	-	4,499,824	-
Intergovernmental grants	-	973,063	-
Payment of other long-term debt	-	-	-
Advances from other funds	-	-	-
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>5,322,775</u>	<u>-</u>

**CASH FLOWS FROM CAPITAL AND RELATED  
 FINANCING ACTIVITIES**

Principal payments on long-term debt	(2,585,000)	(69,640)	-
Interest paid on capital debt	(2,483,681)	(5,511)	-
Acquisition and construction of capital assets	(33,177,671)	(780,732)	(1,269,114)
Passenger facility charges	3,186,691	-	-
Capital contributions	17,913,292	-	-
Net Cash Flows From Capital and Related Financing Activities	<u>(17,146,369)</u>	<u>(855,883)</u>	<u>(1,269,114)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment income	1,427,234	-	66,626
Marketable securities purchased	-	-	(67,001)
Net Cash Flows From Investing Activities	<u>1,427,234</u>	<u>-</u>	<u>(375)</u>

<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(10,622,061)</b>	<b>(94,471)</b>	<b>(628,186)</b>
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CASH AND CASH EQUIVALENTS - Beginning of Year	<u>54,761,835</u>	<u>1,487,221</u>	<u>4,877,755</u>
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<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 44,139,774</u></b>	<b><u>\$ 1,392,750</u></b>	<b><u>\$ 4,249,569</u></b>
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Business-type Activities - Enterprise Funds			Governmental
Badger Prairie Health Care Center	Non-major Proprietary Funds	Totals Current Year	Activities - Internal Service Funds
\$ 6,015,437	\$ 1,710,871	\$ 40,557,105	\$ 74,434
-	427,995	427,995	5,648,996
(2,742,672)	(697,956)	(20,149,448)	(4,134,455)
<u>(10,561,106)</u>	<u>(559,012)</u>	<u>(26,065,081)</u>	<u>(1,827,069)</u>
(7,288,341)	881,898	(5,229,429)	(238,094)
6,523,855	-	7,566,855	-
-	(682,096)	(1,875,208)	-
-	-	4,499,824	-
961,725	-	1,934,788	-
-	-	-	(130,000)
-	-	-	<u>573,536</u>
<u>7,485,580</u>	<u>(682,096)</u>	<u>12,126,259</u>	<u>443,536</u>
(287,124)	(246,717)	(3,188,481)	(7,361)
(27,754)	(56,170)	(2,573,116)	(4,595)
(97,062)	(110,512)	(35,435,091)	-
-	-	3,186,691	-
-	-	<u>17,913,292</u>	-
<u>(411,940)</u>	<u>(413,399)</u>	<u>(20,096,705)</u>	<u>(11,956)</u>
-	-	1,493,860	183,745
-	-	(67,001)	-
-	-	<u>1,426,859</u>	<u>183,745</u>
(214,701)	(213,597)	(11,773,016)	377,231
<u>275,022</u>	<u>620,802</u>	<u>62,022,635</u>	<u>6,323,770</u>
<u>\$ 60,321</u>	<u>\$ 407,205</u>	<u>\$ 50,249,619</u>	<u>\$ 6,701,001</u>

See accompanying notes to financial statements.

## COUNTY OF DANE

### STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES For the Year Ended December 31, 2005

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Airport</u>	<u>Highway</u>	<u>Sanitary Landfill</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (16,090)	\$ (4,793,531)	\$ (1,258,620)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Non-cash items included in operating income:			
Depreciation	5,427,877	985,319	985,608
Changes in assets and liabilities			
Accounts receivable	(357,376)	109,748	486,229
Due from other funds	(1,664)	(30,041)	(646,399)
Due from other governments	-	(1,714,226)	-
Inventories	-	463,775	-
Prepaid items	(1,670)	(70,403)	(65)
Accounts payable	(203,368)	898,182	(187,599)
Accrued payroll and payroll taxes	-	209,822	26,930
Accrued compensated absences	249,275	116,590	-
Other accrued liabilities and deposits	-	-	157,865
Due to other governments	-	(446,977)	-
Due to other funds	-	-	58,297
Unearned revenue	90	(289,621)	-
Long-term care and postclosure care costs payable	-	-	1,019,057
	<u>\$ 5,097,074</u>	<u>\$ (4,561,363)</u>	<u>\$ 641,303</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</b>			
Cash and investments - statement of net assets - proprietary fund	\$ 37,654,348	\$ 1,392,750	\$ 4,202,929
Restricted cash and investments - statement of net assets - proprietary fund			
Current	-	-	46,640
Noncurrent	6,485,426	-	4,894,344
Less: Non-cash equivalents	-	-	(4,894,344)
	<u>\$ 44,139,774</u>	<u>\$ 1,392,750</u>	<u>\$ 4,249,569</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>			
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Interest charged to construction	\$ 2,069,812	\$ -	\$ -
Capital lease	-	-	-

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
<u>Badger Prairie Health Care Center</u>	<u>Non-major Proprietary Funds</u>	<u>Totals Current Year</u>	<u>Activities - Internal Service Funds</u>
\$ (7,780,167)	\$ 870,392	\$ (12,978,016)	\$ (1,091,231)
200,755	251,877	7,851,436	70,939
12,702	(116,990)	134,313	(41,593)
-	6,282	(671,822)	-
-	(201)	(1,714,427)	-
(4,415)	23,215	482,575	-
(66)	-	(72,204)	(327)
224,876	(176,724)	555,367	19,826
(32,216)	10,439	214,975	-
-	11,841	377,706	5,178
-	-	157,865	801,523
21,678	-	(425,299)	(681)
68,512	1,767	128,576	(1,728)
-	-	(289,531)	-
-	-	1,019,057	-
<u>\$ (7,288,341)</u>	<u>\$ 881,898</u>	<u>\$ (5,229,429)</u>	<u>\$ (238,094)</u>
\$ 2,000	\$ 407,205	\$ 43,659,232	\$ 6,701,001
-	-	46,640	-
58,321	-	11,438,091	-
-	-	(4,894,344)	-
<u>\$ 60,321</u>	<u>\$ 407,205</u>	<u>\$ 50,249,619</u>	<u>\$ 6,701,001</u>
\$ -	\$ -	\$ 2,069,812	\$ -
-	-	-	27,075

See accompanying notes to financial statements.

**COUNTY OF DANE**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2005**

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	<u>Private Purpose Trusts</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 223,281	\$ 15,351,422
Taxes receivable	-	9,111,144
Total Assets	<u>223,281</u>	<u>24,462,566</u>
<b>LIABILITIES</b>		
Accounts payable	450	4,904
Other accrued liabilities and deposits	-	3,607,888
Due to other governmental units	-	20,849,774
Total Liabilities	<u>450</u>	<u>24,462,566</u>
<b>NET ASSETS</b>		
Reserved for private purpose trust activities	<u>222,831</u>	-
<b>TOTAL NET ASSETS</b>	<u>\$ 222,831</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**COUNTY OF DANE**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Year Ended December 31, 2005**

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	<u>Private Purpose Trusts</u>
<b>ADDITIONS</b>	
Investment income	\$ 9,133
Total Additions	<u>9,133</u>
<b>DEDUCTIONS</b>	
Scholarships and Badger Prairie Health Care Center patient benefits	<u>6,799</u>
Total Deductions	<u>6,799</u>
<b>Change in Net Assets</b>	2,334
NET ASSETS - Beginning	<u>220,497</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 222,831</u>



## COUNTY OF DANE

### STATEMENT OF NET ASSETS COMPONENT UNITS December 31, 2005

	Dane County Housing Authority	Henry Vilas Park Zoological Society, Inc.	Totals
<b>ASSETS</b>			
Cash and investments	\$ 1,050,367	\$ 3,331,751	\$ 4,382,118
Receivables			
Accounts	11,861	1,903,394	1,915,255
Loans	193,903	-	193,903
Interest	-	3,514	3,514
Due from other governments	28,438	-	28,438
Inventories	-	123,355	123,355
Prepaid items	4,584	686	5,270
<b>Total Current Assets</b>	<u>1,289,153</u>	<u>5,362,700</u>	<u>6,651,853</u>
Noncurrent Assets			
Restricted cash and investments	97,355	65,450	162,805
Capital Assets			
Land	1,197,431	-	1,197,431
Construction in progress	29,907	-	29,907
Buildings	5,824,604	-	5,824,604
Machinery and equipment	162,508	173,195	335,703
Less accumulated depreciation	<u>(5,005,125)</u>	<u>(119,848)</u>	<u>(5,124,973)</u>
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<u>2,209,325</u>	<u>53,347</u>	<u>2,262,672</u>
<b>Total Noncurrent Assets</b>	<u>2,306,680</u>	<u>118,797</u>	<u>2,425,477</u>
<b>Total Assets</b>	<u>3,595,833</u>	<u>5,481,497</u>	<u>9,077,330</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	16,819	1,478,482	1,495,301
Other accrued liabilities and deposits	53,823	-	53,823
Due to other governments	-	7,083	7,083
Current portion of unfunded pension obligation	10,560	-	10,560
Current portion of notes payable	40,148	-	40,148
Unearned revenue	43,306	-	43,306
<b>Total Current Liabilities</b>	<u>164,656</u>	<u>1,485,565</u>	<u>1,650,221</u>
Noncurrent Liabilities			
Unfunded pension obligation	216,692	-	216,692
Notes payable	46,932	-	46,932
Other long-term liabilities	73,874	-	73,874
Deferred revenue	193,903	-	193,903
<b>Total Noncurrent Liabilities</b>	<u>531,401</u>	<u>-</u>	<u>531,401</u>
<b>Total Liabilities</b>	<u>696,057</u>	<u>1,485,565</u>	<u>2,181,622</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,935,245	-	1,935,245
Restricted	284,400	2,218,945	2,503,345
Unrestricted	680,131	1,776,987	2,457,118
<b>TOTAL NET ASSETS</b>	<u>\$ 2,899,776</u>	<u>\$ 3,995,932</u>	<u>\$ 6,895,708</u>

See accompanying notes to financial statements.

## COUNTY OF DANE

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - COMPONENT UNITS

For the Year Ended December 31, 2005

	Dane County Housing Authority	Henry Vilas Park Zoological Society, Inc.	Totals
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 7,825,224	\$ -	\$ 7,825,224
Charges for services	637,687	1,108,493	1,746,180
Investment income	20,189	53,210	73,399
Miscellaneous	376,166	662,388	1,038,554
<b>Total Operating Revenues</b>	<u>8,859,266</u>	<u>1,824,091</u>	<u>10,683,357</u>
<b>OPERATING EXPENSES</b>			
Current			
Culture, education and recreation	-	2,806,232	2,806,232
Conservation and development	8,877,457	-	8,877,457
<b>Total Operating Expenses</b>	<u>8,877,457</u>	<u>2,806,232</u>	<u>11,683,689</u>
<b>Operating Income (Loss)</b>	<u>(18,191)</u>	<u>(982,141)</u>	<u>(1,000,332)</u>
<b>NONOPERATING EXPENSES</b>			
Interest expense	11,759	-	11,759
<b>Income (Loss) Before Contributions</b>	<u>(29,950)</u>	<u>(982,141)</u>	<u>(1,012,091)</u>
Capital contributions	-	2,436,487	2,436,487
<b>Net Change in Net Assets</b>	<u>(29,950)</u>	<u>1,454,346</u>	<u>1,424,396</u>
TOTAL NET ASSETS - Beginning	<u>2,929,726</u>	<u>2,541,586</u>	<u>5,471,312</u>
<b>TOTAL NET ASSETS - ENDING</b>	<u>\$ 2,899,776</u>	<u>\$ 3,995,932</u>	<u>\$ 6,895,708</u>

See accompanying notes to financial statements.

# COUNTY OF DANE

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# COUNTY OF DANE

## INDEX TO NOTES TO FINANCIAL STATEMENTS (cont.)

December 31, 2005

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# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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### 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. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component units are reported in a separate column in the government-wide financial to emphasize that they are legally separate from the government. This report does not contain any blended component units.

#### ***Discretely Presented Component Units***

##### *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.K. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2005. 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.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

---

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

---

#### A. REPORTING ENTITY (cont.)

##### *Discretely Presented Component Units* (cont.)

##### *Henry Vilas Park Zoological Society, Inc.*

The government-wide financial statements include the Henry Vilas Park Zoological Society, Inc. (the Society) as a component unit. The Society is a legally separate organization that has been presented as a discrete component unit according to the provisions of GASB No. 39, as defined in Note I.A. See Note IV.L. The information presented is for the fiscal year ended March 31, 2005. Separately issued financial statements of the Society may be obtained from the Henry Vilas Park Zoological Society's office, 606 South Randall Avenue, Madison, WI 53715-1665.

#### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

##### *Fund Financial Statements*

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

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

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

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

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 enterprise 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 Center – 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, 2005

---

### 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
- HOME
- 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, 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.

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, Blockstein Memorial, and Lyman Anderson 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.



# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

---

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

---

#### **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.

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

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

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

---

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

---

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

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

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 (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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.

#### **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.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

---

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

---

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

##### ***1. Deposits and Investments (cont.)***

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.

The County has adopted an investment policy. That policy follows the state statute for allowable investments.

As described in Note IV.A., the County is exposed to the following deposit and investment risks: custodial credit risk (deposits and investments), interest rate risk and credit risk. The County's investment policy does not specifically address these risks.

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 governmental accounting funds is allocated to the general fund, with the exception of the airport, John T. Lyle Trust, and the Blockstein Memorial trust funds which are allocated interest based upon the pooled interest rate. 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, 2005, the fair value of the County's share of the LGIPs assets was substantially equal to the amount as reported in these statements.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

---

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

---

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

##### **1. Deposits and Investments (cont.)**

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, 2005, the fair value of the Foundation's assets was substantially equal to the County's share as reported in Note IV.A.

See Note IV.A. for further information.

##### **2. Receivables**

###### **a. Property and Sales Tax**

Property taxes are levied in December 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 – 2005 tax roll:

Lien date and levy date	December 2005
Tax bills mailed	December 2005
Payment in full, or	January 31, 2006
First installment due	January 31, 2006
Second installment due	July 31, 2006
Personal property taxes in full	January 31, 2006
Tax sale – 2005 delinquent real estate taxes	October 2008

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.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

---

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

---

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

##### **2. Receivables (cont.)**

###### **a. Property and Sales Tax (cont.)**

The portion of County property taxes receivable at December 31, 2005, 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 \$4,118,326.

The County has a .5% sales tax which is collected by the State of Wisconsin. Total revenues of \$40,620,232 from this tax for the 2005 fiscal year are recorded in the general fund.

###### **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.

###### **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 deferred revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are prepared as designated fund balance in the fund financial statements.

###### **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, 2005

---

### 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 or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the 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, 2005 consist of patient trust funds which are not legally available to the County to finance operations. Restricted assets included in the Sanitary Landfill Enterprise fund at December 31, 2005 represents deposits with the State of Wisconsin Department of Natural Resources for long-term care and closure costs of landfill sites. Restricted assets included in the Airport enterprise fund at December 31, 2005 consists of passenger facility charges as authorized by the Federal Aviation Administration.

###### **Deposit with Wisconsin Municipal Mutual Insurance Company**

Refer to Note V.B.

##### **5. Capital Assets**

###### **Government-Wide Statements**

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets. 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 capital assets are recorded at their estimated fair value at the date of donation.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

---

### 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.)**

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. \$2,069,812 of net interest was capitalized during the current year in the Airport fund. The cost of property replaced, retired or otherwise disposed of, is deducted from capital assets and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Land Improvements	10-20 Years
Buildings	20-40 Years
Zoo animals	4-55 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, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

##### **6. Other Assets**

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

##### **7. Compensated Absences**

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

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

---

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

---

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

##### **7. Compensated Absences (cont.)**

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary 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, 2005 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.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

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, 2005

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

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#### **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 less any unspent debt proceeds.
- 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.

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

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#### **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 “Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.” The details of this \$271,458,242 difference is as follows:

## COUNTY OF DANE

### NOTES TO FINANCIAL STATEMENTS

December 31, 2005

#### **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.)**

Land	\$ 63,535,471
Construction in progress	1,448,914
Land improvements	38,142,434
Zoo animals	142,965,779
Buildings	369,205
Machinery and equipment	20,168,598
Infrastructure	88,343,761
Less: Accumulated depreciation	(81,811,313)
Less: Internal service fund capital assets, net of depreciation	<u>(1,704,607)</u>
Adjustment for Capital Assets	<u>\$271,458,242</u>

Another element of this 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 \$166,440,526 difference in liabilities is as follows:

Bonds and notes payable	\$ 132,970,292
Compensated absences	31,055,531
Other long-term liabilities	212,304
Capital lease obligations	55,684
Accrued interest	1,064,859
Unamortized debt discount, premium and issue costs	<u>1,081,857</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 166,440,527</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 \$(2,468,279) difference is as follows:

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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

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**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 (cont.)**

Debt issued or incurred:	
General obligation debt	\$ (14,533,834)
Capital lease	(80,356)
Principal repayments:	
General obligation debt	12,095,295
Capital lease	<u>50,616</u>
Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u>\$ (2,468,279)</u>

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### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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**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 expenditures/expenses for the ensuing year be established on a modified accrual basis of accounting, controlled within individual agencies, and are monitored by an annual appropriation and encumbrance system. Budgeted revenues and expenditures/expenses are approved by the County Board of Supervisors. The budget is defined as the originally approved budget, plus or minus approved revisions.

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. A budget has not been formally adopted for the Scheidegger Trust special revenue fund. 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.

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

**A. BUDGETARY INFORMATION (cont.)**

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.

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 2005 at December 31, 2005, 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	\$ 1,916,398
Special Revenue Fund – Human Services	102,118
Special Revenue Fund – Land Information	533,573
Special Revenue Fund – Bridge Aid	137,626
Special Revenue Fund – Board of Health	524,290
Capital Projects Fund – Capital Projects	14,842,621

**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following fund had an excess of expenditures or transfers out over appropriations at the legal level of budgetary control for the year ended December 31, 2005:

	<u>Excess</u>
Major Fund	
Debt Service Fund	\$ 2,742,457

**C. DEFICIT BALANCES**

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

As of December 31, 2005, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Fund – CDBG loans	\$ 85,781	Grants not sufficient to cover expenditures
Special Revenue Fund – HOME	15,562	Grants not sufficient to cover expenditures
Enterprise Fund – Badger Prairie Health Care Center	67,267	Charges for services not sufficient to cover expenditures

It is anticipated that future grant revenues and charges for services will provide sufficient funding to eliminate these deficits.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

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#### ***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.

#### ***E. LIMITATIONS ON THE COUNTY'S TAX LEVY***

As part of Wisconsin's Act 25 (2005), new legislation was passed that limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the County's equalized value due to new construction, or 2%. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit begins with the 2005 levy collected in 2006 and is set to expire after the 2006 levy.

## COUNTY OF DANE

### NOTES TO FINANCIAL STATEMENTS December 31, 2005

#### NOTE IV – DETAILED NOTES ON ALL FUNDS

##### A. DEPOSITS AND INVESTMENTS

The County's cash and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Demand deposits and cash on hand	\$ 28,770,975	\$ 32,726,255	Custodial
U.S. government securities	14,375,119	14,375,119	Interest rate and custodial
Madison Community Foundation	97,134	97,134	Interest rate and credit
Local government bonds	61,508	61,508	Interest rate and custodial
Repurchase agreements	6,034,390	6,034,390	Credit, custodial, interest rate
LGIP	78,115,259	78,115,259	Interest rate and credit
Mutual funds	955,901	955,901	Interest rate risk and custodial
 Total Cash and Investments	 \$ 128,410,286	 \$ 132,365,566	
 Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 101,350,852		
Restricted cash and investments	11,484,731		
Per statement of net assets –			
Fiduciary Funds			
Private purpose trust	223,281		
Agency	15,351,422		
 Total Cash and Investments	 \$ 128,410,286		

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

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

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

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

The County's investments at A.G. Edwards provide SIPC membership account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash.

The County does not maintain any collateral agreements with its banks.

#### **Custodial Credit Risk**

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

As of December 31, 2005, \$12,994,279 of the County's total bank balances of \$25,540,991 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 12,994,279</u>
--------------------------------	----------------------

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

As of December 31, 2005, the County's investments were exposed to custodial credit risk as follows:

#### U.S. Government Securities

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name	<u>\$ 9,581,508</u>
--	---------------------

#### Mutual Fund

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name	<u>\$ 955,901</u>
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#### **Credit Risk**

Credit risk-the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2005, the County's investments were rated as follows:

Investment Type	Standard & Poor's	Fitch Ratings	Moody's Investor Service
Local government bonds	AAA	Not available	AAA
Federated mutual fund	AAAm	AAA	Aaa

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Credit Risk (cont.)**

The County also had investments in the following external pools which are not rated:

Local Government Investment Pool  
Madison Community Foundation

**Interest Rate Risk**

Interest rate-risk the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2005, the County's investments were as follows:

<u>Specific Investments</u>	<u>Maturity Date</u>	<u>Call Date (if applicable)</u>	<u>Fair Value</u>
Madison Community Foundation	N/A	N/A	\$ 97,134
Local government bonds	7/01/06	N/A	10,071
Local government bonds	12/01/09	N/A	25,742
Local government bonds	7/01/12	7/01/07	25,695
Repurchase agreements	1/01/06	N/A	6,034,390
Federated mutual fund	N/A	N/A	955,901
LGIP	N/A	N/A	78,115,259
Total			<u>\$ 85,264,192</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>				
		<u>Less than 6 months</u>	<u>6 months- 1 year</u>	<u>1 year- 2 years</u>	<u>2 years- 3 years</u>	<u>3 years- 5 years</u>
U.S. Government Securities	\$14,375,119	\$ 1,591,315	\$ 1,872,458	\$ 4,865,184	\$ 3,517,770	\$ 2,528,392

See Note I.D.1. for further information on deposit and investment policies.

**B. RECEIVABLES**

All of the receivables are expected to be collected within one year except for \$2,704,532 in the CDBG fund, \$1,118,840 in the HOME fund, and \$436,233 in the Commerce Revolving Loan fund.

*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      \$    3,937



**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

**B. RECEIVABLES (cont.)**

*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 for subsequent year	\$ -	\$ 100,856,440	\$ 100,856,440
County portion of tax certificates (including interest)	-	1,866,681	1,866,681
Loans receivable	3,184,605	-	3,184,605
Long-term receivable	675,552	-	675,552
Donations	-	214,202	214,202
	<hr/>	<hr/>	<hr/>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 3,860,157</u>	<u>\$ 102,937,323</u>	<u>\$ 106,797,480</u>

*Taxes*

At December 31, 2005, 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>Totals</u>
2005	\$ 105,037,263	\$ -	\$ 105,037,263
2004	-	4,635,078	4,635,078
2003	-	1,499,510	1,499,510
2002	-	627,387	627,387
2001	-	329,694	329,694
2000 and prior	-	328,648	328,648
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 105,037,263</u>	<u>\$ 7,420,317</u>	<u>\$ 112,457,580</u>

\* This includes governmental and business-type activities.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

#### **B. RECEIVABLES (cont.)**

##### *Other Accounts Receivable*

The other accounts receivable balance in the general fund includes a receivable from the University of Wisconsin ("UW") men's hockey program for terminating a contract with the Alliant Energy Center of Dane County for use of the coliseum. The receivable balance of \$675,552 is offset by deferred revenue.

#### **C. RESTRICTED ASSETS**

Restricted assets of \$58,321 included in the Badger Prairie Health Care Center enterprise fund at December 31, 2005 consist of patient trust funds which are not legally available to the County to finance current operations. Restricted assets of \$4,940,984 included in the Sanitary Landfill enterprise fund at December 31, 2005 represents deposits with the State of Wisconsin Department of Natural Resources for long-term care and closure costs of landfill sites. Restricted assets of \$6,485,426 included in the Airport enterprise fund at December 31, 2005 is the accumulation of unspent passenger facility charges as authorized by the Federal Aviation Administration (FAA). The charges are to be used to finance various FAA approved construction projects.

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2005 was as follows:

	Beginning Balance (As restated)	Additions <sup>(2)</sup>	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 52,090,296	\$ 11,445,175	\$ -	\$ 63,535,471
Construction in progress	35,242,092	1,337,417	35,130,595	1,448,914
Land improvements <sup>(1)</sup>	26,907,999	2,287,100	722,500	28,472,599
Total Capital Assets Not Being Depreciated	<u>114,240,387</u>	<u>15,069,692</u>	<u>35,853,095</u>	<u>93,456,984</u>

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance (As restated)	Additions <sup>(2)</sup>	Deletions	Ending Balance
<b>Governmental Activities (cont.)</b>				
Capital assets being depreciated				
Land improvements	\$ 9,615,771	\$ 54,064	\$ -	\$ 9,669,835
Buildings	105,576,554	37,389,225	-	142,965,779
Zoo animals	364,450	33,550	28,795	369,205
Machinery and equipment	19,150,764	4,154,005	3,136,171	20,168,598
Roadways – infrastructure	71,965,034	6,860,285	2,167,369	76,657,950
Bridges – infrastructure	6,493,071	359,527	12,500	6,840,098
Traffic signals – infrastructure	3,197,063	409,632	282,882	3,323,813
Culverts – infrastructure	1,521,900	-	-	1,521,900
Total Other Capital Assets Being Depreciated	<u>217,884,607</u>	<u>49,260,288</u>	<u>5,627,717</u>	<u>261,517,178</u>
 Total Capital Assets at Historical Cost	 <u>332,124,994</u>	 <u>64,329,980</u>	 <u>41,480,812</u>	 <u>354,974,162</u>
 Less: Accumulated depreciation for				
Land improvements	(4,231,646)	(284,062)	-	(4,515,708)
Buildings	(33,166,662)	(2,679,411)	-	(35,846,073)
Zoo animals	(137,556)	(18,705)	25,103	(131,158)
Machinery and equipment	(12,321,499)	(1,252,161)	2,782,289	(10,791,371)
Roadways	(24,421,625)	(2,861,042)	1,255,790	(26,026,877)
Bridges	(2,518,691)	(130,523)	12,500	(2,636,714)
Traffic signals	(865,763)	(77,542)	8,833	(934,472)
Culverts	(898,940)	(30,000)	-	(928,940)
Total Accumulated Depreciation	<u>(78,562,382)</u>	<u>(7,333,446)</u>	<u>4,084,515</u>	<u>(81,811,313)</u>
 Net Capital Assets Being Depreciated	 <u>139,322,225</u>	 <u>41,926,842</u>	 <u>1,543,202</u>	 <u>179,705,865</u>
 Total Governmental Activities Capital Assets, Net of Depreciation	 <u>\$ 253,562,612</u>	 <u>\$ 56,996,534</u>	 <u>\$ 37,396,297</u>	 <u>\$ 273,162,849</u>

(1) This represents the nondepreciable portion (residual value) of the County's roads.

(2) \$7,093,388 of the current year additions represent infrastructure assets contributed by other local governments and the state. 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.

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

**D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 499,376
Human services	211,685
Public safety	1,748,446
Public works, which includes the depreciation of roadways, bridges, traffic signals, and culverts	3,236,908
Culture, education, and recreation	1,596,426
Conservation and economic development	<u>40,605</u>
<b>Total Governmental Activities Depreciation Expense</b>	<b><u>\$ 7,333,446</u></b>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 29,043,177	\$ -	\$ -	\$ 29,043,177
Construction in progress	<u>46,244,975</u>	<u>15,001,349</u>	<u>44,352,105</u>	<u>16,894,219</u>
<b>Total Capital Assets Not Being     Depreciated</b>	<u>75,288,152</u>	<u>15,001,349</u>	<u>44,352,105</u>	<u>45,937,396</u>
Capital assets being depreciated				
Land improvements	105,998,324	782,619	24,722	106,756,221
Buildings	49,384,589	61,480,622	53,188	110,812,023
Machinery and equipment	<u>36,243,556</u>	<u>2,118,927</u>	<u>1,327,526</u>	<u>37,034,957</u>
<b>Total Capital Assets Being     Depreciated</b>	<u>191,626,469</u>	<u>64,382,168</u>	<u>1,405,436</u>	<u>254,603,201</u>
<b>Total Capital Assets at Historical Cost</b>	<u>266,914,621</u>	<u>79,383,517</u>	<u>45,757,541</u>	<u>300,540,597</u>
Less: Accumulated depreciation for				
Land improvements	(40,574,292)	(3,862,460)	24,722	(44,412,030)
Buildings	(13,919,617)	(1,958,013)	53,188	(15,824,442)
Machinery and equipment	<u>(18,552,435)</u>	<u>(2,030,963)</u>	<u>1,000,137</u>	<u>(19,583,261)</u>
<b>Total Accumulated Depreciation</b>	<u>(73,046,344)</u>	<u>(7,851,436)</u>	<u>1,078,047</u>	<u>(79,819,733)</u>
<b>Net Business-type Capital Assets Being Depreciated</b>	<u>118,580,125</u>	<u>56,530,732</u>	<u>327,389</u>	<u>174,783,468</u>
<b>Total Business-type Capital Assets, Net of Depreciation</b>	<b><u>\$ 193,868,277</u></b>	<b><u>\$ 71,532,081</u></b>	<b><u>\$ 44,679,494</u></b>	<b><u>\$ 220,720,864</u></b>

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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

#### **D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

##### **Business-type Activities**

Airport	\$ 5,427,877
Highway	985,319
Sanitary Landfill	985,608
Badger Prairie Health Care Center	200,755
Printing and services	19,618
Methane gas	<u>232,259</u>
Total Business-type Activities	
Depreciation Expense	<u>\$ 7,851,436</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:

Receivable Fund	Payable Fund	Amount
Non-major Governmental Fund	Non-major Governmental Funds	\$ <u>250,616</u>
Enterprise – Highway	General	89,410
	Special Revenue – Human Services	6,798
	Non-major Governmental Funds	1,048
	Enterprise – Badger Prairie Health Care Center	354
	Enterprise – Sanitary Landfill	39,593
	Non-major Proprietary Fund	3,074
	Internal Service – Consolidated Food Service	<u>792</u>
		<u>141,069</u>
Enterprise – Sanitary Landfill	Enterprise – Badger Prairie Health Care Center	<u>72,863</u>
Total – Fund Financial Statements		464,548
Less: eliminations		<u>(366,500)</u>
Total Government-Wide Financial Statements		<u>\$ 98,048</u>
Governmental Activities	Business-type Activities	\$ -
Business-type Activities	Governmental Activities	<u>98,048</u>
Total		<u>\$ 98,048</u>

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

#### *E. INTERFUND RECEIVABLES/PAYABLES/ADVANCES AND TRANSFERS (cont.)*

##### *Interfund Receivables/Payables (cont.)*

The principal purpose of the land information and sanitary landfill fund receivables are to cover cash shortages. The principal purpose of the highway fund 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.

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 enterprise fund is advancing funds to the consolidated foods fund, which is an internal service fund. No repayment schedule has 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 – Consolidated Foods	\$ 573,536	\$ 573,536
Totals – Fund and Government-Wide Financial Statements		<u>\$ 573,536</u>	<u>\$ 573,536</u>
Governmental Activities	Business-type Activities	\$ -	
Business-type Activities	Governmental Activities	<u>573,536</u>	
Total		<u>\$ 573,536</u>	

The principal purpose of this interfund advance is to provide cash until the consolidated foods 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.

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

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

*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	Enterprise – Methane Gas	\$ 682,096	Annual transfer of methane gas fund's net income to general fund.
Special Revenue – Human services	General	43,174,164	Transfer tax subsidy.
Debt service	General	1,974,142	Transfer debt service payments.
Debt service	Enterprise – Highway	1,193,112	Transfer funds for infrastructure debt payment.
Debt service	Library	42,045	Transfer funds for library debt payment.
Enterprise – Highway	General	1,043,000	To transfer debt proceeds to be used for infrastructure.
Enterprise – Badger Prairie health care center	General	<u>6,523,855</u>	Transfer tax subsidy.
	Sub-Total – Fund Financial Statements	54,632,414	
	Eliminate interfund activity	(45,190,351)	
	Reclassify infrastructure costs paid by the highway enterprise fund	<u>1,989,253</u>	
	Total	<u>\$ 11,431,316</u>	
Governmental Activities	Business-type Activities	\$ 3,864,461	
Business-type Activities	Governmental Activities	<u>(7,566,855)</u>	
	Total	<u>\$ (3,702,394)</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, 2005

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

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2005 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation debt					
General	\$ 130,531,753	\$ 14,533,834	\$ 12,095,295	\$ 132,970,292	\$ 10,517,656
Add/(Subtract) Deferred Amounts For:					
Premium on debt	1,871,003	3,773	191,477	1,683,299	-
Discount on debt	(340,855)	-	(40,875)	(299,980)	-
Sub-totals	<u>132,061,901</u>	<u>14,537,607</u>	<u>12,245,897</u>	<u>134,353,611</u>	<u>10,517,656</u>
Other Liabilities					
Vested compensated absences - general	28,798,306	9,847,788	7,590,563	31,055,531	7,866,765
Vested compensated absences - internal services	193,923	42,903	44,114	192,712	37,726
Claims and judgments (Note V.C.) - general	70,000	-	70,000	-	-
Claims and judgments (Note V.C.) - internal services	130,000	-	130,000	-	-
Disability benefits (Note V.C.)	222,919	-	10,615	212,304	10,615
Capital leases – general (Note IV.G.)	25,944	80,356	50,616	55,684	28,923
Capital leases – internal services (Note IV.G.)	-	27,075	7,361	19,714	6,198
Total Other Liabilities	<u>29,441,092</u>	<u>9,998,122</u>	<u>7,903,269</u>	<u>31,535,945</u>	<u>7,950,227</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 161,502,993</u>	<u>\$ 24,535,729</u>	<u>\$ 20,149,166</u>	<u>\$ 165,889,556</u>	<u>\$ 18,467,883</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation debt	\$ 58,332,191	\$ -	\$ 3,155,434	\$ 55,176,757	\$ 3,185,559
Add Deferred Amounts For:					
Premiums on Debt	2,163,690	-	331,551	1,832,139	-
Sub-totals	<u>60,495,881</u>	<u>-</u>	<u>3,486,985</u>	<u>57,008,896</u>	<u>3,185,559</u>
Other Liabilities					
Vested compensated absences	6,173,374	1,988,942	1,609,056	6,553,260	1,622,114
Long-term care and postclosure care costs payable (Note IV.H.)	4,786,194	1,065,697	46,640	5,805,251	46,640
Other notes payable	67,098	-	33,047	34,051	34,051
Total Other Liabilities	<u>11,026,666</u>	<u>3,054,639</u>	<u>1,688,743</u>	<u>12,392,562</u>	<u>1,702,805</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 71,522,547</u>	<u>\$ 3,054,639</u>	<u>\$ 5,175,728</u>	<u>\$ 69,401,458</u>	<u>\$ 4,888,364</u>



# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

### 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, 2005, was \$2,139,986,425. Total general obligation debt outstanding at year end was \$188,147,049.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-05
<b>Governmental Activities</b>					
<b>General Obligation Debt</b>					
General Obligation Bonds, Series 2005A	07/07/05	06/01/25	3.25-4.30%	\$ 14,260,000	\$ 14,260,000
2005 State Trust Fund Loan	11/08/05	03/15/10	3.50%	273,834	273,834
General Obligation Bonds, Series 2004A	11/01/04	06/01/22	2.00-4.375%	7,032,794	6,538,676
General Obligation Refunding					
Promissory Notes, Series 2004B	11/01/04	06/01/09	2.75-3.00%	3,021,823	3,021,823
General Obligation Bonds, Series 2003A	06/26/03	06/01/23	2.00-5.00%	28,480,000	27,035,000
General Obligation Promissory Notes,					
Series 2003C	06/26/03	06/01/23	2.00-3.30%	12,279,112	9,221,115
General Obligation Bonds, Series 2002A	12/01/02	06/01/22	3.00-5.00%	29,922,618	22,910,204
Taxable General Obligation Bonds,					
Series 2002C	12/01/02	12/01/22	1.75-5.85%	14,175,000	13,610,000
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	1,381,426
General Obligation Corporate Purpose					
Bonds, Series 2001B	03/29/01	09/01/21	4.00-5.00%	3,030,000	2,605,000
General Obligation Corporate					
Purpose Bonds, Series 2000	11/09/00	09/01/20	5.00-5.50%	11,725,000	9,170,000
General Obligation Promissory Notes,					
Series 1998B	09/01/98	03/01/14	4.10-4.50%	19,965,000	17,915,000
1997 State Trust Fund Loan	01/22/97	03/15/06	5.75%	420,000	58,214
Total Governmental Activities – General Obligation Debt					<u>\$ 132,970,292</u>

## COUNTY OF DANE

### NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

#### F. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-05
<b>Business-type Activities</b>					
<b>General Obligation Debt</b>					
General Obligation Bonds, Series 2004A	11/01/04	06/01/22	2.00-4.375%	\$ 152,206	\$ 121,324
General Obligation Refunding Promissory Notes, Series 2004B	11/01/04	06/01/09	2.75-3.00%	458,178	458,178
General Obligation Bonds, Series 2003B	06/26/03	06/01/23	3.50-4.75%	25,265,000	25,265,000
General Obligation Bonds, Series 2003C	06/26/03	06/01/23	2.00-3.30%	2,795,888	2,203,885
General Obligation Bonds, Series 2002A	12/01/02	06/01/22	3.00-5.00%	202,382	74,796
General Obligation Bonds, Series 2002B	12/01/02	06/01/14	5.00%	29,445,000	26,860,000
General Obligation Promissory Notes, Purpose Bonds, Series 2001A	09/01/01	03/01/11	4.00-4.30%	300,500	193,574
<b>Total Business-type Activities General Obligation Debt</b>					<b><u>\$ 55,176,757</u></b>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt		Totals
	Principal	Interest	Principal	Interest	
2006	\$ 10,517,656	\$ 5,809,518	\$ 3,185,559	\$ 2,440,778	\$ 21,953,511
2007	9,879,271	5,258,517	3,233,244	2,294,270	20,665,302
2008	9,550,767	4,917,923	3,262,250	2,144,281	19,875,221
2009	9,000,770	4,584,855	3,229,649	1,991,737	18,807,011
2010	8,793,470	4,249,513	3,239,413	1,837,053	18,119,449
2011 – 2015	40,633,358	15,529,992	22,201,642	6,003,701	84,368,693
2016 – 2020	27,485,000	8,070,796	9,915,000	2,786,725	48,257,521
2021 – 2025	17,110,000	1,386,391	6,910,000	500,888	25,907,279
Totals	<u>\$ 132,970,292</u>	<u>\$ 49,807,505</u>	<u>\$ 55,176,757</u>	<u>\$ 19,999,433</u>	<u>\$ 257,953,987</u>

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**Other Notes Payable - Business-type Activities**

Notes payable at December 31, 2005 consist of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-05</u>
Business-type Activities Notes Payable					
Alliant Energy loan	11/20/01	12/31/06	3%	\$ 160,500	\$ <u>34,051</u>
Total Business-type Activities – Other Notes Payable					\$ <u><u>34,051</u></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>
2006	\$ <u>34,051</u>	\$ <u>557</u>
Totals	\$ <u><u>34,051</u></u>	\$ <u><u>557</u></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, 2005

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

#### **F. LONG-TERM OBLIGATIONS (cont.)**

##### ***Prior-Year Defeasance of Debt***

In prior years, the County defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At December 31, 2005, \$1,500,000 of bonds outstanding are considered defeased. The bonds are callable on June 1, 2006.

#### **G. LEASE DISCLOSURES**

##### ***Lessee – Capital Leases***

In current and prior years, the County acquired capital assets through lease/purchase agreements. The gross amount of these assets under capital leases is \$123,996 and are presented in the capital assets in the governmental activities. The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 123,996
Less: Accumulated depreciation	(20,105)
Total	\$ 103,891

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2005, are as follows:

	Principal	Interest	Governmental Activities
2006	\$ 35,121	\$ 4,126	\$ 39,247
2007	33,326	2,208	35,534
2008	6,951	410	7,361
Sub-Totals	\$ 75,398	\$ 6,744	82,142
Less: Amount representing interest			(6,744)
Present Value of Minimum Lease Payments			\$ 75,398

##### ***Lessee – Operating Leases***

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

**COUNTY OF DANE**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2005

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

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**G. LEASE DISCLOSURES (cont.)**

***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 2006 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, 2005, are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2006	\$ 1,664,164
2007	1,313,064
2008	1,293,076
2009	1,218,794
2010	1,009,648
Thereafter	<u>56,517,312</u>
Total Future Minimum Rentals	<u>\$ 63,016,058</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 \$6,546,500 for the year ended December 31, 2005.

**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 \$4,779,171 reported as landfill closure and postclosure care liability at December 31, 2005 for the Rodefild landfill, represents the cumulative amount reported to date based on the use of 79.06 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,265,821 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2005. 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 \$1,026,080 reported as landfill postclosure care costs payable at December 31, 2005 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.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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

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#### **H. CLOSURE AND POSTCLOSURE CARE COST (cont.)**

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, 2005 deposits with the Wisconsin Department of Natural Resources of \$4,894,344, which approximates fair market value, are held for the Rodefald 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.

#### **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, 2005 includes the following:

##### **Governmental Activities**

Invested in capital assets, net of related debt	
Land	\$ 63,535,471
Construction in progress	1,448,914
Other capital assets, net of accumulated depreciation	208,178,464
Less: Related long-term debt outstanding, premium, discount, and issuance costs (excluding unspent bond proceeds)	<u>(98,492,805)</u>
Total Invested in Capital Assets	<u>174,670,044</u>
Restricted	
Nonmajor Funds	
Board of health	1,003,039
Library	35,579
Land information	1,406,558
Bridge aid	169,897
CDBG loans	1,529,532
HOME	1,118,840
Commerce revolving loan	573,491
Scheidegger trust fund	<u>436,052</u>
Total Restricted	<u>6,272,988</u>
Unrestricted (deficit)	<u>(13,227,438)</u>
Total Governmental Activities Net Assets	<u>\$ 167,715,594</u>

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

#### I. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET ASSETS/FUND BALANCES (cont.)

##### Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statement at December 31, 2005 include the following:

Major Funds	Reserved								Totals
	Encumbrances	Prepaid Items	Delinquent Taxes	Long-Term Receivables	Debt Service	Trust Purposes	Designated	Undesignated (Deficit)	
General Fund	\$ 566,096	\$ 8,203	\$ 4,118,326	\$ 688,761	\$ -	\$ -	\$ 8,942,166	\$ 14,679,746	\$ 29,003,298
Human Services	-	10,427	-	-	-	-	-	162,665	173,092
Debt Service	-	-	-	-	588,231	-	-	-	588,231
Capital Projects	2,776,535	-	-	-	-	-	-	16,775,130	19,551,665
<b>Non Major Funds</b>									
Board of Health	524,290	-	-	-	-	-	-	478,749	1,003,039
Library	-	-	-	-	-	-	-	35,579	35,579
Land Information	68,871	-	-	-	-	-	-	1,337,687	1,406,558
Bridge Aid	-	-	-	-	-	-	-	169,897	169,897
CDBG Loans	482,466	-	-	-	-	-	-	(568,247)	(85,781)
HOME	614,241	-	-	-	-	-	-	(629,803)	(15,562)
Commerce – Revolving Loan	-	-	-	-	-	-	-	137,258	137,258
Scheidegger Trust	-	-	-	-	-	436,052	-	-	436,052
<b>Total</b>	<b>\$ 5,032,499</b>	<b>\$ 18,630</b>	<b>\$ 4,118,326</b>	<b>\$ 688,761</b>	<b>\$ 588,231</b>	<b>\$ 436,052</b>	<b>\$ 8,942,166</b>	<b>\$ 32,578,661</b>	<b>\$ 52,403,326</b>

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

Tax deed sales	\$ 116,446
Fund balance applied to the 2006 budget	5,131,639
Alliant Energy Center	1,777,683
Carry forwards to 2006	1,916,398
<b>Total</b>	<b>\$ 8,942,166</b>

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

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#### I. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET ASSETS/FUND BALANCES (cont.)

##### **Business-type Activities**

Invested in capital assets, net of related debt	
Land	\$ 29,043,177
Construction in progress	16,894,219
Other capital assets, net of accumulated depreciation	174,783,468
Less: related long-term debt outstanding, premium, discount, and issuance costs (excluding unspent capital related debt proceeds)	<u>(56,581,989)</u>
Total Invested in Capital Assets	<u>164,138,875</u>
Restricted	
Airport:	
Capital projects	6,485,426
Sanitary Landfill:	
Long-term care costs	<u>41,149</u>
Total Restricted	<u>6,526,575</u>
Unrestricted	<u>39,482,196</u>
Total Business-type Activities Net Assets	<u>\$ 210,147,646</u>

#### J. RESTATEMENT OF FUND BALANCES/NET ASSETS

Net assets have been restated in the Governmental Activities, due to the addition of a salvage value on capital assets, adjustments to capital assets, and to correct a liability classification. Also, the business-type activities, printing and services fund, methane gas fund, Badger Prairie health care fund, sanitary landfill fund, airport fund, and the consolidated food service fund have been restated due to the addition of a salvage value on capital assets.

##### **Net Assets – Governmental Activities**

December 31, 2004 (as reported)	\$ 152,905,042
Add: Salvage value associated with capital assets	4,511,267
Add: Other capital asset adjustments	244,616
Add: Amount reported as a liability in prior years	<u>965,405</u>
Net Assets – January 1, 2005 (as restated)	<u>\$ 158,626,330</u>



# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

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

##### Net Assets – Business-type Activities

December 31, 2004 (as reported)	\$ 180,644,197
Add: Salvage value associated with capital assets	<u>8,029,710</u>
Net Assets – January 1, 2005 (as restated)	<u>\$ 188,673,907</u>

##### Net Assets – Airport

December 31, 2004 (as reported)	\$ 152,709,504
Add: Salvage value associated with capital assets	<u>6,497,396</u>
Net Assets – January 1, 2005 (as restated)	<u>\$ 159,206,900</u>

##### Net Assets – Sanitary Landfill

December 31, 2004 (as reported)	\$ 15,214,732
Add: Salvage value associated with capital assets	<u>1,206,792</u>
Net Assets – January 1, 2005 (as restated)	<u>\$ 16,421,524</u>

##### Net Assets – Badger Prairie Health Care

December 31, 2004 (as reported)	\$ 82,450
Add: Salvage value associated with capital assets	<u>172,626</u>
Net Assets – January 1, 2005 (as restated)	<u>\$ 255,076</u>

##### Net Assets – Printing and Services

December 31, 2004 (as reported)	\$ 134,553
Add: Salvage value associated with capital assets	<u>53,331</u>
Net Assets – January 1, 2005 (as restated)	<u>\$ 187,884</u>

##### Net Assets – Methane Gas

December 31, 2004 (as reported)	\$ 2,194,130
Add: Salvage value associated with capital assets	<u>99,565</u>
Net Assets – January 1, 2005 (as restated)	<u>\$ 2,293,695</u>

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

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

**Net Assets – Consolidated Food Service**

December 31, 2004 (as reported)	\$ 909,163
Add: Salvage value associated with capital assets	<u>129,722</u>
Net Assets – January 1, 2005 (as restated)	<u>\$ 1,038,885</u>

Fund balance has been restated due to the improper classification of a liability.

**Human Services Fund**

Fund Balance – December 31, 2004 (as reported)	\$ 86,334
Add: Amount reported as a liability in prior years	<u>965,405</u>
Fund Balance – January 1, 2005 (as restated)	<u>\$ 1,051,739</u>

**K. COMPONENT UNIT – DANE COUNTY HOUSING AUTHORITY**

This report contains the Dane County Housing Authority (Authority), which is included as a component unit. Financial information combined with the Henry Vilas Park Zoological Society, Inc., also a component unit of the County, and 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 authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.
- b. Deposits and Investments

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 1,046,312	\$ 1,069,862	Custodial Credit and interest rate
LGIP	<u>101,410</u>	<u>101,410</u>	
Total Deposits and Investments	<u>\$ 1,147,722</u>	<u>\$ 1,171,272</u>	

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

**K. COMPONENT UNIT – DANE COUNTY HOUSING AUTHORITY (cont.)**

b. Deposits and Investments (cont.)

***Custodial Credit Risk***

**Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the Housing Authority's deposits may not be returned to the Housing Authority.

As of December 31, 2005 \$9,161 of the Housing Authority's total bank balances of \$1,069,862 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 9,161</u>
--------------------------------	-----------------

**Investments**

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

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

***Credit Risk***

The Housing Authority held investments in the following external pools which are not rated:

Local Government Investment Pool

***Interest Rate Risk***

As of December 31, 2005 the Housing Authority's investments were rated as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pools	<u>\$ 101,410</u>	0.0887
Total	<u>\$ 101,410</u>	
Portfolio weighted average maturity		<u>0.09</u>

The Housing Authority does not have an investment policy.

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

**K. COMPONENT UNIT – DANE COUNTY HOUSING AUTHORITY (cont.)**

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, 2005 has not been determined.

e. Loans 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.

Loans receivable and activity therein consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Community Development				
Block Grant				
1976 Homeowners	\$ 65,134	\$ -	\$ -	\$ 65,134
1982 Homeowners	119,219	-	17,858	101,361
1982 Habitat for Humanity	20,800	-	14,400	6,400
HUD Section 17 Rental Rehab	<u>22,947</u>	<u>-</u>	<u>1,939</u>	<u>21,008</u>
 Loans Receivable	 <u>\$ 228,100</u>	 <u>\$ -</u>	 <u>\$ 34,197</u>	 <u>\$ 193,903</u>

**COUNTY OF DANE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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

**K. COMPONENT UNIT – DANE COUNTY HOUSING AUTHORITY (cont.)**

f. Property and Equipment

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Land and improvements	\$ 1,191,500	\$ 5,931	\$ -	\$ 1,197,431	N/A
Buildings	5,824,604	-	-	5,824,604	27.5
Equipment	149,124	13,384	-	162,508	5-15
Work in progress	<u>19,926</u>	<u>29,907</u>	<u>19,926</u>	<u>29,907</u>	N/A
Property and equipment	7,185,154	49,222	19,926	7,214,450	
Less: Accumulated depreciation	<u>(4,752,228)</u>	<u>(252,897)</u>	<u>-</u>	<u>(5,005,125)</u>	
Property and Equipment – net	<u>\$ 2,432,926</u>	<u>\$ (203,675)</u>	<u>\$ 19,926</u>	<u>\$ 2,209,325</u>	

g. Long-Term Obligations

Notes payable at December 31, 2005 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.

Principal payments on the Rural Housing loan during 2005 were \$35,984. Interest expense was as follows for 2005:

Base amount required by loan agreement	\$ 11,759
Excess rents applied to interest	<u>-</u>
Amount paid by DCHA	11,759
U.S. government interest subsidy	<u>11,759</u>
Interest Expense	<u>\$ -</u>

Future principal payments cannot presently be determined. See Note IV.K.h.

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, 2005 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.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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

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#### **K. COMPONENT UNIT – DANE COUNTY HOUSING AUTHORITY (cont.)**

##### **h. Contingency (cont.)**

The United States Department of Agriculture informed the Authority that it miscalculated the portion of the subsidy and payment applied to the principal and interest on the Authority's Rural Housing loan. The USDA cannot presently determine what portion, if any, of the subsidy will be reallocated from principal to interest expense; however, the amount of the loss will not exceed \$313,000. Since the amount of the loss cannot be determined, no amounts have been reflected in the financial statements.

##### **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 5.6% of their salary to the Plan for 2005. Employers may make these contributions to the Plan on behalf of the employees.

Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. For 2005, the payroll for DCHA employees covered by the system was \$490,250; the employer's total payroll was \$493,343. The total required contribution for 2005 was \$55,889, which consisted of \$27,454 or 5.6% of payroll from the employer and \$28,435 or 5.8% of payroll from employees. Total contributions for the years ending December 31, 2005 and 2004 were \$53,555 and \$48,793, respectively, equal to the required contribution for each year.

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.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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

---

#### K. COMPONENT UNIT – DANE COUNTY HOUSING AUTHORITY (cont.)

##### i. Employee Retirement System (cont.)

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, 2005, pension-related debt for DCHA was \$170,060 (current portion \$7,874). This liability was determined in accordance with GASB Statement No. 27 regarding pension-related debt. The actuarial methods and assumptions used are unchanged from those used prior to the implementation of GASB Statement No. 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 \$6,256 for 2005.

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, 2005 was \$80,223.

Future minimum lease payments are as follows:

2006	\$ 47,606
Total	\$ 47,606

## COUNTY OF DANE

### NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

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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.

m. Line of Credit

DCHA established a \$300,000 line of credit in 2005 with interest at the prime rate. The line of credit is secured by real estate and terminates in August 2005. There were no borrowings against the line of credit in 2005.

n. Subsequent Events

In February 2006, the Authority sold its Devonshire group home for \$210,000.

In April 2006, the Authority had an accepted offer to purchase an office building for \$853,000 subject to three contingencies. The contingencies are to obtain financing, pass a building inspection and the approval of the board of directors.

**L. COMPONENT UNIT - HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.**

This report contains the Henry Vilas Park Zoological Society, Inc. (the Society), which is included as a component unit. Financial information is combined with the Dane County Housing Authority, also a component unit of the County, and 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. Nature of Activities

Henry Vilas Park Zoological Society, Inc. (the Society) is incorporated as a not-for-profit organization. The purpose of the Society is to educate the public in zoology and stimulate interest and appreciation of the animal kingdom. The Society uses its net contributions and receipts for the improvement, enlargements, maintenance, and construction of buildings and facilities for the Henry Vilas Park Zoo (the Zoo), the replacement and acquisition of animals for the Zoo, and to fund the educational programs and efforts of the Society. The Zoo is located in Madison, Wisconsin and is owned and operated by the County of Dane.



## COUNTY OF DANE

### NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

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##### L. COMPONENT UNIT - HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC. (cont.)

- b. A summary of the Society's significant accounting policies follows:

Use of Estimates: The preparation of financial statements 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 revenue and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates.

Inventories: Inventories are valued at the lower of cost or market using the first-in, first-out (FIFO) method.

Equipment: Equipment which exceeds \$500 is recorded at cost when purchased and at fair market value when received through donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Contributions: Contributions of cash and other assets are recorded as revenue when received or unconditionally pledged. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Pledges Receivable: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue.

Classification of Net Assets: The Society reports its net assets and changes therein in the following categories:

*Unrestricted Net Assets* – Unrestricted net assets represent resources that are generally available for support of the Society's activities.

*Temporarily Restricted Net Assets* – Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

## COUNTY OF DANE

### NOTES TO FINANCIAL STATEMENTS December 31, 2005

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

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##### **L. COMPONENT UNIT - HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC. (cont.)**

c. Restricted Cash and Investments

As of March 31, 2005, the Society had a cash account totaling \$65,450, which is restricted for animal replacement for the zoo.

d. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for expenditures related to the polar bears exhibit, children's zoo, and other projects at March 31, 2005.

e. Concentration of Credit Risk

Financial instruments that potentially subject the Society to credit risk consist principally of a money market fund, certificates of deposit, and cash deposits in financial institutions. The balances in the money market fund, the certificates of deposit, and cash deposits at certain financial institution are in excess of amounts insured by the FDIC.

f. Concessions Income Agreement and Due for Zoo Improvements

Any and all profits derived from the operation of the concessions stand by the Society are to be expended for capital improvements to and/or animal acquisitions for the Zoo, under an agreement with the County of Dane. Such expenditures are made for projects mutually agreeable to the Society and the County of Dane Zoo Director and become the property of the County of Dane. As of March 31, 2005, all profits derived from the concessions stand operation by the Society were expended or incurred for capital improvements to and/or animal acquisitions for the Zoo. Those expenditures are included with contributions to the Zoo in the accompanying statements of activities.

Similarly, the Society raises contributions and other support to expend on projects mutually agreeable to the Society and the County of Dane with such improvements or animals becoming the property of the County of Dane. The estimated payable for Zoo improvements to the County of Dane was \$7,083 as of March 31, 2005.

g. Contributed Services

The Society recognizes contribution revenue for certain services received at the fair value of those services. Those services primarily consist of skilled labor used in conducting special events or to enhance non-financial assets, which are then contributed to the County of Dane. The total amount of those services for the years ended March 31, 2005 was \$162,651. Additionally, the Society received volunteer time provided by various individuals during 2005, who gave their time to the Society's programs, administration, and fund raising campaigns. No amounts have been reflected in the statements for these donated services since no objective basis is available to measure the value of such services.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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### NOTE V – OTHER INFORMATION

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#### 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 5.6% of their salary (2.6% for Executives and Elected Officials, 4.5% for Protective Occupations with Social Security, and 3.2% 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.

The payroll for County employees covered by the system for the year ended December 31, 2005 was \$101,832,458; the employer's total payroll was \$103,122,342. The total required contribution for the year ended December 31, 2005 was \$12,821,359 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, 2004 and 2003 were \$12,033,529 and \$10,874,708, 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 are the average of the employee's three highest year's earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 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, 2005, was \$-0-. The County paid off the unfunded prior service liability in 2004.

# COUNTY OF DANE

## NOTES TO FINANCIAL STATEMENTS December 31, 2005

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### NOTE V – OTHER INFORMATION (cont.)

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#### ***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 accounts for such activity in the Workers' Compensation internal service fund. 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.

#### ***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, 2005, 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. WMMICs 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 10.59%. 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, 2005

**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, 2005, the County has recognized \$1,859,642 in claims liabilities for general liability, including the WMMIC SIR liability, and has reported \$4,086,097 as retained earnings reserved for self-insurance losses related to general liability. In addition, at December 31, 2005, the County has recognized \$1,919,497 of incurred but not reported claims liabilities for workers' compensation and has retained earnings of \$391,536 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, 2005	December 31, 2004	December 31, 2005	December 31, 2004
Unpaid claims, beginning of fiscal year	\$ 1,456,966	\$ 2,537,419	\$ 1,538,098	\$ 2,334,559
Incurred claims (including IBNRs) and changes in estimates	2,298,450	(7,863)	493,402	(501,903)
Claim payments	(1,835,919)	(1,072,590)	(171,858)	(294,558)
 Unpaid Claims, End of Fiscal Year	 \$ 1,919,497	 \$ 1,456,966	 \$ 1,859,642	 \$ 1,538,098

**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, 2005

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#### **NOTE V – OTHER INFORMATION (cont.)**

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##### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

During 2005, the County borrowed \$14,421,534 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 (\$13,378,534) and the general fund (\$1,043,000). 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.

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, 2005, represents the County's estimate of the amount due to such providers.

In 1998, the University of Wisconsin ("UW") terminated a contract with the Alliant Energy Center of Dane County 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 \$1,400,000. The balance due as of December 31, 2005 is \$-0-.

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. \$212,304 has been included as governmental activities long-term obligations.

The airport maintains receivable balances with several airlines that have filed bankruptcy and are attempting to restructure. An allowance for doubtful accounts has not been established since the County believes it will still be able to collect on the receivable balances.

## COUNTY OF DANE

### NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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#### **NOTE V – OTHER INFORMATION (cont.)**

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##### ***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***

On February 15, 2006, the County issued general obligation notes in the amount of \$9,200,000 with an interest rate of 4%. This amount will be used to fund various capital projects.

Also on February 15, 2006, the County issued general obligation bonds in the amount of \$17,780,000 with an interest rate varying from 4.000-4.375%. A portion of this issue will be used to refund the 2000 general obligation bonds. The remainder will be used to fund various capital projects.

##### ***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.

##### ***G. PUBLIC HEALTH MERGER***

During 2005, the City of Madison, Wisconsin and Dane County merged their public health departments to avoid duplication of services and improve operational efficiencies. Subsequent agreements between the City and County will be executed to govern later phases with full integration into a city-county health department by December 31, 2007.

**REQUIRED SUPPLEMENTARY INFORMATION**



**COUNTY OF DANE**

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 124,821,826	\$ 124,821,826	\$ 124,554,482	\$ (267,344)
Intergovernmental	20,363,179	29,326,760	22,902,356	(6,424,404)
Public charges for services	16,419,138	15,625,802	15,275,482	(350,320)
Fines, forfeitures and penalties	2,438,100	2,438,100	2,145,341	(292,759)
Licenses and permits	742,950	758,950	918,960	160,010
Investment income	1,516,100	1,516,100	2,507,950	991,850
Miscellaneous	4,594,261	5,104,665	4,741,217	(363,448)
Total Revenues	<u>170,895,554</u>	<u>179,592,203</u>	<u>173,045,788</u>	<u>(6,546,415)</u>
<b>EXPENDITURES</b>				
Current				
General government	22,704,837	23,133,062	22,171,120	961,942
Health and human services	420,026	449,195	397,978	51,217
Public safety and criminal justice	72,507,464	74,330,031	77,015,660	(2,685,629)
Public works	662,831	813,391	855,549	(42,158)
Culture, education and recreation	15,367,127	17,284,200	13,872,611	3,411,589
Conservation and economic development	4,161,167	8,417,697	4,050,274	4,367,423
Capital Outlay	<u>735,600</u>	<u>2,901,023</u>	<u>1,501,800</u>	<u>1,399,223</u>
Total Expenditures	<u>116,559,052</u>	<u>127,328,599</u>	<u>119,864,992</u>	<u>7,463,607</u>
Excess of revenues over expenditures	<u>54,336,502</u>	<u>52,263,604</u>	<u>53,180,796</u>	<u>917,192</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation debt issued	-	-	1,043,000	1,043,000
Capital lease	-	22,354	12,307	(10,047)
Transfers in	728,300	728,300	682,096	(46,204)
Transfers out	<u>(57,575,373)</u>	<u>(57,575,373)</u>	<u>(52,715,161)</u>	<u>4,860,212</u>
Total Other Financing Sources (Uses)	<u>(56,847,073)</u>	<u>(56,824,719)</u>	<u>(50,977,758)</u>	<u>5,846,961</u>
Net Change in Fund Balance	(2,510,571)	(4,561,115)	2,203,038	6,764,153
FUND BALANCE - Beginning	<u>26,800,260</u>	<u>26,800,260</u>	<u>26,800,260</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 24,289,689</u>	<u>\$ 22,239,145</u>	<u>\$ 29,003,298</u>	<u>\$ 6,764,153</u>

## COUNTY OF DANE

### HUMAN SERVICES SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 136,743,855	\$ 142,141,680	\$ 145,883,383	\$ 3,741,703
Public charges for services	106,500	106,500	149,277	42,777
Miscellaneous	4,473,019	4,482,213	4,035,249	(446,964)
Total Revenues	<u>141,323,374</u>	<u>146,730,393</u>	<u>150,067,909</u>	<u>3,337,516</u>
<b>EXPENDITURES</b>				
Current				
Health and Human Services				
Personal services	27,131,061	27,523,171	26,778,366	744,805
Contractual services	162,258,552	167,253,603	162,967,940	4,285,663
Other	1,943,652	2,058,355	4,424,440	(2,366,085)
Total Health and Human Services	191,333,265	196,835,129	194,170,746	2,664,383
Capital Outlay	3,000	3,000	2,065	935
Total Expenditures	<u>191,336,265</u>	<u>196,838,129</u>	<u>194,172,811</u>	<u>2,665,318</u>
Excess (deficiency) of revenues over (under) expenditures	(50,012,891)	(50,107,736)	(44,104,902)	6,002,834
<b>OTHER FINANCING SOURCES</b>				
Capital lease	-	-	52,091	52,091
Transfers in	50,176,372	50,176,372	43,174,164	(7,002,208)
Total Other Financing Sources	<u>50,176,372</u>	<u>50,176,372</u>	<u>43,226,255</u>	<u>(6,950,117)</u>
Net Change in Fund Balance	163,481	68,636	(878,647)	(947,283)
FUND BALANCE - Beginning	<u>1,051,739</u>	<u>1,051,739</u>	<u>1,051,739</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,215,220</u>	<u>\$ 1,120,375</u>	<u>\$ 173,092</u>	<u>\$ (947,283)</u>

# COUNTY OF DANE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2005

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### 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>Annual Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Current Expenditures			
Sheriff	\$ 50,009,819	\$ 52,362,750	\$ 2,352,931
Public Safety Communications	4,571,345	4,771,827	200,482
Juvenile Court Program	2,957,385	3,011,703	54,318
Clerk of Courts	2,411,914	2,850,711	438,797
Coroner	902,951	928,317	25,366
District Attorney	3,869,191	4,042,504	173,313
Public Works	547,891	623,006	75,115
Henry Vilas Zoo	1,763,439	1,787,376	23,937

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

**SUPPLEMENTARY INFORMATION**

**GENERAL FUND**

Schedule of Expenditures  
Compared to Budget

**COUNTY OF DANE**

GENERAL FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 For the Year Ended December 31, 2005

CURRENT EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
County Board	\$ 770,416	\$ 804,583	\$ 760,833	\$ 43,750
Executive	1,881,004	1,944,759	1,846,243	98,516
County Clerk	546,292	551,492	507,024	44,468
Administrative	6,322,597	6,462,247	6,280,474	181,773
Treasurer	582,190	582,190	521,570	60,620
Corporation Counsel	4,776,908	4,955,807	4,947,626	8,181
Register of Deeds	1,409,377	1,409,377	1,318,058	91,319
Facilities Management	5,900,350	5,906,904	5,559,189	347,715
Humane Society	430,103	430,103	430,103	-
Other	85,600	85,600	-	85,600
Total General Government	<u>22,704,837</u>	<u>23,133,062</u>	<u>22,171,120</u>	<u>961,942</u>
<b>HEALTH AND HUMAN SERVICES</b>				
Veterans' Services	420,026	449,195	397,978	51,217
<b>PUBLIC SAFETY AND CRIMINAL JUSTICE</b>				
Sheriff	49,133,308	50,009,819	52,362,750	(2,352,931)
Public Safety Communications	4,571,345	4,571,345	4,771,827	(200,482)
Emergency Planning	1,162,253	1,497,916	1,162,750	335,166
Juvenile Court Program	2,846,475	2,957,385	3,011,703	(54,318)
Clerk of Courts	2,335,212	2,411,914	2,850,711	(438,797)
Family Court Commissioner	8,086,603	8,109,510	7,885,098	224,412
Coroner	733,000	902,951	928,317	(25,366)
District Attorney	3,639,268	3,869,191	4,042,504	(173,313)
Total Public Safety and Criminal Justice	<u>72,507,464</u>	<u>74,330,031</u>	<u>77,015,660</u>	<u>(2,685,629)</u>
<b>PUBLIC WORKS</b>				
Parking Ramp	265,500	265,500	232,543	32,957
Public Works	397,331	547,891	623,006	(75,115)
Total Public Works	<u>662,831</u>	<u>813,391</u>	<u>855,549</u>	<u>(42,158)</u>
<b>CULTURE, EDUCATION AND RECREATION</b>				
Henry Vilas Zoo	1,755,300	1,763,439	1,787,376	(23,937)
Parks	3,639,295	5,404,765	4,090,032	1,314,733
Alliant Center	8,910,942	8,924,123	6,879,636	2,044,487
County Extension	762,700	892,983	816,677	76,306
Other	298,890	298,890	298,890	-
Total Culture, Education and Recreation	<u>15,367,127</u>	<u>17,284,200</u>	<u>13,872,611</u>	<u>3,411,589</u>
<b>CONSERVATION AND ECONOMIC DEVELOPMENT</b>				
Land Conservation	1,163,192	5,092,744	1,219,397	3,873,347
Planning and Development	2,997,975	3,324,953	2,830,877	494,076
Total Conservation and Economic Development	<u>4,161,167</u>	<u>8,417,697</u>	<u>4,050,274</u>	<u>4,367,423</u>
Total Current Expenditures	<u>115,823,452</u>	<u>124,427,576</u>	<u>118,363,192</u>	<u>6,064,384</u>

**COUNTY OF DANE**

GENERAL FUND (cont.)  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CAPITAL OUTLAY</b>				
<b>GENERAL GOVERNMENT</b>				
Facilities Management	\$ -	\$ 32,694	\$ -	\$ 32,694
Total General Government	-	32,694	-	32,694
<b>PUBLIC SAFETY AND CRIMINAL JUSTICE</b>				
Sheriff	294,100	901,416	769,416	132,000
Emergency Planning	-	263,668	214,509	49,159
Total Public Safety and Criminal Justice	294,100	1,165,084	983,925	181,159
<b>CULTURE, EDUCATION AND RECREATION</b>				
Parks	9,000	123,236	20,238	102,998
Alliant Center	432,500	1,156,873	497,637	659,236
Other	-	-	-	-
Total Culture, Education and Recreation	441,500	1,280,109	517,875	762,234
<b>CONSERVATION AND ECONOMIC DEVELOPMENT</b>				
Planning and Development	-	423,136	-	423,136
Total Conservation and Economic Development	-	423,136	-	423,136
 Total Capital Outlay	 735,600	 2,901,023	 1,501,800	 1,399,223
 TOTAL CURRENT EXPENDITURES AND CAPITAL OUTLAY	 \$ 116,559,052	 \$ 127,328,599	 \$ 119,864,992	 \$ 7,463,607

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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.
- *HOME* – Accounts for grant funds from the Federal Housing and Urban Development Department's HOME 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, 2005

	Special Revenue Funds			
	Board of Health	Library	Land Information	Bridge Aid
<b>ASSETS</b>				
Cash and investments	\$ 1,435,984	\$ 57,292	\$ 1,287,253	\$ 169,897
Receivables				
Taxes	2,876,268	3,793,169	-	125,628
Accounts	19,110	1,872	973	-
Loans	-	-	-	-
Due from other governments	21,691	9,418	-	-
Due from other funds	-	-	250,616	-
Prepaid items	-	-	150	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,353,053</u></b>	<b><u>\$ 3,861,751</u></b>	<b><u>\$ 1,538,992</u></b>	<b><u>\$ 295,525</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 114,784	\$ 14,814	\$ 97,413	\$ -
Accrued payroll and payroll taxes	170,358	17,039	15,047	-
Due to other governments	188,568	138	19,974	-
Due to other funds	36	1,012	-	-
Deferred revenue	<u>2,876,268</u>	<u>3,793,169</u>	<u>-</u>	<u>125,628</u>
<b>Total Liabilities</b>	<b><u>3,350,014</u></b>	<b><u>3,826,172</u></b>	<b><u>132,434</u></b>	<b><u>125,628</u></b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	524,290	-	68,871	-
Trust activities	-	-	-	-
Unreserved and undesignated (deficit)	<u>478,749</u>	<u>35,579</u>	<u>1,337,687</u>	<u>169,897</u>
<b>Total Fund Balances (Deficit)</b>	<b><u>1,003,039</u></b>	<b><u>35,579</u></b>	<b><u>1,406,558</u></b>	<b><u>169,897</u></b>
<b>TOTAL LIABILITIES AND     FUND BALANCES</b>	<b><u>\$ 4,353,053</u></b>	<b><u>\$ 3,861,751</u></b>	<b><u>\$ 1,538,992</u></b>	<b><u>\$ 295,525</u></b>

Special Revenue Funds				Total Nonmajor Governmental Funds
CDBG Loans	HOME	Commerce Revolving Loan	Scheidegger Trust Fund	
\$ 14,078	\$ -	\$ 137,258	\$ 436,052	\$ 3,537,814
-	-	-	-	6,795,065
-	-	-	-	21,955
2,704,532	1,118,840	436,233	-	4,259,605
483,356	208,633	-	-	723,098
-	-	-	-	250,616
-	-	-	-	150
<u>\$ 3,201,966</u>	<u>\$ 1,327,473</u>	<u>\$ 573,491</u>	<u>\$ 436,052</u>	<u>\$ 15,588,303</u>
\$ 272,222	\$ 128,675	\$ -	\$ -	\$ 627,908
-	-	-	-	202,444
1,230,897	-	-	-	1,439,577
155,096	95,520	-	-	251,664
<u>1,629,532</u>	<u>1,118,840</u>	<u>436,233</u>	<u>-</u>	<u>9,979,670</u>
<u>3,287,747</u>	<u>1,343,035</u>	<u>436,233</u>	<u>-</u>	<u>12,501,263</u>
482,466	614,241	-	-	1,689,868
-	-	-	436,052	436,052
<u>(568,247)</u>	<u>(629,803)</u>	<u>137,258</u>	<u>-</u>	<u>961,120</u>
<u>(85,781)</u>	<u>(15,562)</u>	<u>137,258</u>	<u>436,052</u>	<u>3,087,040</u>
<u>\$ 3,201,966</u>	<u>\$ 1,327,473</u>	<u>\$ 573,491</u>	<u>\$ 436,052</u>	<u>\$ 15,588,303</u>

**COUNTY OF DANE**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2005

	Special Revenue Funds			
	Board of Health	Library	Land Information	Bridge Aid
<b>REVENUES</b>				
Taxes	\$ 3,102,403	\$ 3,600,408	\$ -	\$ 281,800
Intergovernmental	1,595,877	9,418	300	-
Public charges for services	12,627	4,936	752,528	-
Licenses and permits	964,467	-	-	-
Miscellaneous	10,539	3,878	-	-
Total Revenues	<u>5,685,913</u>	<u>3,618,640</u>	<u>752,828</u>	<u>281,800</u>
<b>EXPENDITURES</b>				
Current				
Health and human services	5,505,717	-	-	-
Public works	-	-	-	147,331
Culture, education and recreation	-	3,619,662	-	-
Conservation and economic development	-	-	1,414,497	-
Capital Outlay	-	-	17,006	-
Total Expenditures	<u>5,505,717</u>	<u>3,619,662</u>	<u>1,431,503</u>	<u>147,331</u>
Excess (deficiency) of revenues over (under) expenditures	180,196	(1,022)	(678,675)	134,469
<b>OTHER FINANCING USES</b>				
Capital lease	15,958	-	-	-
Transfers out	-	(42,045)	-	-
Net Change in Fund Balances	196,154	(43,067)	(678,675)	134,469
FUND BALANCES (DEFICIT) - Beginning	<u>806,885</u>	<u>78,646</u>	<u>2,085,233</u>	<u>35,428</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 1,003,039</u>	<u>\$ 35,579</u>	<u>\$ 1,406,558</u>	<u>\$ 169,897</u>

Special Revenue Funds				Total
CDBG Loans	HOME	Commerce Revolving Loan	Scheidegger Trust Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 6,984,611
2,823,534	811,469	22,723	-	5,263,321
-	-	-	-	770,091
-	-	-	-	964,467
129,194	-	-	11,082	154,693
<u>2,952,728</u>	<u>811,469</u>	<u>22,723</u>	<u>11,082</u>	<u>14,137,183</u>
-	-	-	-	5,505,717
-	-	-	-	147,331
-	-	-	-	3,619,662
3,057,004	827,026	350,020	-	5,648,547
-	-	-	-	17,006
<u>3,057,004</u>	<u>827,026</u>	<u>350,020</u>	<u>-</u>	<u>14,938,263</u>
(104,276)	(15,557)	(327,297)	11,082	(801,080)
-	-	-	-	15,958
-	-	-	-	(42,045)
(104,276)	(15,557)	(327,297)	11,082	(827,167)
18,495	(5)	464,555	424,970	3,914,207
<u>\$ (85,781)</u>	<u>\$ (15,562)</u>	<u>\$ 137,258</u>	<u>\$ 436,052</u>	<u>\$ 3,087,040</u>

**COUNTY OF DANE**

DEBT SERVICE FUND - MAJOR FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 9,979,192	\$ 9,979,192	\$ -
Investment income	275,000	812,043	537,043
Miscellaneous	<u>1,474,500</u>	<u>1,554,848</u>	<u>80,348</u>
Total Revenues	<u>11,728,692</u>	<u>12,346,083</u>	<u>617,391</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	10,106,500	12,095,295	(1,988,795)
Interest and fees	<u>4,832,200</u>	<u>5,585,862</u>	<u>(753,662)</u>
Total Expenditures	<u>14,938,700</u>	<u>17,681,157</u>	<u>(2,742,457)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,210,008)</u>	<u>(5,335,074)</u>	<u>(2,125,066)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
General obligation debt issued	-	112,300	112,300
Debt premium	-	3,773	3,773
Transfers in	<u>640,000</u>	<u>3,209,299</u>	<u>2,569,299</u>
Total Other Financing Sources (Uses)	<u>640,000</u>	<u>3,325,372</u>	<u>2,685,372</u>
Net Change in Fund Balance	(2,570,008)	(2,009,702)	560,306
FUND BALANCE - Beginning	<u>2,597,933</u>	<u>2,597,933</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 27,925</u>	<u>\$ 588,231</u>	<u>\$ 560,306</u>

## COUNTY OF DANE

CAPITAL PROJECTS FUND - MAJOR FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 6,537,881	\$ 722,847	\$ (5,815,034)
Public charges for services	1,786,048	1,072,629	(713,419)
Miscellaneous	923,147	-	(923,147)
Total Revenues	<u>9,247,076</u>	<u>1,795,476</u>	<u>(7,451,600)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>45,979,322</u>	<u>19,214,885</u>	<u>26,764,437</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,732,246)</u>	<u>(17,419,409)</u>	<u>19,312,837</u>
<b>OTHER FINANCING SOURCES</b>			
General obligation debt issued	<u>14,725,400</u>	<u>13,378,534</u>	<u>(1,346,866)</u>
Total Other Financing Sources	<u>14,725,400</u>	<u>13,378,534</u>	<u>(1,346,866)</u>
Net Change in Fund Balance	(22,006,846)	(4,040,875)	17,965,971
FUND BALANCE - Beginning	<u>23,592,540</u>	<u>23,592,540</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,585,694</u>	<u>\$ 19,551,665</u>	<u>\$ 17,965,971</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, 2005

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 3,102,403	\$ 3,102,403	\$ -
Intergovernmental	1,740,804	1,595,877	(144,927)
Public charges for services	20,000	12,627	(7,373)
Licenses and permits	868,700	964,467	95,767
Miscellaneous	3,400	10,539	7,139
Total Revenues	<u>5,735,307</u>	<u>5,685,913</u>	<u>(49,394)</u>
<b>EXPENDITURES</b>			
Current			
Health and human services			
Personal services	4,606,237	4,340,958	265,279
Contractual services	523,361	450,806	72,555
Other	<u>1,033,181</u>	<u>713,953</u>	<u>319,228</u>
Total Expenditures	<u>6,162,779</u>	<u>5,505,717</u>	<u>657,062</u>
Excess (deficiency) of revenues over (under) expenditures	(427,472)	180,196	607,668
<b>OTHER FINANCING SOURCES</b>			
Capital lease	-	<u>15,958</u>	<u>15,958</u>
Net Change in Fund Balance	(427,472)	196,154	623,626
FUND BALANCE - Beginning	<u>806,885</u>	<u>806,885</u>	-
FUND BALANCE - ENDING	<u>\$ 379,413</u>	<u>\$ 1,003,039</u>	<u>\$ 623,626</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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 3,600,408	\$ 3,600,408	\$ -
Intergovernmental	9,418	9,418	-
Public charges for services	12,300	4,936	(7,364)
Miscellaneous	<u>10,000</u>	<u>3,878</u>	<u>(6,122)</u>
Total Revenues	<u>3,632,126</u>	<u>3,618,640</u>	<u>(13,486)</u>
<b>EXPENDITURES</b>			
Current			
Culture, education and recreation			
Personal services	503,700	494,421	9,279
Contractual services	2,854,861	2,854,837	24
Other	<u>278,248</u>	<u>270,404</u>	<u>7,844</u>
Total Culture, Education and Recreation Expenditures	3,636,809	3,619,662	17,147
Debt Service			
Principal retirement	<u>42,100</u>	<u>-</u>	<u>42,100</u>
Total Expenditures	<u>3,678,909</u>	<u>3,619,662</u>	<u>59,247</u>
Excess (deficiency) of revenues over (under) expenditures	(46,783)	(1,022)	45,761
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(42,045)</u>	<u>(42,045)</u>
Net Change in Fund Balance	(46,783)	(43,067)	3,716
FUND BALANCE - Beginning	<u>78,646</u>	<u>78,646</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 31,863</u>	<u>\$ 35,579</u>	<u>\$ 3,716</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, 2005

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 300	\$ 300	\$ -
Public charges for services	<u>610,200</u>	<u>752,528</u>	<u>142,328</u>
Total Revenues	<u>610,500</u>	<u>752,828</u>	<u>142,328</u>
<b>EXPENDITURES</b>			
Current			
Conservation and economic development			
Personal services	483,615	396,015	87,600
Contractual services	746,056	546,618	199,438
Other	<u>693,009</u>	<u>471,864</u>	<u>221,145</u>
Total Conservation and Economic Development Expenditures	1,922,680	1,414,497	508,183
Capital Outlay	<u>216,951</u>	<u>17,006</u>	<u>199,945</u>
Total Expenditures	<u>2,139,631</u>	<u>1,431,503</u>	<u>708,128</u>
Excess (deficiency) of revenues over (under) expenditures	(1,529,131)	(678,675)	850,456
FUND BALANCE - Beginning	<u>2,085,233</u>	<u>2,085,233</u>	-
FUND BALANCE - ENDING	<u>\$ 556,102</u>	<u>\$ 1,406,558</u>	<u>\$ 850,456</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, 2005**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	<u>\$ 281,800</u>	<u>\$ 281,800</u>	<u>\$ -</u>
<b>EXPENDITURES</b>			
Current			
Public works	<u>294,656</u>	<u>147,331</u>	<u>147,325</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,856)</u>	<u>134,469</u>	<u>147,325</u>
FUND BALANCE - Beginning	<u>35,428</u>	<u>35,428</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 22,572</u>	<u>\$ 169,897</u>	<u>\$ 147,325</u>

**COUNTY OF DANE**

**CDBG LOANS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
For the Year Ended December 31, 2005**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 3,635,959	\$ 2,823,534	\$ (812,425)
Miscellaneous	<u>143,000</u>	<u>129,194</u>	<u>(13,806)</u>
Total Revenues	<u>3,778,959</u>	<u>2,952,728</u>	<u>(826,231)</u>
<b>EXPENDITURES</b>			
Conservation and economic development	<u>3,778,959</u>	<u>3,057,004</u>	<u>721,955</u>
Excess (deficiency) of revenues over (under) expenditures	-	(104,276)	(104,276)
FUND BALANCE - Beginning	<u>18,495</u>	<u>18,495</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 18,495</u>	<u>\$ (85,781)</u>	<u>\$ (104,276)</u>

**COUNTY OF DANE**

HOME SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 1,727,187	\$ 811,469	\$ (915,718)
Miscellaneous	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total Revenues	<u>1,757,187</u>	<u>811,469</u>	<u>(945,718)</u>
<b>EXPENDITURES</b>			
Conservation and economic development	<u>1,757,188</u>	<u>827,026</u>	<u>930,162</u>
Excess (deficiency) of revenues over (under) expenditures	(1)	(15,557)	(15,556)
FUND BALANCE (DEFICIT) - Beginning	<u>(5)</u>	<u>(5)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (6)</u>	<u>\$ (15,562)</u>	<u>\$ (15,556)</u>

**COUNTY OF DANE**

**COMMERCE REVOLVING LOAN SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended December 31, 2005**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	<u>\$ 867,000</u>	<u>\$ 22,723</u>	<u>\$ (844,277)</u>
Total Revenues	<u>867,000</u>	<u>22,723</u>	<u>(844,277)</u>
<b>EXPENDITURES</b>			
Conservation and economic development	<u>949,941</u>	<u>350,020</u>	<u>599,921</u>
Total Expenditures	<u>949,941</u>	<u>350,020</u>	<u>599,921</u>
Excess (deficiency) of revenues over (under) expenditures	(82,941)	(327,297)	(244,356)
FUND BALANCE - Beginning	<u>464,555</u>	<u>464,555</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 381,614</u>	<u>\$ 137,258</u>	<u>\$ (244,356)</u>

## 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, 2005

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Printing and Services	Methane Gas	
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 186,814	\$ 220,391	\$ 407,205
Accounts receivable, net	2,462	207,471	209,933
Due from other governmental units	79,158	-	79,158
Inventory	63,007	-	63,007
Total Current Assets	331,441	427,862	759,303
Noncurrent Assets			
Capital Assets			
Machinery and equipment	575,768	5,216,560	5,792,328
Less accumulated depreciation	(505,965)	(1,180,244)	(1,686,209)
Total Capital Assets (Net of Accumulated Depreciation)	69,803	4,036,316	4,106,119
Total Noncurrent Assets	69,803	4,036,316	4,106,119
Total Assets	401,244	4,464,178	4,865,422
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	21,326	5,166	26,492
Accrued payroll and payroll taxes	17,604	2,227	19,831
Accrued compensated absences	40,326	2,045	42,371
Other accrued liabilities and deposits	65	4,398	4,463
Due to other funds	3,074	-	3,074
Current portion of general obligation debt	17,796	231,000	248,796
Total Current Liabilities	100,191	244,836	345,027
Noncurrent Liabilities			
Accrued compensated absences	116,174	9,809	125,983
General obligation long-term debt	-	1,757,000	1,757,000
Total Noncurrent Liabilities	116,174	1,766,809	1,882,983
Total Liabilities	216,365	2,011,645	2,228,010
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	52,007	2,104,874	2,156,881
Unrestricted	132,872	347,659	480,531
TOTAL NET ASSETS	\$ 184,879	\$ 2,452,533	\$ 2,637,412



## COUNTY OF DANE

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - NONMAJOR PROPRIETARY FUNDS For the Year Ended December 31, 2005

	Enterprise Funds		Total
	Printing and Services	Methane Gas	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 915,187	\$ 1,302,575	\$ 2,217,762
Total Operating Revenues	<u>915,187</u>	<u>1,302,575</u>	<u>2,217,762</u>
<b>OPERATING EXPENSES</b>			
Personal services	477,633	81,379	559,012
Contractual services	79,447	-	79,447
Other	341,153	115,881	457,034
Depreciation	19,618	232,259	251,877
Total Operating Expenses	<u>917,851</u>	<u>429,519</u>	<u>1,347,370</u>
Operating Income (Loss)	<u>(2,664)</u>	<u>873,056</u>	<u>870,392</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest expense	(799)	(32,122)	(32,921)
Gain on sale of capital assets	458	-	458
Total Nonoperating Revenues (Expenses)	<u>(341)</u>	<u>(32,122)</u>	<u>(32,463)</u>
Income before transfers	(3,005)	840,934	837,929
Transfers out	<u>-</u>	<u>(682,096)</u>	<u>(682,096)</u>
Change in Net Assets	(3,005)	158,838	155,833
TOTAL NET ASSETS - Beginning (as restated)	<u>187,884</u>	<u>2,293,695</u>	<u>2,481,579</u>
TOTAL NET ASSETS - ENDING	<u>\$ 184,879</u>	<u>\$ 2,452,533</u>	<u>\$ 2,637,412</u>

## COUNTY OF DANE

### COMBINING STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS For the Year Ended December 31, 2005

	Enterprise Funds		
	Printing and Services	Methane Gas	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 487,192	\$ 1,223,679	\$ 1,710,871
Received from other funds	427,995	-	427,995
Paid to suppliers for goods and services	(393,967)	(303,989)	(697,956)
Paid to employees for services	(477,633)	(81,379)	(559,012)
Net Cash Flows From Operating Activities	<u>43,587</u>	<u>838,311</u>	<u>881,898</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out	-	(682,096)	(682,096)
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>(682,096)</u>	<u>(682,096)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal payments on long-term debt	(17,717)	(229,000)	(246,717)
Interest paid	(368)	(55,802)	(56,170)
Acquisition and construction of capital assets	-	(110,512)	(110,512)
Net Cash Flows From Capital and Related Financing Activities	<u>(18,085)</u>	<u>(395,314)</u>	<u>(413,399)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,502	(239,099)	(213,597)
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>161,312</u>	<u>459,490</u>	<u>620,802</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 186,814</u>	<u>\$ 220,391</u>	<u>\$ 407,205</u>

	Enterprise Funds		
	Printing and Services	Methane Gas	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating income	\$ (2,664)	\$ 873,056	\$ 870,392
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	19,618	232,259	251,877
Change in assets and liabilities			
Accounts receivable	(31,812)	(85,178)	(116,990)
Due from other funds	-	6,282	6,282
Due from other governmental units	(201)	-	(201)
Inventories	23,215	-	23,215
Accounts payable	10,178	(186,902)	(176,724)
Accrued payroll and payroll taxes	9,572	867	10,439
Accrued compensated absences	13,914	(2,073)	11,841
Due to other funds	1,767	-	1,767
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ 43,587</u>	 <u>\$ 838,311</u>	 <u>\$ 881,898</u>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

None

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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.
- *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, 2005

	<u>Workers'</u> <u>Compensation</u>	<u>Liability</u> <u>Insurance</u>	<u>Employee</u> <u>Benefits</u>	<u>Consolidated</u> <u>Food Service</u>	<u>Totals</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and investments	\$ 2,218,826	\$ 3,311,818	\$ 1,170,357	\$ -	\$ 6,701,001
Accounts receivable, net	44,275	824,750	-	25	869,050
Due from other governments	-	-	-	4,683	4,683
Prepaid items	-	-	-	327	327
Deposits	50,000	-	-	-	50,000
<b>Total Current Assets</b>	<u>2,313,101</u>	<u>4,136,568</u>	<u>1,170,357</u>	<u>5,035</u>	<u>7,625,061</u>
<b>Noncurrent Assets</b>					
Restricted deposit with Wisconsin Municipal Mutual Insurance Company	-	1,809,171	-	-	1,809,171
<b>Capital Assets</b>					
Buildings	-	-	-	1,968,705	1,968,705
Machinery and equipment	-	-	-	974,337	974,337
Less: Accumulated depreciation	-	-	-	(1,238,435)	(1,238,435)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,704,607</u>	<u>1,704,607</u>
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>1,809,171</u>	<u>-</u>	<u>1,704,607</u>	<u>3,513,778</u>
<b>Total Assets</b>	<u>2,313,101</u>	<u>5,945,739</u>	<u>1,170,357</u>	<u>1,709,642</u>	<u>11,138,839</u>

<b>LIABILITIES</b>	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Employee Benefits</u>	<u>Consolidated Food Service</u>	<u>Totals</u>
<b>Current Liabilities</b>					
Accounts payable	\$ 2,068	\$ -	\$ -	\$ 82,038	\$ 84,106
Accrued payroll and payroll taxes	-	-	-	54,309	54,309
Accrued compensated absences	-	-	-	37,726	37,726
Other accrued liabilities and deposits	1,919,497	1,859,642	-	-	3,779,139
Due to other governments	-	-	-	135	135
Due to other funds	-	-	-	792	792
Current portion of leases payable	-	-	-	6,198	6,198
<b>Total Current Liabilities</b>	<u>1,921,565</u>	<u>1,859,642</u>	<u>-</u>	<u>181,198</u>	<u>3,962,405</u>
<b>Noncurrent Liabilities</b>					
Advance from other funds	-	-	-	573,536	573,536
Leases payable	-	-	-	13,516	13,516
Accrued compensated absences	-	-	-	154,986	154,986
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>742,038</u>	<u>742,038</u>
<b>Total Liabilities</b>	<u>1,921,565</u>	<u>1,859,642</u>	<u>-</u>	<u>923,236</u>	<u>4,704,443</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	-	-	-	1,684,893	1,684,893
Unrestricted (deficit)	391,536	4,086,097	1,170,357	(898,487)	4,749,503
<b>TOTAL NET ASSETS</b>	<u>\$ 391,536</u>	<u>\$ 4,086,097</u>	<u>\$ 1,170,357</u>	<u>\$ 786,406</u>	<u>\$ 6,434,396</u>

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**COUNTY OF DANE**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 FUND NET ASSETS - INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2005

	<u>Workers'</u> <u>Compensation</u>	<u>Liability</u> <u>Insurance</u>	<u>Employee</u> <u>Benefits</u>	<u>Consolidated</u> <u>Food Service</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,114,239	\$ 1,648,500	\$ -	\$ 2,994,206	\$ 5,756,945
Other	-	6,500	-	1,576	8,076
Total Operating Revenues	<u>1,114,239</u>	<u>1,655,000</u>	<u>-</u>	<u>2,995,782</u>	<u>5,765,021</u>
<b>OPERATING EXPENSES</b>					
Personal services	-	-	-	1,827,069	1,827,069
Contractual services	-	-	103,169	-	103,169
Insurance services	1,835,919	1,540,379	-	-	3,376,298
Other	-	133,118	-	1,345,659	1,478,777
Depreciation	-	-	-	70,939	70,939
Total Operating Expenses	<u>1,835,919</u>	<u>1,673,497</u>	<u>103,169</u>	<u>3,243,667</u>	<u>6,856,252</u>
Operating Income (Loss)	<u>(721,680)</u>	<u>(18,497)</u>	<u>(103,169)</u>	<u>(247,885)</u>	<u>(1,091,231)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	-	182,440	1,305	-	183,745
Interest expense	-	-	-	(4,594)	(4,594)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>182,440</u>	<u>1,305</u>	<u>(4,594)</u>	<u>179,151</u>
Changes in Net Assets	(721,680)	163,943	(101,864)	(252,479)	(912,080)
TOTAL NET ASSETS - Beginning	<u>1,113,216</u>	<u>3,922,154</u>	<u>1,272,221</u>	<u>1,038,885</u>	<u>7,346,476</u>
TOTAL NET ASSETS - ENDING	<u>\$ 391,536</u>	<u>\$ 4,086,097</u>	<u>\$ 1,170,357</u>	<u>\$ 786,406</u>	<u>\$ 6,434,396</u>

**COUNTY OF DANE**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2005

	Workers' Compen- sation	Liability Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ -	\$ -
Received from other funds	1,077,748	1,654,581
Paid to suppliers for goods and services	(1,386,337)	(1,351,960)
Paid to employees for services	<u>-</u>	<u>-</u>
Net Cash Flows From Operating Activities	<u>(308,589)</u>	<u>302,621</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Payment of other long-term debt	-	(130,000)
Advances from other funds	<u>-</u>	<u>432,623</u>
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>302,623</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Debt retired	-	-
Interest paid	<u>-</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>-</u>	<u>182,440</u>
Net Cash Flows From Investing Activities	<u>-</u>	<u>182,440</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(308,589)	787,684
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,527,415</u>	<u>2,524,134</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,218,826</u>	<u>\$ 3,311,818</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income (loss) from operations	\$ (721,680)	\$ (18,497)
Adjustments to reconcile income (loss) to net cash flows from operating activities:		
Depreciation	-	-
Change in assets and liabilities:		
Accounts receivable	(36,491)	(419)
Prepaid items	-	-
Accounts payable	(12,949)	(7)
Accrued compensated absences	-	-
Other accrued liabilities and deposits	462,531	321,544
Due to other governments	-	-
Due to other funds	<u>-</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (308,589)</u>	<u>\$ 302,621</u>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

The Consolidated Food Service fund leased an automobile in the amount of \$27,075.

Employee Benefits	Consolidated Food Service	Totals
\$ -	\$ 74,434	\$ 74,434
-	2,916,667	5,648,996
(103,169)	(1,292,989)	(4,134,455)
-	(1,827,069)	(1,827,069)
<u>(103,169)</u>	<u>(128,957)</u>	<u>(238,094)</u>
-	-	(130,000)
-	140,913	573,536
-	140,913	443,536
-	(7,361)	(7,361)
-	(4,595)	(4,595)
-	(11,956)	(11,956)
1,305	-	183,745
1,305	-	183,745
(101,864)	-	377,231
1,272,221	-	6,323,770
<u>\$ 1,170,357</u>	<u>\$ -</u>	<u>\$ 6,701,001</u>
\$ (103,169)	\$ (247,885)	\$(1,091,231)
-	70,939	70,939
-	(4,683)	(41,593)
-	(327)	(327)
-	32,782	19,826
-	5,178	5,178
-	17,448	801,523
-	(681)	(681)
-	(1,728)	(1,728)
<u>\$ (103,169)</u>	<u>\$ (128,957)</u>	<u>\$ (238,094)</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, Blockstein Memorial Trust, and Lyman Anderson 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.
- *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, 2005

	Private Purpose Trusts			Totals
	John T. Lyle Trust	Blockstein Memorial Trust	Lyman Anderson Trust	
<b>ASSETS</b>				
Cash and investments	\$ 207,407	\$ 15,484	\$ 390	\$ 223,281
Total Assets	<u>207,407</u>	<u>15,484</u>	<u>390</u>	<u>223,281</u>
<b>LIABILITIES</b>				
Accounts payable	450	-	-	450
Total Liabilities	<u>450</u>	<u>-</u>	<u>-</u>	<u>450</u>
<b>NET ASSETS</b>				
Reserved for private purpose trust activities	<u>206,957</u>	<u>15,484</u>	<u>390</u>	<u>222,831</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 206,957</u>	<u>\$ 15,484</u>	<u>\$ 390</u>	<u>\$ 222,831</u>

**COUNTY OF DANE**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS**

For the Year Ended December 31, 2005

	Private Purpose Trusts			Totals
	John T. Lyle Trust	Blockstein Memorial Trust	Lyman Anderson Trust	
<b>ADDITIONS</b>				
Investment earnings	\$ 8,656	\$ 477	\$ -	\$ 9,133
Total Additions	<u>8,656</u>	<u>477</u>	<u>-</u>	<u>9,133</u>
<b>DEDUCTIONS</b>				
Scholarships and Badger Prairie Health Care Center patient benefits	6,799	-	-	6,799
Total Deductions	<u>6,799</u>	<u>-</u>	<u>-</u>	<u>6,799</u>
Change in Net Assets	1,857	477	-	2,334
NET ASSETS - Beginning	<u>205,100</u>	<u>15,007</u>	<u>390</u>	<u>220,497</u>
NET ASSETS - ENDING	<u>\$ 206,957</u>	<u>\$ 15,484</u>	<u>\$ 390</u>	<u>\$ 222,831</u>

**COUNTY OF DANE**

COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS  
For the Year Ended December 31, 2005

---

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
<b>DELINQUENT SPECIAL ASSESSMENTS</b>				
<b>Assets</b>				
Cash and investments	\$ 25,506	\$ 43,996	\$ 25,506	\$ 43,996
Taxes receivable	<u>1,027,979</u>	<u>1,074,076</u>	<u>1,027,979</u>	<u>1,074,076</u>
Total Assets	<u>\$ 1,053,485</u>	<u>\$ 1,118,072</u>	<u>\$ 1,053,485</u>	<u>\$ 1,118,072</u>
<b>Liabilities</b>				
Due to other governmental units	<u>\$ 1,053,485</u>	<u>\$ 1,118,072</u>	<u>\$ 1,053,485</u>	<u>\$ 1,118,072</u>
Total Liabilities	<u>\$ 1,053,485</u>	<u>\$ 1,118,072</u>	<u>\$ 1,053,485</u>	<u>\$ 1,118,072</u>
<b>CLERK OF COURTS AGENCY ACCOUNT</b>				
<b>Assets</b>				
Cash and investments	<u>\$ 2,157,161</u>	<u>\$ 2,849,226</u>	<u>\$ 2,157,161</u>	<u>\$ 2,849,226</u>
<b>Liabilities</b>				
Other accrued liabilities and deposits	<u>\$ 2,157,161</u>	<u>\$ 2,849,226</u>	<u>\$ 2,157,161</u>	<u>\$ 2,849,226</u>



## COUNTY OF DANE

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS (cont.) For the Year Ended December 31, 2005

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
<b>STATE TAX LEVY AND SPECIAL CHARGES</b>				
<b>Assets</b>				
Taxes Receivable	\$ 7,656,343	\$ 8,037,068	\$ 7,656,343	\$ 8,037,068
<b>Liabilities</b>				
Due to Other Governmental Units	\$ 7,656,343	\$ 8,037,068	\$ 7,656,343	\$ 8,037,068
<b>OTHER</b>				
<b>Assets</b>				
Cash and investments	\$ 9,767,626	\$ 12,458,200	\$ 9,767,626	\$ 12,458,200
Total Assets	\$ 9,767,626	\$ 12,458,200	\$ 9,767,626	\$ 12,458,200
<b>Liabilities</b>				
Accounts payable	\$ 4,668	\$ 4,904	\$ 4,668	\$ 4,904
Other accrued liabilities and deposits	748,139	758,662	748,139	758,662
Due to other governmental units	9,014,819	11,694,634	9,014,819	11,694,634
Total Liabilities	\$ 9,767,626	\$ 12,458,200	\$ 9,767,626	\$ 12,458,200
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 11,950,293	\$ 15,351,422	\$ 11,950,293	\$ 15,351,422
Taxes receivable	8,684,322	9,111,144	8,684,322	9,111,144
Total Assets	\$ 20,634,615	\$ 24,462,566	\$ 20,634,615	\$ 24,462,566
<b>Liabilities</b>				
Accounts payable	\$ 4,668	\$ 4,904	\$ 4,668	\$ 4,904
Other accrued liabilities and deposits	2,905,300	3,607,888	2,905,300	3,607,888
Due to other governmental units	17,724,647	20,849,774	17,724,647	20,849,774
Total Liabilities	\$ 20,634,615	\$ 24,462,566	\$ 20,634,615	\$ 24,462,566

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# STATISTICAL SECTION

# COUNTY OF DANE

## STATISTICAL SECTION

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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.

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

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety &amp; Criminal Justice</u>	<u>Health &amp; Human Services</u>	<u>Conservation &amp; Economic Development</u>	<u>Culture, Education &amp; Recreation</u>	<u>Public Works</u>	<u>Capital Outlay</u>	<u>Debt Service (2)</u>	<u>Total</u>
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
2003	\$21,408,171	\$70,218,666	\$189,923,858	\$5,551,576	\$15,932,052	\$1,258,367	\$18,479,354	\$19,873,253	\$342,645,297
2004	\$21,053,001	\$71,817,589	\$195,165,096	\$6,729,230	\$16,165,893	\$1,034,527	\$24,470,664	\$19,326,930	\$355,762,930
2005	\$22,171,120	\$77,015,660	\$200,074,441	\$9,698,821	\$17,492,273	\$1,002,880	\$20,735,756	\$17,681,157	\$365,872,108

(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
1996	\$93,599,427	\$108,743,260	\$940,671	\$1,913,138	\$12,507,805	\$4,001,260	\$3,674,913	\$207,045,942
1997	\$100,844,304	\$117,666,488	\$1,001,163	\$2,029,774	\$13,242,846	\$3,903,301	\$3,971,865	\$225,380,474
1998	\$104,607,316	\$125,853,932	\$1,293,718	\$1,930,619	\$13,890,711	\$4,142,933	\$3,914,535	\$242,659,741
1999	\$107,445,885	\$135,618,126	\$1,320,213	\$2,088,855	\$14,309,285	\$3,082,878	\$5,114,237	\$255,633,764
2000	\$116,521,448	\$140,783,743	\$1,205,541	\$2,276,015	\$13,764,121	\$4,267,023	\$7,767,670	\$268,979,479
2001	\$122,250,598	\$148,091,415	\$1,461,245	\$2,165,549	\$15,207,283	\$3,927,282	\$13,606,966	\$286,585,561
2002	\$125,799,045	\$152,540,375	\$1,558,210	\$2,294,661	\$16,785,778	\$1,563,599	\$11,363,835	\$306,710,338
2003	\$132,037,931	\$158,056,853	\$1,693,907	\$2,176,795	\$18,211,590	\$1,404,781	\$10,504,139	\$311,905,503
2004	\$139,200,855	\$170,816,430	\$1,859,581	\$2,227,519	\$18,434,049	\$1,507,685	\$10,502,484	\$344,548,603
2005	\$141,518,285	\$174,771,907	\$1,883,427	\$2,145,341	\$17,267,479	\$3,319,993	\$10,486,007	\$351,392,439

(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)

## LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy	Current Year Collections	Percentage of Levy Collected	Prior Years' Collections	Total Collections	Outstanding Delinquent Taxes
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
2003	\$681,382,484	\$678,211,750	99.53%	\$2,923,059	\$681,134,809	\$6,439,159
2004	\$731,298,367	\$728,190,120	99.57%	\$3,140,261	\$731,330,381	\$6,509,519
2005	\$775,620,038	\$771,731,855	99.50%	\$3,080,939	\$774,812,794	\$7,420,317

(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)

## LAST TEN FISCAL YEARS

Fiscal Year	Real Estate Property Equalized Value	Personal Property Equalized Value	Total All Property Equalized Value
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
2003	\$30,178,691,200	\$929,332,650	\$31,108,023,850
2004	\$32,826,611,500	\$897,881,450	\$33,724,492,950
2005	\$36,356,256,600	\$936,861,550	\$37,293,118,150

(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
1996	\$71,112,014	\$4.05
1997	\$73,705,637	\$3.84
1998	\$77,425,465	\$3.70
1999	\$79,696,873	\$3.62
2000	\$82,317,814	\$3.51
2001	\$86,223,795	\$3.42
2002	\$90,144,947	\$3.35
2003	\$92,948,455	\$3.16
2004	\$97,456,418	\$2.99
2005	\$100,806,058	\$2.70

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
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	\$126,194,947
2002	\$90,144,947	\$3.16	\$37,850,000	\$130,798,455
2003	\$92,948,455	\$2.99	\$39,553,300	\$132,501,755
2004	\$97,456,418	\$2.89	\$39,687,000	\$137,143,418
2005	\$100,806,058	\$2.70	\$42,548,000	\$143,354,058

(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 ASSESSED VALUE AND INDEBTEDNESS PER CAPITA

## LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (A)</u>	<u>Equalized Assessed Value</u>	<u>Total Indebtedness To Be Repaid By The Property Tax Levy</u>	<u>Ratio of Indebtedness To Equalized Assessed Value</u>	<u>Indebtedness Per Capita</u>
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	0.23	\$151.97
2002	438,881	\$28,547,467,250	\$108,018,989	0.35	\$246.12
2003	445,253	\$31,108,023,850	\$133,849,641	0.43	\$300.61
2004	450,730	\$33,724,492,950	\$130,531,753	0.39	\$289.60
2005	458,297	\$37,293,118,150	\$132,970,291	0.36	\$290.14

## 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, 2005

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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>\$42,799,728,500</u>
Debt limit - 5% of equalized value		\$2,139,986,425
Amount of debt applicable to debt limit:		
General obligation debt (2)	\$188,147,048	
Less:		
Asset amount in Debt		
Service fund available for		
payment of principal:		
Net amount in Debt Service		
fund available for payment		
of principal	<u>\$588,232</u>	
Net amount of debt applicable to debt limit		<u>\$187,558,816</u>
Legal debt margin		<u>\$1,952,427,609</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, 2005**

<u>Governmental Unit</u>	Percentage of Valuation Within <u>Dane County</u>	Total Debt <u>Outstanding</u>	Gross Debt Applicable To Valuation Within <u>Dane County</u>	Exclusions (1) Applicable To Valuation Within <u>Dane County</u>	Net Debt Applicable To Valuation Within <u>Dane County</u>
<b>DIRECT DEBT</b>					
<u>County</u>					
Dane	100.0%	<u>\$188,147,048</u>	<u>\$188,147,048</u>	<u>\$64,666,387</u>	<u>\$123,480,661</u>
<b>TOTAL DIRECT DEBT</b>		<u><b>\$188,147,048</b></u>	<u><b>\$188,147,048</b></u>	<u><b>\$64,666,387</b></u>	<u><b>\$123,480,661</b></u>
<b>GROSS OVERLAPPING DEBT</b>					
<u>Cities</u>					
Edgerton	0.2%	\$14,162,803	\$28,326	\$12,044	\$16,282
Fitchburg	100.0%	\$16,738,742	\$16,738,742	\$896,017	\$15,842,725
Madison	100.0%	\$306,862,883	\$306,862,883	\$116,107,060	\$190,755,823
Middleton	100.0%	\$73,049,880	\$73,049,880	\$27,875,000	\$45,174,880
Monona	100.0%	\$23,728,474	\$23,728,474	\$2,030,349	\$21,698,125
Stoughton	100.0%	\$29,944,720	\$29,944,720	\$16,304,768	\$13,639,952
Sun Prairie	100.0%	\$82,331,039	\$82,331,039	\$8,310,000	\$74,021,039
Verona	100.0%	<u>\$38,471,381</u>	<u>\$38,471,381</u>	<u>\$5,887,946</u>	<u>\$32,583,435</u>
<b>Total for Cities</b>		<u><b>\$585,289,922</b></u>	<u><b>\$571,155,445</b></u>	<u><b>\$177,423,184</b></u>	<u><b>\$393,732,261</b></u>
<u>Villages</u>					
Belleville	0.9%	\$1,715,170	\$16,105	\$340	\$15,765
Black Earth	100.0%	\$5,762,657	\$5,762,657	\$4,128,801	\$1,633,856
Blue Mounds	100.0%	\$2,200,137	\$2,200,137	\$1,514,713	\$685,424
Brooklyn	57.0%	\$2,308,617	\$1,315,912	\$953,322	\$362,590
Cambridge	92.8%	\$0	\$0	\$0	\$0
Cottage Grove	100.0%	\$17,187,115	\$17,187,115	\$3,375,695	\$13,811,420
Cross Plains	100.0%	\$9,485,125	\$9,485,125	\$3,434,245	\$6,050,880
Dane	100.0%	\$1,401,261	\$1,401,261	\$882,040	\$519,221
Deerfield	100.0%	\$9,733,441	\$9,733,441	\$5,164,775	\$4,568,666
DeForest	100.0%	\$27,857,145	\$27,857,145	\$2,790,972	\$25,066,173
Maple Bluff	100.0%	\$6,130,172	\$6,130,172	\$0	\$6,130,172
Marshall	100.0%	\$9,332,491	\$9,332,491	\$5,827,391	\$3,505,100

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2005

<u>Governmental Unit</u>	Percentage of Valuation Within <u>Dane County</u>	Total Debt <u>Outstanding</u>	Gross Debt Applicable To Valuation Within <u>Dane County</u>	Exclusions (1) Applicable To Valuation Within <u>Dane County</u>	Net Debt Applicable To Valuation Within <u>Dane County</u>
<b>GROSS OVERLAPPING DEBT (Continued)</b>					
Mazomanie	100.0%	\$8,324,744	\$8,324,744	\$6,182,358	\$2,142,386
McFarland	100.0%	\$16,055,000	\$16,055,000	\$2,230,000	\$13,825,000
Mt. Horeb	100.0%	\$11,807,986	\$11,807,986	\$4,570,138	\$7,237,848
Oregon	100.0%	\$17,178,206	\$17,178,206	\$6,424,618	\$10,753,588
Rockdale	100.0%	\$0	\$0	\$0	\$0
Shorewood Hills	100.0%	\$6,768,411	\$6,768,411	\$307,922	\$6,460,489
Waunakee	100.0%	\$38,999,995	\$38,999,995	\$8,770,000	\$30,229,995
Total for Villages		\$192,247,673	\$189,555,903	\$56,557,330	\$132,998,573
<b>Towns</b>					
Albion	100.0%	\$2,250,000	\$2,250,000	\$2,200,000	\$50,000
Berry	100.0%	\$369,905	\$369,905	\$0	\$369,905
Black Earth	100.0%	\$108,712	\$108,712	\$0	\$108,712
Blooming Grove	100.0%	\$575,087	\$575,087	\$0	\$575,087
Blue Mounds	100.0%	\$143,389	\$143,389	\$0	\$143,389
Bristol	100.0%	\$184,500	\$184,500	\$0	\$184,500
Burke	100.0%	\$1,090,000	\$1,090,000	\$888,887	\$201,113
Christiana	100.0%	\$0	\$0	\$0	\$0
Cottage Grove	100.0%	\$1,725,898	\$1,725,898	\$0	\$1,725,898
Cross Plains	100.0%	\$0	\$0	\$0	\$0
Dane	100.0%	\$0	\$0	\$0	\$0
Deerfield	100.0%	\$395,327	\$395,327	\$0	\$395,327
Dunkirk	100.0%	\$0	\$0	\$0	\$0
Dunn	100.0%	\$3,260,885	\$3,260,885	\$2,280,000	\$980,885
Madison	100.0%	\$6,783,550	\$6,783,550	\$0	\$6,783,550
Mazomanie	100.0%	\$130,349	\$130,349	\$0	\$130,349
Medina	100.0%	\$593,472	\$593,472	\$0	\$593,472
Middleton	100.0%	\$0	\$0	\$0	\$0
Montrose	100.0%	\$60,432	\$60,432	\$0	\$60,432
Oregon	100.0%	\$0	\$0	\$0	\$0

(Continued on next page)

TABLE 9

**COUNTY OF DANE**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

**December 31, 2005**

<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>
<b>GROSS OVERLAPPING DEBT (Continued)</b>					
Perry	100.0%	\$130,281	\$130,281	\$0	\$130,281
Pleasant Springs	100.0%	\$0	\$0	\$0	\$0
Primrose	100.0%	\$29,914	\$29,914	\$0	\$29,914
Roxbury	100.0%	\$0	\$0	\$0	\$0
Rutland	100.0%	\$0	\$0	\$0	\$0
Springdale	100.0%	\$136,223	\$136,223	\$0	\$136,223
Springfield	100.0%	\$0	\$0	\$0	\$0
Sun Prairie	100.0%	\$85,244	\$85,244	\$0	\$85,244
Vermont	100.0%	\$60,000	\$60,000	\$0	\$60,000
Verona	100.0%	\$0	\$0	\$0	\$0
Vienna	100.0%	\$1,266,760	\$1,266,760	\$0	\$1,266,760
Westport	100.0%	\$2,390,000	\$2,390,000	\$0	\$2,390,000
Windsor	100.0%	\$6,188,997	\$6,188,997	\$744,333	\$5,444,664
York	100.0%	\$118,334	\$118,334	\$0	\$118,334
<b>Total for Towns</b>		<b>\$28,077,259</b>	<b>\$28,077,259</b>	<b>\$6,113,220</b>	<b>\$21,964,039</b>
<b>School Districts</b>					
Barneveld	1.1%	\$1,253,004	\$13,783	\$0	\$13,783
Belleville	68.7%	\$5,525,000	\$3,795,675	\$0	\$3,795,675
Cambridge	44.7%	\$12,665,000	\$5,661,255	\$0	\$5,661,255
Columbus	9.2%	\$5,765,000	\$530,380	\$0	\$530,380
Deerfield Community	100.0%	\$12,396,554	\$12,396,554	\$0	\$12,396,554
DeForest Area	96.0%	\$38,755,000	\$37,204,800	\$0	\$37,204,800
Edgerton	20.5%	\$10,915,000	\$2,237,575	\$0	\$2,237,575
Evansville Community	0.1%	\$28,470,000	\$28,470	\$0	\$28,470
Lodi	16.3%	\$19,821,116	\$3,230,842	\$0	\$3,230,842
Madison Metropolitan	100.0%	\$36,825,000	\$36,825,000	\$0	\$36,825,000
Marshall et al	100.0%	\$19,300,000	\$19,300,000	\$0	\$19,300,000
McFarland	100.0%	\$27,030,000	\$27,030,000	\$0	\$27,030,000
Middleton-Cross Plains	100.0%	\$40,788,244	\$40,788,244	\$0	\$40,788,244

(Continued on next page)

TABLE 9

## COUNTY OF DANE

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2005

<u>Governmental Unit</u>	Percentage of Valuation Within <u>Dane County</u>	Total Debt <u>Outstanding</u>	Gross Debt Applicable To Valuation Within <u>Dane County</u>	Exclusions (1) Applicable To Valuation Within <u>Dane County</u>	Net Debt Applicable To Valuation Within <u>Dane County</u>
GROSS OVERLAPPING DEBT (Continued)					
Monona Grove	100.0%	\$34,530,000	\$34,530,000	\$0	\$34,530,000
Mount Horeb Area	99.7%	\$24,232,175	\$24,159,478	\$0	\$24,159,478
New Glarus	12.0%	\$6,313,293	\$757,595	\$0	\$757,595
Oregon	96.3%	\$38,255,000	\$36,839,565	\$0	\$36,839,565
Pecatonica Area	2.9%	\$2,865,000	\$83,085	\$0	\$83,085
Poynette	0.2%	\$7,820,000	\$15,640	\$0	\$15,640
River Valley	0.1%	\$7,045,000	\$7,045	\$0	\$7,045
Sauk Prairie	13.8%	\$13,140,000	\$1,813,320	\$0	\$1,813,320
Stoughton Area	99.1%	\$27,335,000	\$27,088,985	\$0	\$27,088,985
Sun Prairie et al	99.9%	\$76,376,844	\$76,300,467	\$0	\$76,300,467
Verona Area	100.0%	\$46,320,000	\$46,320,000	\$0	\$46,320,000
Waterloo	4.4%	\$2,297,811	\$101,104	\$0	\$101,104
Waunakee Community	100.0%	\$47,975,079	\$47,975,079	\$0	\$47,975,079
Wisconsin Heights	97.0%	\$6,225,940	\$6,039,162	\$0	\$6,039,162
MATC, District 4	67.8%	\$24,400,000	\$16,543,200	\$0	\$16,543,200
Total for School Districts		<u>\$624,640,060</u>	<u>\$507,616,303</u>	<u>\$0</u>	<u>\$507,616,303</u>
Sanitary Districts					
Dunkirk Dame Lake District	100.0%	\$175,344	\$175,344	\$0	\$175,344
FCM Lake Rehab	100.0%	\$335,000	\$335,000	\$0	\$335,000
Fitchburg Utility District	100.0%	\$33,700	\$33,700	\$0	\$33,700
Madison Metropolitan Sewer	100.0%	\$65,857,453	\$65,857,453	\$0	\$65,857,453
Morrisonville Sanitary Distric	100.0%	\$186,678	\$186,678	\$0	\$186,678
Pleasant Springs Sanitary Di	100.0%	\$1,312,432	\$1,312,432	\$0	\$1,312,432
Roxbury Sanitary District	100.0%	\$688,261	\$688,261	\$0	\$688,261
Token Creek Sanitary Distric	100.0%	\$120,000	\$120,000	\$0	\$120,000
Total for Sanitary Districts		<u>\$68,708,868</u>	<u>\$68,708,868</u>	<u>\$0</u>	<u>\$68,708,868</u>



**COUNTY OF DANE**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

**December 31, 2005**

<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		<u>\$1,498,963,782</u>	<u>\$1,365,113,778</u>	<u>\$240,093,734</u>	<u>\$1,125,020,044</u>
TOTAL DIRECT AND OVERLAPPING DEBT - ALL JURISDICTIONS		<u>\$1,687,110,830</u>	<u>\$1,553,260,826</u>	<u>\$304,760,121</u>	<u>\$1,248,500,705</u>

(1) Exclusion represents debt that is not being repaid through property taxes

(Continued from previous page)

**COUNTY OF DANE**

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

LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest (2)	Total Debt Service (3)	Total General Governmental Expenditures (4)	Ratio of Debt Service To Total General Governmental Expenditures
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%
2003	\$14,934,923	\$4,589,066	\$19,523,989	\$342,645,297	5.698%
2004	\$13,018,980	\$6,218,687	\$19,237,667	\$355,762,930	5.407%
2005	\$12,095,295	\$5,473,394	\$17,568,689	\$365,872,108	4.802%

(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, 2005 (1)

Fiscal Year	Principal	Interest	Total Requirement
1996	\$7,662,801	\$4,438,546	\$12,101,347
1997	\$7,922,157	\$4,146,748	\$12,068,904
1998	\$8,355,843	\$3,732,275	\$12,088,119
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	\$15,939,227	\$6,593,359	\$22,532,586
2004	\$14,437,031	\$8,930,288	\$23,367,319
2005	\$15,251,157	\$8,212,138	\$23,463,295
2006	\$13,703,214	\$8,250,296	\$21,953,510
2007	\$13,112,515	\$7,552,787	\$20,665,302
2008	\$12,813,017	\$7,062,204	\$19,875,221
2009	\$12,230,419	\$6,576,592	\$18,807,011
2010	\$12,032,883	\$6,086,566	\$18,119,449
2011	\$12,700,000	\$5,549,228	\$18,249,228
2012	\$17,850,000	\$5,013,588	\$22,863,588
2013	\$13,200,000	\$4,189,325	\$17,389,325
2014	\$12,350,000	\$3,611,264	\$15,961,264
2015	\$6,735,000	\$3,170,289	\$9,905,289
2016	\$6,765,000	\$2,860,242	\$9,625,242
2017	\$7,105,000	\$2,540,123	\$9,645,123
2018	\$7,460,000	\$2,197,265	\$9,657,265
2019	\$7,835,000	\$1,828,458	\$9,663,458
2020	\$8,235,000	\$1,431,434	\$9,666,434
2021	\$8,295,000	\$1,012,426	\$9,307,426
2022	\$8,510,000	\$596,346	\$9,106,346
2023	\$5,400,000	\$206,683	\$5,606,683
2024	\$1,055,000	\$55,484	\$1,110,484
2025	\$760,000	\$16,340	\$776,340

(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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (3)</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment (5)</u>	<u>Unemployment Rate (6)</u>
1996	\$398,233	\$26,704	14.1	67,175	1.7%
1997	402,988	\$28,023	14.1	68,067	1.6%
1998	407,584	\$30,129	14.1	68,923	1.5%
1999	413,090	\$31,345	14.1	69,416	1.4%
2000	426,526 (2)	\$33,539	14.1	70,107	2.3%
2001	432,654	\$34,624	14.1	70,370	2.8%
2002	438,881	35,462	14.1	70,947	3.4%
2003	445,253	36,455	14.1	72,764	3.6%
2004	450,730	37,447	14.1	73,126	3.1%
2005	458,297	(4)	14.1	71,222	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 Projects	Value	# of Permits	Value
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	526	\$ 468,000,000	4,335	\$594,029,000
2003	\$ 31,108,023,850	514	\$ 522,000,000	6,117	\$838,524,000
2004	\$ 33,724,492,950	495	\$ 535,000,000	5,306	\$841,515,000
2005	\$ 37,293,118,150	533	\$ 565,000,000	5,114	\$833,124,000

- (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) Information obtained from the MG&E Construction Activity Report
- (3) U.S. Census Bureau, Housing Units Authorized by Building Permits for Madison, MSA.

TABLE 14

**COUNTY OF DANE**

## PRINCIPAL TAXPAYERS

December 31, 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2004 Equalized Assessed Value</u>	<u>Percentage Of Total Equalized Assessed Valuation</u>
Madison Joint Venture	Shopping Center	\$173,746,000	0.47%
American Family Insurance	Insurance	\$151,809,100	0.41%
Midland Builders	Property Development	\$94,791,900	0.25%
Kraus Real Estate	Property Development	\$82,919,600	0.22%
Middleton Hills Inc	Property Development	\$78,893,000	0.21%
Savannah Village LLC	Property Development	\$78,859,700	0.21%
Western Center Properties	Property Development and Management	\$76,804,300	0.21%
Don Simon Homes	Property Development	\$70,786,900	0.19%
Greenway Center LLC	Retail Stores	\$69,737,700	0.19%
Fitchburg Lands LLC	Property Development	\$69,585,600	0.19%
Totals		<u>\$947,933,800</u>	<u>2.55%</u>

COUNTY OF DANE

TABLE 15

SCHEDULE OF INSURANCE IN FORCE

December 31, 2005

Type of Coverage <u>Name of Company</u>	<u>Policy Number</u>	<u>Policy From</u>	<u>Period To</u>	<u>Details of Coverage</u>	<u>Policy Limits</u>	<u>Annual Premium</u>	<u>Deductible</u>
<b>PROPERTY INSURANCE</b>							
Wisconsin Local Government Property Fund	V120012 1	10/1/2005	11/1/2005	Fire and Extended Coverage - County Buildings and Contents	\$389,672,123	\$213,737	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2005	11/1/2005	Collision / Auto	\$3,487,280	\$21,996	\$1,000
Wisconsin Local Government Property Fund	V120012 1	10/1/2005	11/1/2005	Comprehensive Auto	\$18,179,324	\$36,077	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2005	11/1/2005	Livestock (Zoo)	\$364,450	\$1,203	\$100
Wisconsin Local Government Property Fund	V120012 1	10/1/2005	11/1/2005	Contractor's Equipment	\$19,834,119	\$47,404	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2005	11/1/2005	Business Interruption	\$4,500,000	\$1,665	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2005	11/1/2005	Builder's Risk	\$15,800,000	\$5,372	\$0
Wisconsin Local Government Property Fund	V120012 1	10/1/2005	11/1/2005	Fine Arts	\$370,000	\$226	\$0
Chubb	7834-27-14	1/1/2005	1/1/2006	Boiler and Machinery - County Buildings	\$30,000,000	\$16,597	\$1,000
Chubb	7834-27-14	1/1/2005	1/1/2006	Business Income	\$4,317,000		\$0
Zurich	USC3583768	1/1/2005	1/1/2006	Tank Pollution	\$5,000,000	\$10,536	\$5,000

(Continued on next page)

COUNTY OF DANE

TABLE 15

SCHEDULE OF INSURANCE IN FORCE

December 31, 2005

Type of Coverage Name of Company	Policy Number	Policy From	Period To	Details of Coverage	Policy Limits	Annual Premium	Deductible
<b><u>SURETY, FIDELITY</u></b>							
Capitol Indemnity	CC00742924	1/1/2005	1/1/2006	Employee Dishonesty Theft - Inside Premises Theft - Outside Premises Robbery of Custodian	\$550,000 \$550,000 \$550,000 \$50,000	\$10,563	\$5,000 \$5,000 \$5,000 \$5,000
Capitol Indemnity	Bond # 744096	1/1/2005	1/1/2006	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
Capitol Indemnity	CCOO534525	4/1/2005	4/1/2006	ALLIANT ENERGY CRIME RENEWAL	\$25,000	\$1,439	\$500
				Total premium for Capitol Indemnity Coverage		\$13,154	
<b><u>LIABILITY INSURANCE</u></b>							
AAU-Federal Insurance Co.	AL1157040	1/1/2005	1/1/2006	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 \$2,500 \$150,000,000 \$150,000,000	\$110,500	\$10,000 \$10,000 \$10,000 \$10,000 \$10,000 \$10,000 \$10,000
Utica Mutual Insurance	CPP2930820	5/1/2005	1/1/2006	EMS Automobile - Liability Includes Auto Physical Damage	\$1,000,000 Replacement	\$44,243	\$1,000 \$1,000
Ins. Co./North America	CPP2930820	5/1/2005	1/1/2006	(Continued on next page) EMS General Liability EMS - Errors & Omissions	\$2,000,000 \$1,000,000	\$21,510	N/A N/A



COUNTY OF DANE

TABLE 15

SCHEDULE OF INSURANCE IN FORCE

December 31, 2005

Type of Coverage Name of Company	Policy Number	Policy From	Period To	Details of Coverage	Policy Limits	Annual Premium	Deductible
Ins. Co./North America Society	CPP2930820	5/1/2005	1/1/2006	EMS - Excess	\$4,000,000	\$36,853	\$10,000
	WP90010008	1/15/2005	1/15/2006	EMS - Workers' Compensation Code Rate Change	Statutory	\$56,252 \$19,819	N/A
WI Health Care Liability Plan	NM06600056	1/1/2005	1/1/2006	Hospital Professional Liability Hospital General Liability & Bond	400,000/1,000,000 1,000,000/1,000,000	\$14,152 \$12,380	N/A N/A
Wisconsin Municipal Mutual Insurance Company	WI98CS11A	1/1/2005	1/1/2006	General Liability Excess Worker's Comp	\$5,000,000 \$5,000,000	\$125,989 \$86,646	\$250,000 (A) \$250,000 (A)
Wisconsin Municipal Mutual Insurance Company	WI98EO11A	1/1/2005	1/1/2006	Errors & Omissions	\$5,000,000	\$270,547	\$250,000 (A)
General Casualty	GA2259410	4/1/2005	4/1/2006	AERO Model Flyers	\$500,000	\$191	
General Casualty	GA2572653	4/1/2005	4/1/2006	Take a Stake in the Lake	\$500,000	\$525	

(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, 2005

**ELECTED OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Gary H. Hamblin	Sheriff	\$107,177
Kathleen M. Falk	County Executive	\$99,305
Judith A. Coleman	Clerk of Court	\$74,709
John Stanley	Coroner	\$69,092
Robert Ohlsen	County Clerk	\$69,092
Jane C. Licht	Register of Deeds	\$69,092
Dave Gawenda	Treasurer	\$70,554
Brian Blanchard	District Attorney	NA (1)
Scott McDonell	County Board Chair	\$24,000
(38 members - see list of principal officials)	County Board Supervisors	\$7,000 (2)

**NONELECTED OFFICIALS (3)**

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
William J. DiCarlo	Executive Director - Alliant Energy Center	\$120,498
Bradley Livingston	Airport Director	\$131,210
Marcia Mackenzie	Corporation Counsel	\$103,774
Gerald Mandli	Highway & Transportation Commissioner	\$108,117
Lynn Green	Director, Department of Human Services	\$113,149
Bonnie Hammersley	Director of Administration	\$106,926
Kevin Connors	Director of Land & Water Resources	\$91,559
Todd Violante	Planning & Development Director	\$80,826
Richard Ellingson	Director of Public Safety Communications	\$81,328
Michael R. Jackson	Veterans Service Officer	\$68,466

(Continued on next page)

TABLE 16

COUNTY OF DANE  
SALARY RANGES OF PRINCIPAL OFFICIALS  
AS OF DECEMBER 31, 2005  
**NONELECTED OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>	
		<u>Minimum</u>	<u>Maximum</u>
Jack D. Nelson	Badger Prairie Health Care Center Administrator	\$78,843	\$102,855
Liz Green	Division Manager, Economic Assistance & Work Services	\$78,843	\$102,855
Robert Lee	Division Manager, Youth & Family Services	\$78,843	\$102,855
Louis F. Genter	Division Manager, Adult Community Services	\$78,843	\$102,855
Thomas Schlenkler	Division Manager, Public Health Services	\$68,883	\$89,847
Charles Hicklin	Controller	\$78,843	\$102,855
Jerry Mandli	Director of Public Works	\$78,843	\$102,855
Ralph J. Guerin	Family Court Commissioner	\$78,843	\$102,855
James P. Moeser	Juvenile Court Administrator	\$73,727	\$96,173
Kevin F. Connors	County Conservationist	\$68,883	\$89,847
Kathleen Jeffords	Family Court Counseling Manager	\$68,883	\$89,847
Julie A. Chase	Library Director	\$68,883	\$89,847
James Hubing	Zoo Director	\$68,883	\$89,847
Kathy M. Krusiec	Emergency Planning Director	\$59,738	\$77,632
Lee Cunningham	County Extension Director (4)	\$33,177	\$43,278

(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) Receives 50% of the salary range \$73,727 - \$96,173 from Dane County and additional salary from the state and federal governments

(Continued from previous page)

## COUNTY OF DANE

## MISCELLANEOUS STATISTICS

December 31, 2005

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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 Acres Owned	8,894
Greenspace:	Number of Acres for which Development Rights are Owned	989
Employees:	Full-time Equivalent	2,092.10